



## AGENDA REGULAR MEETING

### JOINT CHOWCHILLA CITY COUNCIL / ★ REDEVELOPMENT SUCCESSOR AGENCY

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**October 27, 2015**

Items denoted with a ★ are Redevelopment Successor Agency items and will be acted upon by the Redevelopment Successor Agency Board. Agendas for all City Council/Redevelopment Successor Agency meetings are posted at least 72 hours prior to the meeting at the Civic Center, 130 S. Second St., Written communications from the public for the agenda must be received by Administrative Services no less than 7 days prior to the meeting date.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter. In addition, most documents will be posted on the city website at [www.ci.Chowchilla.CA.US](http://www.ci.Chowchilla.CA.US).

The City of Chowchilla complies with the Americans with Disabilities Act (ADA of 1990). The Council Chambers is accessible to the physically disabled. If you need special assistance, please call (559) 665-8615, ext. 112 at least 4 days prior to the meeting.

#### CALL TO ORDER

#### ROLL CALL:

Mayor/Chairman: John Chavez

Mayor Pro Tem/Vice Chair: Waseem Ahmed

Council/Board Member: Mary Gaumnitz, Dennis Haworth, Richard Walker

City staff and contract employees present at the meeting will be noted in the minutes

#### PUBLIC ADDRESS – CLOSED SESSION

This time is reserved for members of the audience to address the City Council/Agency Board on items listed on the closed session agenda only. It is recommended that speakers limit their comments to no more than 3 minutes each. Speakers are asked to please use the microphone and provide their name for the record. Any handouts should be provided to the City Clerk/Board Clerk who will distribute them to the Council/Agency Board and appropriate staff.

#### CLOSED SESSION – 6:00 PM

This time has been set aside for the City Council to meet in a closed session to discuss matters pursuant to Government Code Section 54957 (b)(1) 54957.6, and 54956.9(d) (2). Based on the advice of the City Attorney, discussion in open session concerning these matters would prejudice the position of the City in this litigation. The City Attorney will give an additional oral report regarding the Closed Session at the beginning of the next regular City

#### 1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

**Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9**

Number of potential cases: 1

In the event that not all the items on the closed session agenda have been deliberated in the time provided, the City Council may continue the closed session until the end of the regularly scheduled Council Meeting.

#### OPEN SESSION – 7:00 PM

#### PLEDGE OF ALLEGIANCE:

**INVOCATION:****CLOSED SESSION REPORT:****CEREMONIAL / PRESENTATIONS – Section 1****1.1 Proclamation – Veteran’s Day****WORKSHOPS****PUBLIC ADDRESS**

This time is reserved for members of the audience to address the City Council/Agency Board on items of interest that are **not** on the Agenda and that are within the subject matter jurisdiction of the Council/Agency Board.

It is recommended that speakers limit their comments to **no more than 3 minutes** each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council/Agency Board on items on the Agenda should notify the Mayor/Chairman when that Agenda item is called.

The Council/Agency Board is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Council/Agency Board does not respond to public comment at this time.

Speakers are asked to please **use the microphone and provide their name for the record**. Prior to addressing the Council/Agency Board, any handouts are to be provided to City Clerk/Board Clerk who will distribute them to the Council/Agency Board and the appropriate staff.

**COUNCIL AND STAFF REPORTS – Section 2****2.1 COUNCIL REPORTS**

Legislative Items  
Oral / Written Reports

**2.2 STAFF REPORTS**

Written/Oral Reports

- *Goals Update*

**CONSENT CALENDAR – Section 3**

All items listed under Consent Calendar are considered to be routine and will be enacted by one motion. For discussion of any Consent Item, it will be made a part of the Regular Agenda at the request of any member of the City Council or any person in the audience.

**3.1 Approval of the October 13, 2015 City Council Meeting Minutes (McClendon)****3.2 Acceptance of the Monthly Financial Reports of September 2015 (Pruett)****PUBLIC HEARINGS – Section 4****DEFERRED BUSINESS – Section 5**



# *Proclamation*

IN HONOR OF

## **VETERANS DAY – NOVEMBER 11, 2015**

WHEREAS, November 11 is originally recognized as the day that an armistice, or temporary cessation of hostilities, went into effect at 11:00AM. marking the end of World War I; and

WHEREAS, in November 1919, President Wilson proclaimed November 11 as the first commemoration of Armistice Day; and

WHEREAS, in 1938, the United States Congress approved an Act that made November 11 of each year a legal holiday dedicated to the cause of world peace and as a day set aside to honor veterans of World War I; and

WHEREAS, in 1954, following World War II, the Act of 1938 was amended to replace the word “Armistice” with the word “Veterans” to honor American veterans of all wars; and

WHEREAS, on Veterans Day our Nation comes together to honor and commemorate America’s veterans for their patriotism, love of country, and the legacy of their profound service and sacrifice; and

WHEREAS, through their steadfast defense of America’s ideals, our service members have ensured our country still stands strong, our founding principles still shine, and nations around the world know the blessings of freedom; and

WHEREAS, the selflessness of our service members is unmatched, and they remind us that there are few things more fundamentally American than doing our utmost to make a difference in the lives of others; and

WHEREAS, just as our veterans stood watch on freedom’s frontier, so have they safeguarded the prosperity of our Nation in our neighborhoods, our businesses, and our homes; and

WHEREAS, these patriots have made innumerable contributions to civilian life that serve as a testament to their dedication to the welfare of our country; and

NOW THEREFORE, BE IT RESOLVED, the City of Chowchilla City Council hereby proclaims to honor November 11, 2015, as VETERANS DAY and encourages all citizens to join together for the Veterans Day Commemoration Ceremony on November 11 at 11:00AM in Veterans Memorial Park, in honor of those who have served to preserve the principles of Justice, Freedom and Democracy.

Presented this 27<sup>th</sup> day of October, 2015

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**JOHN CHAVEZ, MAYOR**

City of Chowchilla, County of Madera, State of California



## REPORT TO THE CITY COUNCIL

Council Meeting of October 27, 2015

<b>Agenda Section:</b>	<u>Council and Staff Reports</u>
<b>SUBJECT:</b>	<b>Presentation of the Council Strategic Objectives Report 2015-2016 1<sup>st</sup> Quarter– Information Only</b>
<b>Prepared By:</b>	<u>D. Martin Piepenbrok, Community Relations Manager</u>
<b>Approved By:</b>	<u>Brian Haddix, City Administrator</u>

### **RECOMMENDATION:**

Accept and comment on the proposed Strategic Objectives 1<sup>st</sup> Quarter Status Report.

### **HISTORY / BACKGROUND:**

In the spring of 2015 City Council and staff defined the five City Council Goals and soon after identified and categorized the projects and tasks to fulfill the appropriate goals. In June 2015 a Strategic Objectives Quarterly Status Report document was approved. This “report card” is to be presented to City Council on a quarterly basis to provide task/project updates, including opportunities to submit adjustments and comments.

Staff has compiled and is prepared to discuss with City Council the 1<sup>st</sup> Quarter the Strategic Objectives Quarterly Status Report. The completed report is included as an attachment.

No action is required.

### **FINANCIAL IMPACT**

None

### **ATTACHMENTS**

Council Strategic Objectives Report 2015-2016 1<sup>st</sup> QTR

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 1**  
**BUILD ON THE COMMUNITY VALUES TO DEVELOP A SENSE OF PLACE AS A COHESIVE COMMUNITY**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
1.1	Develop 2-3 new community events, e.g. Alligator & the Arts Festival, Movies in the Park, that can attract regional attendees	M Piepenbrok	October 2015 June 2016			X	NEW Movies in the Park – Summer 2015; NEW GREAT Chowchilla FALL Yard Sale presented September 2015; NEW Tons o’ Trucks event rescheduled to Spring 2016; Alligator & the Arts Festival is on hold.
1.2	Develop community events to be conducted on the east side of Highway 99, e.g. elementary school, shopping centers, golf course, etc	M Piepenbrok	June 2016		X		The Tons o’ Trucks event was to be presented in Fig Tree Plaza Shopping Center but was cancelled due to outside impacts; a revised event will be scheduled for Spring 2016.
1.3	Enhance the quality of existing community events	M Piepenbrok	Ongoing		X		Improved elements of the Music in the Park series; Plan to reformat the Easter Egg Scramble event in Spring 2016; Working with outside groups on improving elements of their events, e.g. Veterans Ceremony and Lions Club Christmas Tree Lighting.
1.4	Develop new recreation activities for youth and adults; work with established parent-run organizations, service clubs and the school districts	M Piepenbrok	October 2016		X		No progress.
1.5	Work with local parent-run organizations and the high school to possibly develop aquatics activities	M Piepenbrok	June 2017		X		Initial contact was made with the high school; No concrete progress.
1.6	Develop relationships with downtown businesses through workshops and events	M Piepenbrok B Haddix	March 2016		X		Conducted some local business visits; strengthening the communications and relationships with the Chamber of Commerce Board meetings; Discussing other ideas.

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 2**  
**ACHIEVE AND MAINTAIN A SAFE AND SECURE COMMUNITY**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
2.1	Research funding sources, including general fund, community facilities district, grants, etc. for new Fire Engine	H Turner	October 2015		X		Majority of funding identified through impact fees, CFD, etc. Balance of approximately \$130,000.00 from general fund needed. No general funds currently available.
2.2	Maintain staff level of 20-25 volunteer fire fighters	H Turner	October 2015		X		Current staffing of 19 volunteers. Up from 17. Continuing to work on recruitment of new volunteers.
2.3	Develop a fleet services equipment asset management system, evaluate resource funding opportunities and develop an equipment replacement schedule	H Turner R Pruett	March 2016		X		Fleet management program in place; Input of data limited by a lack of available staff time; When GASB 34 is implemented a replacement schedule based on depreciation & useful lives will be created.
2.4	Continue to monitor interpretations from State Prop 47 and recreational marijuana use decisions and the potential effects on the community	D Riviere	Ongoing		X		Nothing definitive to report yet as details must still be defined by the State and others.
2.5	Utilize CDBG funding for additional code enforcement personnel resources to increase property owners compliance; utilize Police and Community Resource Officer	H Turner R Pruett D Riviere	June 2017		X		2014 CDBG grant has supplemental activities approved that include code enforcement. The 2014 contract is in the final stages of completion to begin using.
2.6	Evaluate incentive methods to engage property owners to comply with municipal code, facilitate repairs, property infill and vacant lots cleanup	H Turner B Haddix	June 2016		X		Discussing different options for use under receivership program to incentivize blighted properties; evaluating idea of waiving impact fees in 'old' Chowchilla.
2.7	Evaluate and install needed stop signs in the area around schools and install needed signage	C Locke	December 2015		X		Have had discussions about painting the curb yellow across from Fuller school.

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 2 (continued)**  
**ACHIEVE AND MAINTAIN A SAFE AND SECURE COMMUNITY**

2.8	Conduct the community traffic flow, speed survey, stop sign evaluation and pedestrian safety needs	D Riviere C Locke	June 2017		X		Working to get engineering firm on board to conduct survey.
2.9	Complete safe routes to schools and sidewalks infill projects and seek additional project grant funds	C Locke	December 2016		X		Fuller School Plans awaiting spring bid, 11 <sup>th</sup> and Robertson awaiting Caltrans approval. Updating Caltrans.
2.10	Initiate scope analysis of the truck routes and define opportunities for truck parking areas	C Locke	June 2017		X		Preliminary conversations with Fig Tree owner about truck lot.

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 3**  
**ENHANCE THE ENGAGEMENT WITH THE CITIZENRY TO CONVEY CONFIDENCE**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
3.1	Place City web site on new host server; redesign look and accessibility of the City web site; identify resources to improve searchable options, e.g. agendas, minutes, staff reports; evaluate contracting	H Turner J Telford M Piepenbrok	November 2016		X		Council authorized staff to send out RFP. Staff currently working on RFP to meet City needs.
3.2	Evaluate methods to place recorded City Council meetings on the City web site	H Turner M Piepenbrok	December 2015		X		Current technology prohibits posting meeting recordings; Opportunities will be assessed with the City website redesign.
3.3	Enhance staff training to enhance customer service utilizing contracted trainers, online videos, etc,	City Clerk M Piepenbrok	Ongoing		X		Limited progress; searching for free online training videos.
3.4	Evaluate ways to improve customer engagements, e.g. flex scheduling to expand service hours, open City Hall on Fridays, etc.	B Haddix City Clerk M Piepenbrok	May 2016		X		Working on ideas.
3.5	Foster engagement opportunities for Council members and staff at community events, with service clubs, school events, topical town hall meetings, business visits, etc.	B Haddix City Clerk M Piepenbrok	March 2016		X		Working on ideas such as council meetings at school sites.
3.6	Evaluate opportunities to conduct occasional Council meetings at off-site locations such as schools, senior center, etc.; take the meetings to the residents	B Haddix City Clerk M Piepenbrok	January 2017		X		Plans to conduct off-site City Council meetings are under consideration.
3.7	Research and develop vacant properties inventory and place on the City web site	C Locke Planner M Piepenbrok	March 2016		X		Not much progress; this is a GIS job awaiting consultant.
3.8	Develop and implement water conservation workshops and education materials made available for print and on the City web site	C Locke M Piepenbrok	March 2016		X		Did what was possible during the drought.
3.9	Evaluate opportunity to develop a “Citizens Academy” conducted as workshops and/or as information resource for the City web site	M Piepenbrok B Haddix	October 2016		X		Nothing to report at this time.

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 4  
 DELIVER EXEMPLARY GOVERNMENT SERVICES**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
4.1	Redesign employee recognition and exemplary service programs	City Clerk M Piepenbrok	March 2016		X		Nothing to report at this time.
4.2	Assess staff retention opportunities, and enhance staff training utilizing contracted trainers, workshops, conferences and online video sessions	M Piepenbrok City Clerk	Ongoing		X		Nothing to report at this time.
4.3	Implement succession planning through cross-training and strengthen skill sets capabilities	All Managers	Ongoing		X		Searching to compile free online training sessions for staff; Working to fill staff vacancies.
4.4	Complete analysis for updating the municipal code, at least three title updates; special contract project	City Attorney	June 2016		X		Nothing to report at this time.
4.5	Complete policy updates to achieve compliance and establish best practices	City Clerk	June 2017		X		Nothing to report at this time.
4.6	Develop enhanced budget management tools, user friendly budget documents and formulate a service vs. loss analysis	R Pruett	Ongoing		X		Now provide monthly budget vs actual reports to Council and have implemented additional software controls to monitor the budget.
4.7	Establish processes to achieve financial stability and compliance with GASB 34	R Pruett	December 2015		X		GASB 34 will be implemented by the end of October and has to be completed before the FY 14/15 audit that is set to begin in November 15.
4.8	Develop policies for fiscal compliance, fixed assets, investment, and reserve funding	R Pruett	June 2016		X		Fixed asset policy should come first as GASB 34 is implemented and the remaining policies will then follow.
4.9	Enhance engagement with Madera County Economic Development Corporation including regular updates and accountable activities	C Locke B Haddix	February 2016		X		Strengthening EDC relationships and working to position Chowchilla higher on the recognition scale; promoting more tangible reporting to Council.

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 5  
 DEVELOP INFRASTRUCTURE TO MEET THE CURRENT NEEDS AND SUPPORT FUTURE GROWTH**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
5.1	Evaluate and update planning and zoning maps to ensure accuracy and consistency; designate zoning in annexed areas	City Attorney Planner	June 2017		X		In process; needs to be expedited to move the pace of future development.
5.2	Define and develop an economic development road map for the future	B Haddix	June 2016		X		In process; first two steps of downtown and industrial incentive programs have been rolled out.
5.3	Evaluate outstanding needs to update the general plan and tasks to be accomplished	C Locke Planner	March 2016		X		No progress; Awaiting consultant.
5.4	Continue the efforts of the downtown committee to support the development of a downtown beautification and revitalization streetscape plan	B Haddix Planner	September 2016		X		In process.
5.5	Research community assessment tools to evaluate and promote the assets to potential businesses and developments; business developer conferences	B Haddix Planner	June 2016		X		Implemented incentive programs & working on other ideas; attended ICSC conference.
5.6	Obtain remote centralized “command and control” technology (SCADA) for all well sites	C Locke	December 2015		X		Bids obtained; waiting for JCI report to determine best course of action.
5.7	Acquire property and subsequently construct well #15 and the water storage tank project	C Locke	June 2017		X		Working through LRPMP and clearing up property title.
5.8	Evaluate options for future upgrades to the wastewater treatment plant including the possible creation of a “gray water” distribution system; evaluate financing opportunities including future developments impact fees	C Locke	June 2017		X		Working with numerous consultants to move forward on plans.
5.9	Continue to keep apprised and seek updates on the high speed rail project and community impacts; continue to be the “voice of the city/community”	B Haddix	Ongoing		X		A preferred route has been selected from community and Council input; we continue to strengthen HSRA dialogue.
5.10	Strengthen relationships and funding opportunities with CalTrans, with an emphasis on Robertson Blvd and Hwy 99 improvements, Hwy 99/Robertson Boulevard overpass, and the second Hwy 99 overpass option	C Locke B Haddix	Ongoing		X		Pending CalTrans meetings about improvements and usage of Robertson Blvd; Further distinct direction needed regarding the roundabouts.

CITY OF CHOWCHILLA  
 STRATEGIC OBJECTIVES QUARTERLY STATUS REPORT – 1<sup>st</sup> QUARTER  
 October 2015

**GOAL 5 (continued)**

**DEVELOP INFRASTRUCTURE TO MEET THE CURRENT NEEDS AND SUPPORT FUTURE GROWTH**

	WHAT	WHO	WHEN	STATUS			COMMENTS
				DONE	ON TARGET	REVISED	
5.11	Continue engagement with the current development projects (Rancho Calera & Legacy Ranch); finalize the development agreements and planning tasks	B Haddix City Attorney	June 2016		X		Ongoing negotiations continue with regard to the Development Agreement.
5.12	Analyze the current permitting and plan review processes and propose improvements to simplify the process and potentially reduce the timeline	C Locke Planner	June 2016		X		Not progress – requires additional personnel.
5.13	Assess and prioritize locations for storm drainage improvements and identify potential funding sources for projects	C Locke	December 2016		X		Working to prepare facilities for winter. No new project progress.
5.14	Evaluate current staffing capabilities to fully utilize GIS system; create an editable and layered GIS map of all city infrastructure assets; zoning and land uses, etc.	C Locke	December 2016		X		GIS will require consultant or additional staff. Working to contract with a consultant.
5.15	Update the streets improvement plan, the pavement management plan and the sidewalk plan	C Locke	September 2016		X		Working to select consultant.
5.16	Complete State mandated storm drain retention plan; develop and implement elements of public education and noticing programs	C Locke M Piepenbrok	June 2016		X		Working to prepare facilities for winter. No public outreach progress.
5.17	Create public works capital improvements plan and prioritize projects and funding opportunities	C Locke	June 2016		X		Working to select consultant.
5.18	Conduct a public works impact fees study	C Locke	September 2016		X		Working to select consultant.
5.19	Complete a structural assessment of the old library structure to develop a plan of usefulness and potential funding needs for improvements	C Locke	June 2017		X		Working to select consultant.



**MINUTES  
REGULAR MEETING  
JOINT CHOWCHILLA CITY COUNCIL /  
★ REDEVELOPMENT SUCCESSOR AGENCY**

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**October 13, 2015**

**CALL TO ORDER**

**ROLL CALL:**

**Mayor/Chairman:** John Chavez

**Mayor Pro Tem/Vice Chair:** Waseem Ahmed

**Council/Board Member:** Mary Gaumnitz, Richard Walker

**Absent:** Dennis Haworth

**City Staff and Contract Employees Present:** City Administrator Brian Haddix, City Attorney David Ritchie, Fire Chief Harry Turner, City Engineer/Public Works Director Craig Locke, Finance Director Rod Pruett, Interim City Clerk Joann McClendon.

**PUBLIC ADDRESS – CLOSED SESSION**

None.

**CLOSED SESSION – 6:02 PM**

1. **Conference with Legal Counsel – Potential Litigation, Pursuant to Gov. Code Section Paragraph (1) of Subdivision (e) of 54956.9**  
Number of cases: 1
2. **Conference with Legal Counsel – Anticipated Litigation, Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Gov. Code Section 54956.9**  
Number of Cases: 1

**OPEN SESSION – 7:02 PM**

**PLEDGE OF ALLEGIANCE:** Vern Moss

**INVOCATION:** Mr. Alfred Hansen

**CLOSED SESSION REPORT:** No reportable action.

**CEREMONIAL / PRESENTATIONS – Section 1**

- 1.1 **Proclamation – Chowchilla Little League**
- 1.2 **Oath of Office – Volunteer Firefighter Ty Hickman**
- 1.3 **CalRecycle Presentation – Ivette Rodriguez and Annette Kwock addressed council.**

**WORKSHOPS****PUBLIC ADDRESS**

Emile Staganro inquired about legislation regarding multi-family housing units required to have recycling services. Ivette Rodriguez, Mid Valley Disposal, concurred with Mr. Staganro and referred to AB341 noting she will be proactive in reaching out to multi-family complex property management to implement the mandate within Chowchilla. She also reported on AB 1826, mandated food waste recycling, effective July 1, 2016. Mr. Staganro also inquired about the legislation concerning the use of the Redskin name.

**COUNCIL AND STAFF REPORTS – Section 2****2.1 COUNCIL REPORTS**

Legislative Items  
Oral / Written Reports

Council Members Walker, Ahmed and Chavez attended the Trinity Pregnancy Crisis Center fundraiser.

Mayor Pro Tem Ahmed also attended the League of California Cities Annual Conference in San Jose with Council Member Haworth.

**2.2 STAFF REPORTS**

Written/Oral Reports

City Administrator Haddix announced the anticipated grand opening of Dollar Tree to be on January 28, 2016. He also attended the League of California Cities Annual Conference; was on the roundtable at the Conference regarding "Efficiency on Government; attended receivership program meetings; met with a California Public Utilities Commission representative; met with Cornerstone Church regarding expansion; met with Madera County Economic Development Commission Director Kahn; and met with Raymond Russell regarding Brake Parts.

Community Relations Manager Piepenbrok made Council aware of the Veteran's Day Ceremony on November 11 at Veteran's Park.

Engineer / Public Works Director Locke reported on the sharps program and recognized Public Works Superintendent Joe Roman for running a smooth annual fall clean up event.

Fire Chief Turner shared that Council Member Gaumnitz received Merced County Teacher of the Year award for her district.

Mayor Chavez attended the Madera County Office of Education teacher recognition.

**CONSENT CALENDAR – Section 3**

**3.1 Approval of the September 22, 2015 City Council Meeting Minutes (McClendon)**

**3.2 Approval of General Payments and Payroll for the Month of September 2015 (Pruett)**

**3.3 Consideration of a Claim Against the City of Chowchilla Made by Ricardo Castillo (McClendon)**

**3.4 Consideration of a Memorandum of Understanding with Pastor Sam Estes to Form the Chowchilla Community Task Force (Haddix)**

**3.5 Council Resolution # 79-15, Approving Applications for Transportation Development Act Funds for Fiscal Year 2015/16 and Authorizing the City Administrator to Execute and Submit Application to the Madera County Transportation Commission (Piepenbrok)**

Motion by Council Member Walker, seconded by Council Member Gaumnitz to Approve the Consent Calendar as Presented. Motion passed unanimously by roll call vote with Council Member Haworth absent.

**PUBLIC HEARINGS – Section 4**

**DEFERRED BUSINESS – Section 5**

**NEW BUSINESS – Section 6**

**6.1 Council Resolution # 80-15, Authorizing the City Administrator to Negotiate a Memorandum of Understanding with Madera County to Study the Feasibility of a Partial Gravity Sewer to Serve Fairmead and South East Chowchilla (Locke)**

Motion by Council Member Walker, seconded by Mayor Pro Tem Ahmed to Approve Council Resolution # 80-15, Authorizing the City Administrator to Negotiate a Memorandum of Understanding with Madera County to Study the Feasibility of a Partial Gravity Sewer to Serve Fairmead and South East Chowchilla. Motion passed unanimously by roll call vote with Council Member Haworth absent.

**6.2 Council Resolution # 81-15, Supporting Construction of High Speed Rail Along the Avenue 21 to Road 13, Subject to an Agreement Appropriately Mitigating the Impact of High Speed Rail on the City of Chowchilla (Haddix) (amend reso?)**

City Administrator Haddix amended the resolution adding the following:

“Whereas, the City of Chowchilla was recently contacted by the Governor’s Office of Business and Economic Development regarding a manufacturing opportunity at the North-West corner of Highways 99 and 152”

Spoke:  
Constantino Herrera

Motion by Council Member Walker, seconded by Council Member Gaumnitz to Approve Council Resolution # 81-15, Supporting Construction of High Speed Rail Along the Avenue 21 to Road 13, Subject to an Agreement Appropriately Mitigating the Impact of High Speed Rail on the City of Chowchilla, as Amended. Motion passed unanimously by roll call vote with Council Member Haworth absent.

**6.3 Council Resolution # -15, Authorizing the City Administrator to Execute an Agreement with a Consultant to Evaluate and Identify Potential Impacts and Mitigation Strategies with the Proposed SR 152 (North) to Road 19, SR 152 (North) to Road 13 and Avenue 21 to Road 13 Alignments of the High Speed Rail Project (Haddix)**

Spoke:

Constantino Herrera

Motion by Council Member Walker, seconded by Council Member Gaumnitz to Table Item 6.3 and Bring it Back to the Next Council Meeting with More Information. Motion passed unanimously by roll call vote with Council Member Haworth absent.

#### **ANNOUNCEMENTS – Section 7**

Oct 16 City Hall Closed  
Oct 17 Sons of the American Legion, Drive Thru Tri Tip Lunch, 445 Trinity, 11am  
Oct 19 Airport Advisory Committee Meeting CANCELLED  
Oct 20 Coffee with a Cop, Starbucks, 8am  
Parks & Recreation Commission Meeting CANCELLED  
Oct 21 Planning Commission Meeting, City Hall, 7pm  
Oct 22 Coffee with the City Administrator, Perko's, 8am  
Redevelopment Agency Oversight Board Meeting, City Hall, 9am  
Oct 23 City Hall Closed  
Winter Gymkhana Event, Fairgrounds, 6pm  
Oct 24 Trunk or Treat Halloween Event, Fairgrounds, 5pm

#### **ADJOURNMENT**

Motion by Council Member Walker, Seconded by Mayor Pro Tem Ahmed to adjourn the October 13, 2015 Joint City Council / Redevelopment Successor Agency meeting at 8:08 p.m. Motion passed unanimously by voice vote with Council Member Haworth absent.

ATTEST:

APPROVED:

\_\_\_\_\_  
Joann McClendon, CMC  
Interim City Clerk

\_\_\_\_\_  
Mayor John Chavez



## REPORT TO THE CITY COUNCIL

Council Meeting of October 27, 2015

<b>Agenda Section:</b>	<u>Consent</u>
<b>Subject:</b>	<b>Consideration of Monthly Financial Statements</b>
<b>Purpose:</b>	To update Council on the financial status of the City
<b>Prepared By:</b>	<u>Rod Pruett, City Treasure/Finance Director</u>
<b>Approved By:</b>	<u>Brian Haddix, City Administrator</u>

### **RECOMMENDATION:**

Approve the September 2015 Financial Statements shown in the attachment

### **HISTORY / BACKGROUND:**

Staff provides Council with monthly financial information as an ongoing financial status update.

### **DISCUSSION:**

The monthly financial statements consist of a Budget vs Actual and a Balance Sheet for the General Fund. The Budget vs Actual shows the current year Revenues and Expenses by Department in summary form compared to the current year budget, as well as the prior year revenues and expenses compared to budget for the same time period. This report presents year-to-date amounts. The Balance Sheet shows the Assets, Liabilities and Fund Balance at the time the report is generated. This provides an overview of cash, amounts owed to the City, amounts the City owes and the fund balance at a specific point in time.

The financial statements are being presented as an overview of the City's finances and are not meant to be a comprehensive in-depth review. As a reference to compare to the percentage columns in the report, the percentage of the year that has expired is 25% for September 15.

If there are questions regarding the actual amounts or budget vs actual variances, please forward your questions to me in enough time before the meeting for staff to research them to provide accurate answers.

### **FINANCIAL ANALYSIS:**

#### **September 2015**

Revenues- Major revenues like property taxes and VLF come in semi-annual installments and we don't see the 1<sup>st</sup> installment until January or February and that is why the General Administration is only at 4%.

Police Sworn is at 6% because the CRO billings to the school district and high school are done semiannually and the 1<sup>st</sup> billing doesn't occur until the end of December 2015. Also for Police Sworn, we have grants such as AB 109 Realignment that are reimbursement grants and reimbursements are usually requested annually.

Expenses- As mentioned in last month's report, The City Property-Rents department is at 52% because we incurred roughly \$7,000 of expenses from PG&E for the corporate yard where we are renting space to Mid Valley. Mid Valley has reimbursed us which is why the revenue in this department is at 25% as well. Other than this 1 time expense that was reimbursed, the remaining expenses are on pace with budget.

General Services is at 36% because we paid our final balloon payment of \$204,000 for the Public Safety bond in September. This payment alone represented 32% of the annual expenditure for this department.

The Property Taxes department is a once a year fee that has already been incurred.

Insurance Holding is just a holding account and will be fully allocated at the end of each quarter.

**ATTACHMENTS:**

September 2015 Budget vs Actual and Balance Sheet

	Prior Budget	Prior Actual	Percent	Current Budget	Current Actual	Difference	Percent
<b>GENERAL FUND</b>							
<b>GENERAL ADMINISTRATION</b>							
Total Expenditure:	41,951.38	61,649.16	1%	43,831.00	1,288.75	42,542.25	3%
Total Revenue:	4,940,035.00	5,065,103.08	5%	5,298,899.00	230,375.31	5,068,523.69	4%
<b>CITY COUNCIL</b>							
Total Expenditure:	65,418.99	48,001.03	4%	75,402.00	10,001.67	65,400.33	13%
Total Revenue:	20,634.00	20,634.00	8%	20,160.00	5,040.00	15,120.00	25%
<b>CITY CLERK</b>							
Total Expenditure:	119,298.52	112,936.30	6%	103,924.00	10,294.37	93,629.63	10%
Total Revenue:	75,938.00	76,937.92	8%	42,288.00	10,572.00	31,716.00	25%
<b>CITY ATTORNEY</b>							
Total Expenditure:	212,000.00	859,585.51	41%	400,000.00	46,405.78	353,594.22	12%
Total Revenue:	44,000.00	58,283.09	7%	35,000.00	8,750.00	26,250.00	25%
<b>GENERAL SERVICES</b>							
Total Expenditure:	647,748.26	477,381.30	1%	629,638.00	225,853.99	403,784.01	36%
Total Revenue:	74,481.00	74,481.00	8%	74,233.00	18,558.50	55,674.50	25%
<b>ADMINISTRATIVE SERVICES</b>							
Total Expenditure:	517,996.44	464,042.57	31%	476,629.00	117,803.09	358,825.91	25%
Total Revenue:	324,109.00	324,108.96	8%	128,088.00	32,022.00	96,066.00	25%
<b>CITY PROPERTY - RENTS</b>							
Total Expenditure:	9,293.21	9,307.75	5%	15,850.00	8,478.64	7,371.36	53%
Total Revenue:	92,480.00	84,511.68	56%	93,300.00	28,198.18	65,101.82	30%
<b>FINANCE DEPARTMENT</b>							
Total Expenditure:	592,593.57	591,125.62	5%	622,255.00	161,853.27	460,401.73	26%
Total Revenue:	418,308.00	418,051.08	8%	314,451.00	80,569.85	233,881.15	26%
<b>PROPERTY TAXES</b>							
Total Expenditure:	540.00	539.40	0%	550.00	539.40	10.60	98%
<b>INSURANCE HOLDING</b>							
Total Expenditure:	.00	21,623.00-	0%	.00	179,644.00	179,644.00-	0%
<b>POLICE - SWORN</b>							
Total Expenditure:	2,857,092.24	2,879,370.56	7%	2,867,397.00	740,878.75	2,126,518.25	26%
Total Revenue:	310,655.00	376,002.63	3%	398,605.00	25,609.29	372,995.71	6%
<b>POLICE - NET</b>							
Total Expenditure:	140,280.00	38.50	0%	109,250.00	8,039.58	101,210.42	7%
Total Revenue:	141,761.00	.00	0%	109,250.00	.00	109,250.00	0%
<b>SPECIAL INVESTIGATIONS UNIT</b>							
Total Expenditure:	86,443.00	58,593.09	8%	.00	.00	.00	0%
Total Revenue:	60,000.00	18,276.38	0%	.00	25,954.41	25,954.41-	0%
<b>POLICE - K-9</b>							
Total Expenditure:	4,750.00	4,324.36	15%	241,590.00	61,289.35	180,300.65	25%
Total Revenue:	20,000.00	23,093.94	0%	10,000.00	4,895.00	5,105.00	49%
<b>FIRE SERVICES</b>							
Total Expenditure:	331,781.40	330,579.35	10%	343,481.00	75,421.43	268,059.57	22%
Total Revenue:	80,426.00	84,806.16	8%	29,093.00	7,283.25	21,809.75	25%
<b>ANIMAL CONTROL</b>							
Total Expenditure:	110,556.61	109,570.11	9%	130,540.00	28,368.77	102,171.23	22%
Total Revenue:	8,900.00	6,330.95	7%	5,000.00	1,250.50	3,749.50	25%
<b>STREETS-OLD</b>							
Total Revenue:	.00	50.00-	0%	.00	.00	.00	0%
<b>PLANNING &amp; ZONING</b>							
Total Expenditure:	225,890.37	223,072.70	10%	182,242.00	37,901.60	144,340.40	21%
Total Revenue:	59,138.00	45,397.46	5%	30,642.00	14,581.24	16,060.76	48%
<b>COMMUNITY &amp; ECONOMIC DVLPMNT</b>							
Total Expenditure:	595.00	384.63	1%	650.00	.00	650.00	0%
<b>BUILDING &amp; CODE ENFORCEMENT</b>							
Total Expenditure:	134,812.00	132,807.40	6%	133,235.00	33,242.69	99,992.31	25%

	Prior Budget	Prior Actual	Percent	Current Budget	Current Actual	Difference	Percent
Total Revenue:	154,190.00	148,555.73	6%	<b>153,650.00</b>	<b>47,553.60</b>	<b>106,096.40</b>	<b>31%</b>
<b>COMMUNITY PROMOTION</b>							
Total Expenditure:	39,541.00	14,057.35	0%	<b>39,047.00</b>	<b>1,624.72</b>	<b>37,422.28</b>	<b>4%</b>
<b>SENIOR SERVICES</b>							
Total Expenditure:	29,681.14	28,557.84	6%	<b>31,760.00</b>	<b>7,784.26</b>	<b>23,975.74</b>	<b>25%</b>
Total Revenue:	5,100.00	7,949.62	4%	<b>9,100.00</b>	<b>3,114.26</b>	<b>5,985.74</b>	<b>34%</b>
<b>PARKS AND FACILITIES</b>							
Total Expenditure:	599,252.87	304,575.65	4%	<b>360,773.00</b>	<b>61,229.11</b>	<b>299,543.89</b>	<b>17%</b>
Total Revenue:	50,875.00	64,879.18	7%	<b>58,731.00</b>	<b>17,409.19</b>	<b>41,321.81</b>	<b>30%</b>
<b>RECREATION PROGRAMS</b>							
Total Expenditure:	25,708.00	14,271.60	0%	<b>27,450.00</b>	<b>7,764.50</b>	<b>19,685.50</b>	<b>28%</b>
Total Revenue:	6,500.00	6,885.00	7%	<b>7,500.00</b>	<b>2,790.00</b>	<b>4,710.00</b>	<b>37%</b>
GENERAL FUND Revenue Total:	6,887,530.00	6,904,237.86	6%	<b>6,817,990.00</b>	<b>564,526.58</b>	<b>6,253,463.42</b>	<b>8%</b>
GENERAL FUND Expenditure Total:	6,793,224.00	6,703,148.78	9%	<b>6,835,494.00</b>	<b>1,825,707.72</b>	<b>5,009,786.28</b>	<b>27%</b>
Net Total GENERAL FUND:	94,306.00	201,089.08	-240%	<b>17,504.00-</b>	<b>1,261,181.14-</b>	<b>1,243,677.14</b>	<b>7205%</b>
Net Grand Totals:	94,306.00	201,089.08	-236%	<b>17,504.00-</b>	<b>1,261,181.14-</b>	<b>1,243,677.14</b>	<b>7205%</b>

CITY OF CHOWCHILLA  
BALANCE SHEET  
SEPTEMBER 30, 2015

GENERAL FUND

ASSETS

100-0100-0000-0200-000	CASH - COMBINED FUND	( 6,914,954.14)	
100-0100-0000-0201-000	PETTY CASH	800.00	
100-0100-0000-0201-001	CASH DRAWER	2,400.00	
100-0100-0000-0202-000	PRE-PAID POSTAGE ACCOUNT	1,538.33	
100-0100-0000-0208-000	CASH IN US BANK - RESTRICT	369,738.52	
100-0100-0000-0209-000	CASH IN LAIF	6,989,668.93	
100-0100-0000-0224-000	A/R MODULE ONLY RECEIVALB	15,443.94	
100-0100-0000-0227-000	LIENS RECEIVABLES GENERAL	66,224.19	
100-0100-0000-0229-000	A/R BUSINESS LICENSE	33,569.35	
100-0100-0000-0290-000	DUE FROM OTHER FUNDS	332,233.00	
100-0100-0000-0291-000	PREPAID EXPENSES	( 1,572.73)	
	TOTAL ASSETS		895,089.39

LIABILITIES AND EQUITY

LIABILITIES

100-0200-0000-0420-000	TRADE PAYABLES	21,265.77	
100-0200-0000-0421-001	BONDS FOR WORK-REFUNDAB	2,500.00	
100-0200-0000-0465-000	UNCLAIMED PROP/STALE DAT	2,630.69	
	TOTAL LIABILITIES		26,396.46

FUND EQUITY

100-0300-0000-0602-000	RESERVE FOR L/T A/R	30,318.33	
	UNAPPROPRIATED FUND BALA		
100-0300-0000-0601-000	FUND BALANCE	713,461.34	
100-0300-0000-0601-004	RESERVE FOR CONTINGENCIE	910,223.00	
100-0300-0000-0601-005	DESIGNATED FOR PREPAID IT	27,000.00	
100-0300-0000-0601-006	DESIGNATED FOR DEBT SVC R	369,737.50	
100-0300-0000-0601-009	PRIOR PERIOD ADJUSTMENTS	69,381.92	
100-0300-0000-0601-999	FUND BALANCE RESTRICTED I	9,751.98	
	REVENUE OVER EXPENDITUR	( 1,261,181.14)	
	BALANCE - CURRENT DATE	838,374.60	
	TOTAL FUND EQUITY		868,692.93
	TOTAL LIABILITIES AND EQUIT		895,089.39



# REPORT TO THE CITY COUNCIL

Council Meeting of October 27, 2015

**Agenda Section:** New Business

**SUBJECT:** **A Resolution Accepting a Personal Property Transfer Agreement with William and Russell Dill (Beaver Creek Farms, LLC) and a Hangar Lease agreement to Standardize the Relationship Between the City Airport Tenants and the City**

**Prepared By:** Craig Locke, City Engineer/Public Works Director/Airport Manager

**Approved By:** Brian Haddix, City of Chowchilla Administrator

## **RECOMMENDATION:**

Staff Recommends for City Council to accept the attached personal property transfer agreement with William and Russell Dill (Beaver Creek Farms, LLC) property lease with Russell Dill (Beaver Creek Farms LLC) to standardize the relationship between the City Airport tenants and the County.

## **HISTORY / BACKGROUND:**

In 2002 the City Council approved by Council (Resolution 72-02) to execute a lease on behalf of City with William and Russell Dill known as Beaver Creek Farms LLC for the private hangar constructed on 2,186 sq. feet of airport property. The hangar, constructed by Mr. Dill, was to be for his exclusive use until 2028 with no cash out of pocket.

The 2013 revised lease included a revised Amortization Schedule which included the loan date and for the construction cost of \$17,329.00 with annual credits of \$577.63 (retroactive from 1999 up to 2028). The annual credits will be retired on or before 2028 and lease/loan would be completed when said hangar becomes City of Chowchilla property.

In 2014 Madera County began charging Mr. Dill property taxes on the hangar, a cost that was not factored into the original agreement. Mr. Dill approached the City and requested an advance transfer of ownership of the hangar to the City. The attached agreement will accomplish that.

City staff has inspected the Dill Hangar and recommends taking ownership of the Dill Hangar simultaneous with this agreement, with the parties entering into a new ground lease agreement for said airport property.

## **FINANCIAL IMPACT:**

No financial impacts to City for the transfer of Dill Hangar other than staff time to execute said transfer agreement. Once ownership is transferred to City, parties will enter into a new ground lease agreement for the Dill Hangar generating airport rents revenue.

## **ATTACHMENTS:**

Resolution

New Personal Property Transfer Agreement with Dills (Beaver Creek Farms LLC).

Draft Property Lease Agreement and exhibits

**COUNCIL RESOLUTION # - 15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA TO ACCEPT THE TRANSFER OF PERSONAL PROPERTY TO CITY LOCATED AT THE CITY OF CHOWCHILLA MUNICIPAL AIRPORT AND WITH RUSSELL DILL AND WILLIAM DILL KNOWN AS BEAVER CREEK FARMS, LCC. AND MOVE FORWARD SIMULTANEOUS WITH A LEASE OF SAID PROPERTY WITH ENTITY WITH A TERM LEASE OF PRIVATE HANGAR ON LEASED PROPERTY**

**WHEREAS**, the City is the owner of that certain real property described in Exhibit “A” attached hereto Personal Property Transfer Agreement, located in the City of Chowchilla, County of Madera, and State of California, which is being used for airport purposes (“Airport Property”), and

**WHEREAS**, the Dills constructed and own certain personal property located on and affixed to the Airport Property. Such personal property consists of an airplane hangar, including a ramp and pavement facilities for use associated with the airplane hangar (“Dill Hangar”), and

**WHEREAS**, on or about February 4, 2013, the City and the Dills entered into an agreement titled “Airport Undeveloped Ground Lease for Construction of Airplane Hangar, and Necessary Ramp, facilities Improvements with Hangar Reversion to City of Chowchilla” (“Ground Lease”) whereby the City agreed to lease the Airport Property to the Dills and further agreed to reduce the amount of rent for that lease in an agreed upon amount to amortize the cost to the Dills of building the Dill Hangar. The parties further agreed that the Dill Hangar would become the City’s property at the conclusion of the Ground Lease, and associated rent deductions, and

**WHEREAS**, the City Council approves the private property transfer of the aircraft hangar erected by the Dills at the Chowchilla Municipal Airport. And further directs staff to execute a ground lease agreement for the same.

\* \* \* \* \*

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Chowchilla hereby finds and determines the following:

1. The above recitals are true and correct.
2. Council further directs staff to work with entities to move forward with a new ground lease simultaneous.
3. This resolution is effective immediately upon adoption.

\* \* \* \* \*

**PASSED AND ADOPTED** by the City Council of the City of Chowchilla this 27th day of October, 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

APPROVED:

\_\_\_\_\_  
John Chavez, Mayor

ATTEST:

\_\_\_\_\_  
Joann McClendon, CMC  
Interim City Clerk

## **PERSONAL PROPERTY TRANSFER AGREEMENT**

This Agreement is entered into by and between the City of Chowchilla (“City”) and William R. Dill and Russell Dill (formerly known as Beaver Creek Farms, Inc.).

WHEREAS the City is the owner of that certain real property described in Exhibit “A” attached hereto and located in the City of Chowchilla, County of Madera, and State of California, which is being used for airport purposes (“Airport Property”).

WHEREAS, the Dills constructed and own certain personal property located on and affixed to the Airport Property. Such personal property consists of an airplane hangar, including a ramp and pavement facilities for use associated with the airplane hangar (“Dill Hangar”).

WHEREAS, on or about February 4, 2013, the City and the Dills entered into an agreement titled “Airport Undeveloped Ground Lease for Construction of Airplane Hangar, and Necessary Ramp, facilities Improvements with Hangar Reversion to City of Chowchilla” (“Ground Lease”) whereby the City agreed to lease the Airport Property to the Dills and further agreed to reduce the amount of rent for that lease in an agreed upon amount to amortize the cost to the Dills of building the Dill Hangar. The parties further agreed that the Dill Hangar would become the City’s property at the conclusion of the Ground Lease, and associated rent deductions.

WHEREAS, the Dills desire to transfer ownership of the Dill Hangar to the City prior to the natural termination of the Ground Lease. The City has inspected the Dill Hangar and agrees to take early ownership of the Dill Hangar. Simultaneous with this Agreement, the parties are entering into a new lease agreement for the Airport Property and Dill Hangar.

NOW THEREFORE the parties agree as follows:

1. **TERMINATION OF GROUND LEASE:** The parties hereby agree to terminate the Ground Lease effective with the full execution of this Agreement and the concurrently entered new lease agreement. The City shall not be obligated to make any further payments to the Dills.

2. **TRANSFER OF PERSONAL PROPERTY:** In exchange for the promises made in the concurrently entered lease agreement and subject to the terms and conditions of this Agreement, on the date of the full execution of this Agreement, the Dills hereby transfer to the City and the City hereby accepts ownership of the Dill Hangar.

3. **OWNERSHIP:** The title and ownership of the Dill Hangar shall be and remain in the name of the City. City will be listed as the owner of the Dill Hangar or have title to the Dill Hangar.

4. POSSESSION: Possession of the Dill Hangar will remain with the Dills pursuant to the terms and conditions of the concurrently entered lease agreement.

5. ASSIGNMENT: The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

6. RELATIONSHIP OF PARTIES: The City and the Dills intend that their relationship at all times and for all purposes under this Agreement be independent. Neither party is to be considered an agent or employee of the other party for any purpose.

7. THIRD PARTY BENEFICIARY: The City and the Dills are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS AGREEMENT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE IN TERMS IF MADE SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENT OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS AGREEMENT. THE PARTIES, BY THEIR SIGNATURE BELOW, ACKNOWLEDGE THAT THEY HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, the parties hereto have executed this Agreement.

**City of Chowchilla**

Signature: \_\_\_\_\_  
John Chavez, Mayor

Date: \_\_\_\_\_

**Attest**

\_\_\_\_\_  
Joann McClendon, CMC, Interim City Clerk

**William R. Dill**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Russell Dill**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF CHOWCHILLA  
CHOWCHILLA MUNICIPAL AIRPORT  
HANGAR LEASE AGREEMENT (“AGREEMENT”)**

The City of Chowchilla, a municipal corporation in the County of Madera, State of California, hereinafter called the “CITY”, hereby leases to William R. Dill and Russell Dill, , hereinafter referred to as “TENANT”, that hangar unit situated in an aircraft hangar located at the Chowchilla Municipal Airport which is more particularly described Exhibit A (“PROPERTY”), pursuant to the following terms:

1. **COMPLIANCE WITH SPONSOR’S ASSURANCES.** To the extent applicable, TENANT shall comply with all FAA assurances as shown in Exhibit B, attached hereto and incorporated by this reference herein. Incorporated by this reference herein, including but not limited to, compliance with civil rights requirements, prohibition of exclusive rights, proper maintenance and operation of airport facilities, keeping good title of Airport property, preservation of rights and powers, adherence to approved Airport layout plan(s), and compatibility of land use.
  
2. **TERM OF AGREEMENT.** The term of this AGREEMENT shall be from the date of execution of this agreement by all parties through January 31, 2019, with renewals every 3 years until the expiration of the original amortization agreement in March 31, 2028. At that time, an additional rental period may be agreed upon at market rate for similar facilities. TENANT shall have the option to terminate this AGREEMENT effective January 31 of each calendar year upon sixty (60) days prior notice to the CITY. The CITY may terminate this AGREEMENT at any time by giving TENANT sixty (60) days written notice or as otherwise provided by this AGREEMENT.
  - a. **DELAY IN POSSESSION.** CITY agrees to use its best commercially reasonable efforts to deliver possession of the PROPERTY to TENANT by the first day of the month immediately following the day this agreement is signed by all parties. If, despite said efforts, CITY is unable to deliver possession by such date, CITY shall not be subject to any liability therefore, nor shall such failure affect the validity of this AGREEMENT or change its expiration date. TENANT shall not, however, be obligated to pay RENT (as defined below) or perform its other obligations until CITY delivers possession of the PROPERTY.
  
  - b. **AGREEMENT COMPLIANCE.** CITY shall not be required to deliver possession of the PROPERTY to TENANT until TENANT complies with its obligation to provide evidence of insurance pursuant to the terms of this AGREEMENT. Pending delivery of such evidence, TENANT shall be required to perform all of its obligations under this AGREEMENT, including the payment of RENT (as defined below), notwithstanding CITY’s election to withhold possession pending receipt of evidence of insurance.

3. **RENT.** “RENT” is defined to include all monetary amounts owing by TENANT to CITY pursuant to the terms of this AGREEMENT, whether they are described in this paragraph or elsewhere. All RENT payments shall be received by the CITY on or before January 31<sup>st</sup> of each year of the term of this AGREEMENT.
  - a. **HANGAR RENTAL FEE.** In consideration for the transfer of ownership of the hangar from William R. Dill and Russell Dill pursuant to the Personal Property Transfer Agreement attached hereto as Exhibit “C”, TENANT shall not be obligated to pay rent for the occupation of the hangar during the term of this lease. This consideration is jointly deemed reasonable by the TENANT and CITY and is based on the “Amortization Schedule Annual Payments” attached hereto as Exhibit B, originally established in March of 1999 and ending in March of 2028 as detailed on the Amortization Schedule.
  - b. **LATE CHARGES.** TENANT hereby acknowledges that its late payment of RENT will cause CITY to incur costs not contemplated by this AGREEMENT, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any RENT is not received by CITY on the day that it is due plus any grace period, then, without any requirement or notice to TENANT, TENANT shall immediately pay to CITY a one-time late charge equal to ten percent (10%) of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs CITY will incur by reason of such late payment. Acceptance of such late charge by CITY shall in no event constitute a waiver of TENANT’s BREACH (as defined below) with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder.
  - c. **INTEREST.** Any monetary payment due to CITY hereunder, other than late charges, not received by CITY, when due shall bear interest from the 30th day after it was due. The interest charged shall be computed at the rate of ten percent (10%) per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for above.
4. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the TENANT. TENANT recognizes and understands that this AGREEMENT may create a possessory interest subject to property taxation and that TENANT shall be responsible for any property taxes levied on such interest.
5. **USE OF PROPERTY.** The PROPERTY shall only be used solely for the purpose of storing TENANT’s active and operational aircraft. An active and operational aircraft is limited to aircraft currently licensed and flyable, which is flown to and from the City of Chowchilla Municipal Airport periodically during the year. All aircraft stored at the PROPERTY must be registered to TENANT. A single personal vehicle may be temporarily stored at the PROPERTY when the aircraft is temporarily removed. Parking on the apron is not permitted.

- a. TENANT shall not use or permit said property or any portion thereof to be used for any purpose other than the purpose for which the PROPERTY is leased without prior written consent of CITY.
- b. TENANT shall comply with all federal, state and local procedures to prevent soil, water and air quality degradation; and pay for equipment and devices, including the cost of installation, necessary to meet said requirements.
- c. No private locks of any type shall be used on the hangar doors unless prior CITY consent is granted.
- d. Waste oil shall be disposed. All other items detrimental to the environment shall be disposed of properly. Garbage shall be disposed of only in the garbage container(s) located near the walk-in man-gate provided by the CITY. TENANT is solely responsible for the proper disposal of all materials generated from or within the unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the TENANT of the unit which generated or was the source of the material.
- e. TENANT is solely responsible for the PROPERTY's cleanliness.
- f. Engine run-up and taxing out of the PROPERTY is not allowed.
- g. Aircraft fueling is not allowed at the PROPERTY.
- h. TENANT shall not store fuel containers inside the PROPERTY's hangar.
- i. This lease shall not be sold, assigned, or in any manner transferred.
- j. TENANT shall not make, or suffer to be made, any alterations to the PROPERTY, or any part thereof, without the CITY's prior written consent
- k. TENANT shall not post any signs, posters, or papers on the outside exterior walls or roof of the PROPERTY, nor shall TENANT paint, design or otherwise alter, the outward appearance of the PROPERTY, without the CITY's prior written consent.
- l. Prior to storing any aircraft at the PROPERTY, TENANT shall provide CITY in writing, the following information:
  - i. Aircraft Type
  - ii. Serial Number
  - iii. Registration Number
  - iv. Present condition of aircraft (Is the aircraft presently airworthy?)
  - v. Evidence of insurance in compliance with this AGREEMENT
  - vi. Contact Information

6. **UTILITIES.** TENANT shall pay for all utility services, including electric and water, supplied to the PROPERTY, including the cost of installation and Maintenance thereof, if any. TENANT shall use City of Chowchilla water and shall pay the Standard Commercial Fee for hook-up and monthly services charge.
  
7. **MAINTENANCE OF PROPERTY, IMPROVEMENTS, SOIL, WATER AND AIR QUALITY PROTECTION DEVICES.** CITY shall provide on-site soil testing to establish that no soil contamination or spillage is within the PROPERTY prior to TENANT taking possession of the PROPERTY. TENANT shall, at its sole cost and expense, keep and maintain the PROPERTY, improvements and all portions thereof, including the PROPERTY's soil, in safe and sanitary order, in good state of repair, and in proper working order. TENANT shall keep the PROPERTY clean and free of weeds, debris and other unsightly or unsafe matter and shall properly dispose of all debris and other waste matter which may accumulate. Should any portion of the PROPERTY's soil become exposed to fuel, or any other contamination, it shall be TENANT's sole responsibility to immediately take all actions necessary to remediate the soil.
  - a. **SERVICE CONTRACTS.** TENANT shall, at TENANT's sole expense, procure and maintain contracts with copies to CITY, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if and when installed on the PROPERTY: (i) HVAC equipment, (ii) fire extinguishing systems, including fire alarm and/or smoke detection, (iii) landscaping and irrigation systems, and (iv) fuel pumping equipment. However, CITY reserves the right, upon fifteen (15) days' notice to TENANT, to procure and maintain any or all of such service contracts, and TENANT shall reimburse CITY, upon demand, for the cost thereof.
  
  - b. **ENVIRONMENTAL CONTAMINATION.** If a hazardous substance is released onto the PROPERTY during the term of this AGREEMENT, CITY may, at its option, either (i) investigate and remediate such release, if required, as soon as reasonably possible at TENANT's expense, in which event this AGREEMENT shall continue in full force and effect, or (ii) give TENANT written notice of CITY's desire to terminate this AGREEMENT as of the date thirty (30) days following the date of such notice.
  
  - c. **FAILURE TO PERFORM.** If TENANT fails to perform its obligations to maintain the PROPERTY, CITY may enter upon the PROPERTY after ten (10) days written notice to TENANT (unless an emergency situation exists, in which case notice is not required), perform such actions as needed to bring the PROPERTY into compliance on TENANT's behalf, and TENANT shall promptly pay the CITY a sum equal to 115% of the cost thereof.
  
8. **TERMINATION.** Upon expiration or termination of this AGREEMENT, TENANT shall have no further right or interest in any of the PROPERTY, improvements and equipment thereon, with the sole exception of personal property. CITY shall have the option as to

whether any or all improvements or equipment constructed and/or installed on the PROPERTY by TENANT may be removed by TENANT or whether they shall remain. Should CITY determine that any or all such improvements and equipment shall remain, such improvements and equipment shall thereupon become the property of CITY, and TENANT agrees to execute a Bill of Sale transferring all rights, interests and ownership in such improvements to CITY. Should CITY exercise its option of requiring TENANT to remove any or all such improvements or equipment from the PROPERTY, such removal shall be accomplished by TENANT at TENANT's sole cost and expense within 30 days after termination or expiration of this AGREEMENT, during which 30 days TENANT will have no liability for RENT. If TENANT fails to remove such improvements within said 30-day period, CITY may remove them at TENANT's expense, and TENANT shall be liable for payment of RENT as herein described for any period TENANT occupies the PROPERTY after termination.

9. **PROHIBITIONS.** TENANT shall be subject to all airport rules and regulations, including but not limited to, the following:
- a. This AGREEMENT is subject to all applicable terms, and conditions, executed by the Administrator of Federal Aviation Agency acting on behalf of the United State of America.
  - b. TENANT agrees that it will not use or permit said PROPERTY to be used for any unlawful purpose.
  - c. TENANT shall not commit nor suffer to be committed any waste upon the PROPERTY, or any public or private nuisance or other act or thing which may disrupt the normal utilization by any other tenant of the Chowchilla Municipal Airport.
  - d. TENANT shall, at its sole cost and expense, promptly observe and comply with all laws, orders, regulations, rules, ordinances and requirements now in force or which may hereafter be in force of federal, state, county and city governments or other lawful governmental bodies or any of their departments, bureaus or officers having jurisdiction over the PROPERTY or any of the activities conducted thereon.
  - e. TENANT agrees to observe and obey all laws, ordinances rules and regulations now in effect or promulgated in the future by CITY and/or by any other proper authority having jurisdiction over the conduct of operations at the Chowchilla Municipal Airport. CITY reserves the right to suspend all chemicals handling, storage and FUEL sales if TENANT is found to be in non-compliance with Madera County Health Department, California Department of Health Services, or California Regional Water Quality Control Board soil, air and water quality protection regulations.

- f. TENANT shall store all FUEL that reaches the PROPERTY, in accordance with city, county, state and federal regulations. TENANT AGREES TO PAY ALL COSTS for the cleanup and remediation, if any, of chemical spills or jettisoned loads anywhere on the PROPERTY or anywhere on property owned by the City of Chowchilla, that result from TENANT's operations or related activities.
  - g. TENANT shall do all things which may be required of it or be deemed necessary on account of the use by TENANT of said PROPERTY, and TENANT shall and does agree to pay, at its sole cost and expense, all fines, penalties, damages, costs and expenses that may in any manner arise out of or be imposed because of the failure of TENANT to comply with this paragraph. TENANT shall and does hereby agree to hold CITY harmless from any damage, injury or loss suffered by reason of any breach by TENANT.
10. **SUBCONTRACTORS.** TENANT shall provide CITY a written list of all subcontractors used in its operations at the PROPERTY including, but not limited to the following:
- a. TENANT is required to give 24 hour written notice to CITY for use of a new subcontractor in TENANT's operation.
  - b. All subcontractors are required to provide to CITY Commercial General Liability Insurance.
  - c. TENANT shall only use subcontractors that are providing direct services to the TENANT. NO independent operations by subcontractors are allowed under the terms of this AGREEMENT.
  - d. TENANT must be able to produce upon demand to CITY, written documentation that subcontractor services are directly related to TENANT's operations when using the Chowchilla Airport Facility.
11. **USE OF AIRPORT FACILITIES.** TENANT shall load and service aircraft only at the PROPERTY and/or designated site, no other place on the airport. TENANT shall not load or unload on runway, taxiway or restricted surfaces. CITY may designate surface location for loading, if deemed necessary due to weather conditions, repairs or constructions. TENANT shall not make, or suffer to be made; any soil contaminations and spillage from hazardous materials used in fixed base operations during term of THIS AGREEMENT and TENANT shall agree to soil sample testing to be taken, if deemed necessary, in which the TENANT will be subject to payment. TENANT agrees to pay for any clean-up and cost incurred during clean-up until soil testing is approved and contamination is no longer present in the Leased Premises. TENANT agrees to thirty (30) day site improvements; utility services to site including reduced pressure backflow system tank (1 W' pipe required by TENANT), cement slab, disking and grading site per a pre-approved plan. TENANT regulations for zero tolerance for loading/unloading chemicals are in compliance with EPA. TENANT shall not rinse or wash aircraft until loading cement/pump is installed.

12. **COMPLIANCE WITH LAWS AND REGULATIONS.** In addition to the covenants herein and above set forth, TENANT agrees to the following:

- a. TENANT shall not commit or allow to be committed in or upon the PROPERTY any other act or thing that may disturb any other tenant at the airport.
- b. TENANT shall, at Tenant's own cost and expense, obtain and maintain all licenses, permits, certificates or other authorizations of any governmental authority having jurisdiction thereover, including, but not limited to, the FAA, this may be necessary for the conduct of its business on the Premises. Without limiting the generality of the foregoing, TENANT shall comply with all applicable laws, resolutions, codes, rules, orders, directions, ordinances and regulations of any department, bureau or agency or any governmental authority having jurisdiction over the operations, occupancy, maintenance and use of the PROPERTY for the purpose described in the AGREEMENT.

13. **AIRPORT APPROPRIATED BY FEDERAL GOVERNMENT.** In the event that the Chowchilla Municipal Airport or any portion thereof is appropriated by the Federal Government in a national emergency and as a result thereof civil aircraft are prohibited from using said airport, and as a result thereof TENANT is otherwise prohibited by federal law, rule or regulation from using and/or occupying the PROPERTY, and TENANT for such reason does not use or occupy said PROPERTY and TENANT is not compensated for damages caused thereby, then during the period in which all such conditions exist, the rental herein required to be paid shall be suspended. Except for such suspension or rental, each and every provision term, covenant and condition of this AGREEMENT shall remain in force and effect, including, but not by way of limitation, TENANT's obligation to maintain the PROPERTY. The term of this AGREEMENT shall not be extended because of the occurrence of the above conditions.

14. **ENVIRONMENTAL INDEMNIFICATION.** TENANT agrees to indemnify, defend by counsel chosen by the CITY and hold harmless, CITY, its directors, council members, officers, employees, representatives and agents hereinafter referred to collectively as "CITY PERSONNEL" from and against and in respect of any and all claims, damages (including, without limitations, diminution deficiencies, interest, penalties, attorney fees and all amounts paid in defense of settlement of the foregoing whether or not arising out of third-party claims, which may be imposed upon or incurred by CITY or asserted against CITY PERSONNEL by any other party or parties (including governmental entities), in connection with any environmental non-compliance arising out of, resulting from, or attributable to, the assets, business, or any claims, expenses, losses, liabilities, etc., resulting from the alleged exposure of any person to environmental conditions or exposure resulted from TENANT's activities or TENANT's agents, representatives, employees or independent contractors.

15. **ASSIGNMENTS.** TENANT shall not assign this AGREEMENT or any interest therein, and shall not sublet the PROPERTY or any portion thereof or any rights or privileges appurtenant thereto or suffer any other person (agents and servants of CITY excepted) to occupy or use the PROPERTY or any portion thereof without the CITY's prior written consent. Consent to one assignment subletting, occupation or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use.
16. **ABANDONMENT.** TENANT shall not abandon the PROPERTY described herein at any time during the term hereof. The PROPERTY shall be deemed abandoned following notices as provided by California's Civil Code.
17. **ALTERATIONS-REMOVAL OF ADDITIONS.** Except as provided in this AGREEMENT, TENANT shall not make or allow to be made any alterations to the PROPERTY or any part thereof without first obtaining the CITY's written consent. TENANT shall keep the PROPERTY free from any liens arising out of any work performed, materials furnished or obligations incurred by TENANT. In the event the TENANT desires to make any alterations or improvements, plans and specifications thereof shall be submitted to the CITY and if satisfactory, completion thereof shall be made to the CITY's satisfaction.
18. **INSURANCE.**
- a. **HULL INSURANCE.** TENANT shall carry hull insurance on each aircraft stored at the PROPERTY.
  - b. **GENERAL LIABILITY INSURANCE.** TENANT shall at all times carry commercial general liability insurance which shall provide coverage from any claim or liability for any injury or damage to any person or property occurring on the PROPERTY or arising out of or resulting from the TENANT's operations or omissions on said PROPERTY or at the Chowchilla Municipal Airport. The policy limits of general commercial liability policies shall be in not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000).
  - c. **PROPERTY DAMAGE.** TENANT shall obtain and maintain insurance coverage on all of TENANT's personal property, trade fixtures and TENANT owned alterations and utility installations located on the PROPERTY. Such insurance shall be full replacement cost coverage with a deductible that does not exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by TENANT for the replacement of personal property, trade fixtures and TENANT owned alternations and utility installations. Such insurance shall include coverage for property damage caused by blasting, collapse, structural injuries, and damage to underground utilities. The policy shall not contain the so-called "x", "c" or "u" exclusions. The Certificate of Insurance shall further

provide that ten (10) days notice of cancellation or reduction in coverage shall be given to the CITY.

- d. **VERIFICATION OF COVERAGE.** TENANT shall furnish to CITY certificates of insurance with original endorsements effecting coverage required by this AGREEMENT. The certificates and endorsements for each insurance policy(ies) are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received and approved by CITY prior to the commencement date, and thereafter, TENANT shall furnish new certificates 30 days prior to the expiration date of the previous certificate(s). City reserves the right to require complete, certified copies of all prior insurance policies at all times.

All insurance policies obtained to comply with the terms of this AGREEMENT shall be in a form that meets the CITY's approval and shall be underwritten by a company or companies approved by the CITY. Policy limits shall be reviewed on yearly intervals and adjusted as required. Said policies shall expressly include CITY, its officers and employees, as insured and shall not in any way limit the coverage provided by said policy or policies for injury or damage to the person or property of CITY, its officers and employees, arising or resulting from any wrongful act or omission or negligence on the part of TENANT, its servants, employees or agents. Other insurance of CITY shall not be required to participate with said insurance in the payment of any damages. Said insurance policy, policies or certificates evidencing issuance of the policies required herein shall be provided to the CITY concurrently with the execution of this AGREEMENT and shall include an endorsement precluding cancellation thereof without 30 days prior written notice to CITY.

## **19. BREACH; REMEDIES.**

- a. **BREACH.** A "BREACH" is defined as TENANT's failure to comply with or perform any of the terms, covenants, conditions under this AGREEMENT or FAA Rules and Regulations, and the failure of TENANT to cure that BREACH within any applicable grace period.
- i. TENANT shall be deemed in BREACH if, for three (3) calendar days following written notice, TENANT fails to make any payment of RENT when due, or to provide reasonable evidence of insurance. **THE CITY'S ACCEPTANCE OF A PARTIAL PAYMENT OF RENT SHALL NOT CONSTITUTE A WAIVER OF ANY OF CITY'S RIGHTS, INCLUDING CITY'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.**
- ii. TENANT shall be deemed in BREACH if it fails to fulfill any obligation under this AGREEMENT which endangers or threatens life or property.

- iii. TENANT shall be deemed in BREACH if any of the following events occur: (a) the making of any general arrangement or assignment for the benefit of creditors; (b) becoming a debtor as defined in 11 U.S.C Section 101 or any successor statute thereto (unless, in the case of a petition filed against TENANT, the same is dismissed within 60 days); (c) the appointment of a trustee or receiver to take possession of substantially all of TENANT'S assets located at the PROPERTY or of TENANT's interest in this AGREEMENT, where possession is not restored to TENANT within thirty (30) days; or (d) the attachment, execution or other judicial seizure of substantially all of TENANT's assets located at the PROPERTY or of TENANT's interest in this AGREEMENT, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.
- b. **REMEDIES.** If TENANT is in BREACH of this AGREEMENT, CITY may, at its option, perform on TENANT's behalf, and TENANT shall pay to CITY an amount equal to 115% of the costs and expenses CITY incurs in such performance upon receipt of an invoice therefor. CITY may also, with or without further notice or demand, and without limiting CITY in the exercise of any right or remedy which CITY may have by reason of such BREACH:
- i. Terminate TENANT's right to possession of the PROPERTY by any lawful means, in which case this AGREEMENT shall terminate and TENANT shall immediately surrender possession of the PROPERTY with all of its improvements and equipment to CITY, keeping only TENANT's personal property. In such event, CITY shall be entitled to recover from TENANT (a) the unpaid RENT which had been earned at the time of the termination; (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that TENANT proves could have been reasonably avoided; (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the TENANT proves could be reasonably avoided; and (d) any other amount necessary to compensate CITY for all the detriment proximately caused by TENANT's failure to perform its obligations under this AGREEMENT or which the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the PROPERTY, expenses or reletting, including necessary renovation and alteration of the PROPERTY, reasonable attorneys' fees, and that portion of any leasing commission paid by CITY in connection with this AGREEMENT applicable to the unexpired term of this AGREEMENT. The worth at the time of award of the amount referred to in provision (c) of the immediately preceding sentence shall be computed by discounting

such amount at the discount rate of the Federal Reserve Bank of the District within which the PROPERTY is located at the time of award plus one percent. Efforts by City to mitigate damages caused by TENANT's BREACH of this AGREEMENT shall not waive CITY's right to recover any damages to which CITY is otherwise entitled. If termination of this AGREEMENT is obtained through the provision remedy of unlawful detainer, CITY shall have the right to recover in such proceeding any unpaid RENT and damages as are recoverable therein, or CITY may reserve the right to recover all or any part thereof in a separate suit. If notice and grace period required under this AGREEMENT was not previously given, a notice to pay rent or quit, or to perform or quit given to TENANT under the unlawful detainer statute shall constitute the notice required by this AGREEMENT. In such case, the applicable grace period and the unlawful detainer statute shall run concurrently, and TENANT's failure to cure within the greater of the two periods shall constitute both an unlawful detainer and a BREACH of this AGREEMENT entitling CITY to the remedies provided for in this AGREEMENT and/or by said statute.

- ii. Continue this AGREEMENT and TENANT's right to possession and recover the RENT as it becomes due, in which event TENANT may sublet or assign, subject only to reasonable limitations.
- iii. Pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of California or the United States of America. The expiration or termination of this AGREEMENT and/or the termination of TENANT's right to possession shall not relieve TENANT from liability under any indemnity provisions of this AGREEMENT as to matters occurring or accruing during the term hereof or by reason of TENANT's occupancy of the PROPERTY.

## 20. **BREACH BY CITY.**

- a. **NOTICE OF BREACH.** CITY shall not be deemed in breach of this AGREEMENT unless CITY fails within a reasonable time to perform an obligation required to be performed by CITY. For purposes of this paragraph, a reasonable time shall in no event be less than thirty (30) days after receipt by CITY of written notice specifying the obligation CITY has purportedly failed to perform; provided, however, that if the nature of CITY's obligation is such that more than thirty (30) days are reasonably required for its performance, then CITY shall not be in breach if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.
- b. **PERFORMANCE BY TENANT ON CITY'S BEHALF.** In the event that CITY fails to cure such default within the reasonable time described above, then TENANT may elect to cure said breach at TENANT's expense and offset from RENT the actual and reasonable cost to perform such cure, provided however,

that such offset shall not exceed an amount equal to one month's Monthly Fee, reserving TENANT's right to seek reimbursement from CITY for any such expense in excess of such offset. TENANT shall document the cost of said cure and supply said documentation to CITY.

21. **CONDEMNATION CLAUSE.** If any part of the PROPERTY shall be taken or condemned for a public or quasi-public use, and a part thereof remains which is susceptible of occupation hereunder, this AGREEMENT shall, as to the part so taken, terminate as of the date title shall vest in the condemner, and the RENT payable hereunder shall be adjusted so that TENANT shall be required to pay for the remainder of the term only such portion of such RENT as the value of the part remaining after the condemnation bears to the value of the entire PROPERTY as the date of condemnation but in such event, CITY and TENANT shall each have the option to terminate this AGREEMENT as of the date when title to the part so condemned vests in the condemner. If all the PROPERTY, or such part thereof, be taken or condemned so that there does not remain a portion susceptible of occupation hereunder, this AGREEMENT shall thereupon terminate. If part or all of the PROPERTY be taken or condemned, all compensation awarded upon such condemnation or taking shall be shared by CITY and TENANT, as their interests appear of record.

22. **INDEMNITY.** To the fullest extent permitted by law, TENANT agrees to indemnify, hold harmless, protect and defend CITY and CITY's employees, City Council, agents, representatives and contractors from any and all claims, causes of action, liability, losses, costs, and damages, for the foreseeable or unforeseeable, arising out of or related to any act, omission, or negligence of TENANT or TENANT's agents, employees, representatives or contractors, or arising from or related to TENANT's use of activities related to this AGREEMENT and/or on or at the Chowchilla Municipal Airport. The provisions of this section shall survive the termination, cancellation or expiration of this AGREEMENT.

23. **NOTICES.**

a. **NOTICE REQUIREMENTS.** All notices required or permitted by this AGREEMENT or applicable law, including unlawful detainer statutes, shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by mail, and shall be deemed sufficiently given if served in a manner specified by this paragraph to the addresses below. Either party may be written notice to the other specify a different address for notice.

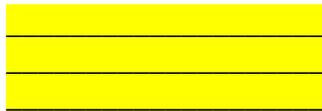
If to TENANT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to CITY:

City of Chowchilla  
Attn: City Administrator  
130 S. Second Street

With copy to:



Chowchilla, CA 93610

Fax: (559) 665-2569

With copy to:

Cota Cole LLP

Attn: Chowchilla City Attorney

3401 Centrelake Dr., Suite 670

Ontario, CA 91761

- b. **DATE OF NOTICE.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of same to the Postal Service or courier. Notices transmitted by facsimile transmission shall be deemed delivered upon confirmation of receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.
24. **RIGHT OF SPECIAL GATHERINGS/EVENTS.** TENANT hereby acknowledges that CITY has approved or will approve in the future occasional large-scale special events (i.e., Annual Gatherings) which may take place on the Chowchilla Municipal Airport. CITY reserves the right to require temporary suspension of activities and evacuation of personnel from the PROPERTY during special events and special activities as may be determined by CITY, without compensation to TENANT. The CITY shall not suspend operations for more than twenty four (24) hours. With the exception of TENANT's insurance and indemnity requirements, all of TENANT's obligations under this AGREEMENT shall be suspended for the duration of such special gatherings or events.
25. **NONDISCRIMINATION.** TENANT for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereto, does hereby covenant and agree as a covenant running with the land, that:
- a. No person on the grounds of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
  - b. In the construction of improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits, or otherwise be subjected to discrimination;

- c. TENANT shall use the PROPERTY in compliance with all other requirements imposed by or pursuant to Title Forty-nine, Code of Federal Regulations, of the Secretary, Part Twenty-one, nondiscrimination in federal assisted programs of the Department of Transportation-Efficacy of Title VI of the Civil Rights Act of 1964, and as said Regulations by being amended; and
  - d. In the event of breach of any of the above nondiscrimination covenants, the City of Chowchilla shall have the right to terminate this AGREEMENT and to re-enter and repossess said land, and hold the same as if said AGREEMENT had never been made or issued.
  - e. Tenant shall furnish services on a reasonable and not unjustly discriminator basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
26. **NO RIGHT TO HOLDOVER.** TENANT has no right to retain possession of the PROPERTY or any part thereof beyond the expiration or termination of this AGREEMENT. In the event that TENANT holds over, then the Monthly Fee shall be increased to 150% of the applicable amount owing for the month immediately preceding the expiration or termination. The Holdover Monthly Fee shall be calculated on a monthly basis and shall therefore increase by 150% each month. Nothing contained herein shall be construed as consent by CITY of any holding over by TENANT.
27. **FUTURE DEVELOPMENT.** CITY reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of TENANT's desires or views and without interference or hindrance.
28. **SUBORDINATION TO UNITED STATES.** This AGREEMENT shall be subordinate to the provisions and requirements of any existing or future agreement between the CITY and the United States, relative to the development, operation, or maintenance of the airport. Failure of the TENANT or any occupant to comply with the requirements of any existing or future agreement between TENANT and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of TENANT's rights hereunder.
29. **AIR EASEMENT.** The CITY reserves for itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the PROPERTY. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises.

30. **WAIVER.** The exercise of any right, option or privilege hereunder by CITY shall not exclude CITY from exercising any and all other rights, privileges and options, or privilege hereunder and shall not be deemed a waiver of said right, option, or privilege nor shall it relieve the TENANT from his obligation to perform each and every covenant, term, provision and condition on the part of TENANT to be performed hereunder or from damages or other remedy for failure to perform or meet the obligations of this AGREEMENT.
31. **CUMULATIVE REMEDIES.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
32. **NO PRIOR AGREEMENTS.** This AGREEMENT represents the entire contract and supersedes all other promises, representation and understanding with reference to or in consideration of the subject matter thereof
33. **ATTORNEYS' FEES.** If any party to this AGREEMENT brings an action or proceeding involving the PROPERTY or this AGREEMENT, whether founded in tort, contract or equity, the PREVAILING PARTY (as defined hereunder) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "PREVAILING PARTY" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, CITY shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of BREACH and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such BREACH (\$200 is a reasonable minimum per occurrence for such services and consultation.)
34. **CITY'S ACCESS; REPAIRS.** CITY and CITY's agents shall have the right to enter the PROPERTY at any time, in case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, tenants or governmental agencies, and making such alterations, repairs, improvements or additions to the PROPERTY as CITY may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the PROPERTY and/or other premises as long as there is no material adverse effect to TENANT's use of the PROPERTY. CITY will conduct an annual inspection of all improvements and equipment located on the PROPERTY. Such inspection shall not in any way be deemed an approval to the condition of the improvements or equipment's condition. All such activities shall be without abatement of rent or liability to TENANT.
35. **FORCE MAJEURE.** CITY shall not in breach of this AGREEMENT in the event that TENANT's access to the PROPERTY is temporarily interrupted or continued for any of

the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, or other catastrophic events which are beyond the reasonable control of CITY. Events of force majeure and other catastrophic events do not include labor disturbances, the financial inability of TENANT to perform each and every obligation of the AGREEMENT or failure of TENANT to obtain any necessary permit(s) or license(s) or any other certification or entitlement necessary for TENANT to perform the services defined by this AGREEMENT from any government agency or TENANT's inability to obtain or maintain the right to use facilities of public utilities or such failure is due solely to TENANT's acts or omissions.

- 36. **AMENDMENTS.** This AGREEMENT may be modified only in writing, signed by the parties in interest at the time of the modification.
- 37. **SEVERABILITY.** If any of the provisions contained in this AGREEMENT shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) of this AGREEMENT and this AGREEMENT shall be construed as if such invalid, illegal or unenforceable provision had not been contained in this AGREEMENT.
- 38. **BINDING EFFECT ON CITY.** Neither this AGREEMENT nor any amendments or supplements hereto shall be binding on CITY unless and until it is signed in CITY's behalf by a representative duly authorized by its City Council and a copy thereof so signed is delivered to TENANT.

**CITY AND TENANT HAVE CAREFULLY READ AND REVIEWED THIS AGREEMENT AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS AGREEMENT SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS AGREEMENT IS EXECUTED, THE TERMS OF THIS AGREEMENT ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF CITY AND TENANT WITH RESPECT TO THE PROPERTY.**

**CITY OF CHOWCHILLA:**

**TENANT(s):**

By: \_\_\_\_\_  
City Mayor

\_\_\_\_\_  
Owner/Authorized Agent

\_\_\_\_\_  
Owner/Authorized Agent

**ATTESTED BY** \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**EXHIBIT A – LEGAL PROPERTY DESCRIPTION**

## **EXHIBIT B – AIRPORT SPONSORS ASSURANCES**

Exhibit "A" page 1 of 2 pages

November 3, 1998  
101G9829.001

**LEGAL DESCRIPTION**  
*of*  
**Chowchilla Airport Lease Parcel**

That portion of the Northeast Quarter of Section 32 of Township 9 South, Range 15 East, Mount Diablo Meridian, within the City of Chowchilla, County of Madera, State of California, being more particularly described as follows:

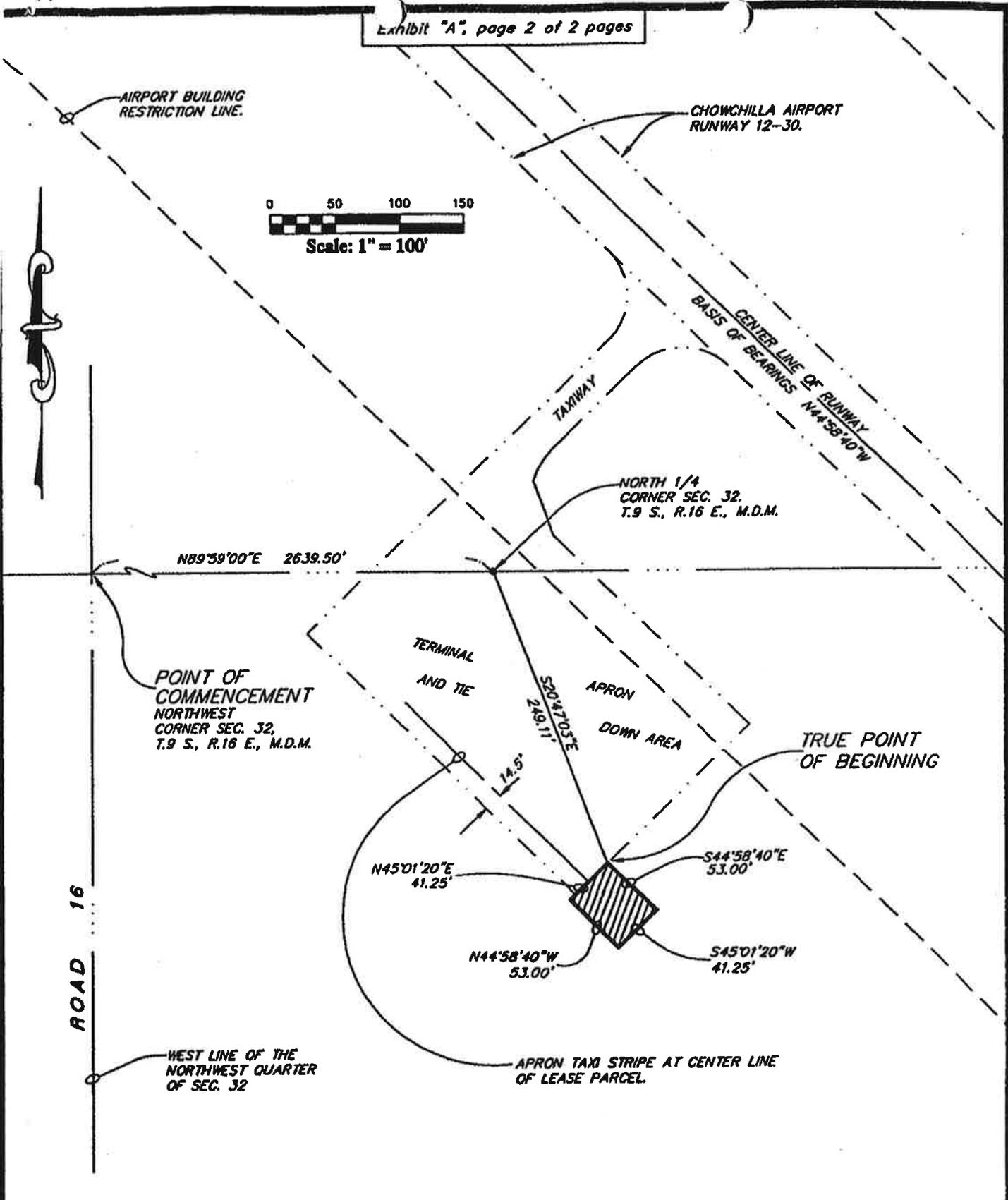
**COMMENCING** at the Northwest Corner of said Section 32, as shown on a Record of Survey for the City of Chowchilla, filed March 11, 1975 in Book 20 of Maps, at Page 106, Madera County Recorders; thence North  $89^{\circ}59'00''$  East, along the north line of the Northwest Quarter of said Section 32, a distance of 2639.50 feet to the North Quarter Corner of said Section 32; thence South  $20^{\circ}47'03''$  East, a distance of 249.11 feet to a point of intersection with a line being parallel and 20.63 feet northeasterly, at right angles, of the southeasterly prolongation of a yellow taxi apron stripe, and the southeasterly edge of the City of Chowchilla Airport terminal apron and tie down area, said point also being the **TRUE POINT OF BEGINNING**; thence South  $44^{\circ}58'40''$  East, along said parallel line, a distance of 53.00 feet; thence South  $45^{\circ}01'20''$  West, 41.25 feet; thence North  $44^{\circ}58'40''$  West, 53.00 feet; thence North  $45^{\circ}01'20''$  East, 41.25 feet to the **POINT OF BEGINNING**.

Containing 2,186 square feet, or 0.050 acres, more or less.

Basis of Bearings is the center line of City of Chowchilla Airport Runway, as shown on a Record of Survey for the City of Chowchilla, filed March 11, 1975 in Book 20 of Maps, at Page 106, Madera County Recorders; said center line bears North  $44^{\circ}58'40''$  West.

END OF DESCRIPTION





**EXHIBIT MAP FOR LEASE PARCEL**

A.P.N. 002-250-005 [Hatched Box] AREA OF LEASE = 2186 SQ. FT.± OR 0.0502 AC.±

PARCEL LOCATION: CITY OF CHOWCHILLA, CALIFORNIA      03NOV98      AAG98TE1-S



**GIERSCHE & ASSOCIATES**  
 CIVIL ENGINEERS  
 421 No. 7<sup>th</sup> Street  
 Modesto, California 95207  
 (209) 873-5981 FAX 875-3544



## REPORT TO THE CITY COUNCIL

Council Meeting of October 27, 2015

<b>Agenda Section:</b>	<u>New Business</u>
<b>SUBJECT:</b>	<b>Status of the City of Chowchilla Airport Advisory Committee and Request for Direction on its Future Involvement in Airport Improvement Planning</b>
<b>Prepared By:</b>	<u>Craig Locke, City Engineer/Public Works Director/Airport Manager</u>
<b>Approved By:</b>	<u>Brian Haddix, City Administrator</u>

### **RECOMMENDATION:**

Staff Requests direction from the City Council on how to proceed regarding the future of the Airport Advisory Committee.

### **HISTORY / BACKGROUND:**

The Airport Advisory Committee was created by Section 2.26.010 of the City of Chowchilla Municipal Code by virtue of the Government Code of the State of California and the order of the Chowchilla City Council. It is to be composed of seven (7) members, residents of the City or within the Chowchilla Union High School Districts sphere of influence. Members should be without direct financial conflict of interest among other selection criteria, although preference is supposed to be given to Fixed Base Operators. These criteria would appear to be at odds.

Member's terms are of four (4) year duration by code, and will vacate their position if they miss three (3) consecutive meetings or more than twenty five percent (25%) of the meeting in a calendar year.

The biggest challenge facing the airport committee is participation. With staff vacancies and turnover, there has been a consistent inability to achieve a quorum. Current staff believes that the committee currently has only two members, Joanna Botelho and Alfred Hansen. At the last meeting four (4) participants arrived; Ms. Botelho, one participant in the act of moving out of state and three (3) others whose terms were believed to have expired.

If the Council wishes to continue having an active advisory council the first requirement is appointing members to vacant positions. Additional measures can be taken to increase the probability of a quorum. The meeting time can be moved from 4:00 to 6:00 pm to allow for meetings after work. The number of participants on the committee can be reduced from 7 to 5.

Another possibility is to refrain from appointing any members to the committee and allow the Council to provide direction to staff on airport matters. With the effective absence of the Advisory Committee, staff has been using airport revenues to pay airport expenses, with some subsidy from the general fund.

The Current City budget allocates additional funding from the general fund to provide the local match for creating an Airport Land Plan and updating the Narrative, documents that the FAA

requires for grant eligibility. The prioritization of the improvements for the near future will be set by the FAA, who is providing the grant funds if the City can budget for the local match.

In short there are not many discretionary actions available for the Advisory Committee to consider.

**FINANCIAL IMPACT:**

Airport Advisory Committee members are not paid, so there is no fiscal impact

**ATTACHMENTS:**

Section 2.26 of the Chowchilla Municipal Code governing the Airport Advisory Committee

## Chapter 2.26 - AIRPORT ADVISORY COMMITTEE\*

### Sections:

#### 2.26.010 - Created.

The airport advisory committee exists by virtue of the Government Code of the state of California and the order of the city council of the city. The committee will follow The Brown Act of the Government Code of the state of California. Robert's Rules of Order will be utilized for general rules of procedure under the direction of the chair.

(Ord. 431-06 § 3 (part), 2006)

#### 2.26.020 - Membership, appointment and compensation.

The airport advisory committee shall consist of seven members that are residents of the city, or within the Chowchilla Union High School District's Sphere of Influence. Those applicants demonstrating the experience, knowledge, civic-mindedness and/or community involvement deemed by the city council to be of sufficient merit, and without direct financial conflict of interest, to best serve the interests of the committee shall be given preference. The city council has determined that preference will also be given, but is not determinative, to representation from the local pilots' association and fixed-based operators (herein FBOs) with company operations sited on or adjacent to the municipal airport. No more than two FBOs shall be appointed to the airport advisory committee. Should applications be received that are insufficient to satisfy appointments meeting the preferred qualifications, the city council reserves the option to appoint members without regard to such preferred qualifications. Preferred qualifications are guidelines for the city council and not definitive or controlling as to final action on appointments by the city council.

All member of the airport advisory committee shall serve without compensation.

(Ord. 431-06 § 3 (part), 2006)

#### 2.26.030 - Terms, meetings, attendance, vacancies and removal.

Upon appointment, members of the airport advisory committee shall serve for a term of four years calculated from January 1 of the year of appointment, or until their successors are appointed. All vacancies shall be filled for the unexpired terms of the member(s) whose office is vacant in the same manner as such member(s) received original appointment. If a vacancy occurs in a manner other than by expiration of a term, it shall be filled by the city council's appointment for the unexpired portion of the term.

The city administrator shall serve as an ex-officio ad hoc member with an unlimited term.

Each January at its first meeting, or as soon thereafter as reasonably possible, the members shall elect from its membership a chair and vice chair as officers. The officers shall hold office for the calendar year in which they are elected and/or until their successors are elected and sworn into office.

The committee shall adopt rules and regulations to govern proceedings and shall, by vote, set a time and day for regular meetings which shall be held at least once each quarter unless there is a lack of business, and shall determine the manner in which special meetings may be held and the notice given subject to the approval of city council. Meeting schedule, location, day and time shall be established and amended upon approval by the city council by resolution.

Committee members are expected to attend all scheduled meetings. The city council wants the benefit of the full committee's judgment. Members must not miss three consecutive regular meetings, or more than twenty-five percent of all meetings during the calendar year. Whenever possible, Members should notify the city staff representative within twenty-four hours of a scheduled meeting if unable to attend a meeting. If a member of the committee is absent without cause and does not meet the attendance requirements as specified, his/her position becomes vacant automatically. The designated staff representative shall immediately notify the city clerk's office of the attendance violation, who will report this information to the city council. A committee member shall be relieved of his/her responsibilities for lack of attendance by majority vote of the city council.

At a minimum of once year calendar year, the committee shall meet jointly with the city council for the purpose of reviewing goals and visions of the city and the city council, purpose and commitment of the committee, and address any issues of concern.

(Ord. 431-06 § 3 (part), 2006)

(Ord. No. 455-10, § 2, 2-8-2010)

#### 2.26.040 - Powers and duties.

The airport advisory committee shall have the following duties:

- A. To coordinate and constructively encourage public use of the Chowchilla Municipal Airport;
- B. To act in an advisory capacity to the city council on the general operation, improvements and development of the Chowchilla Municipal Airport;
- C. To act in an advisory capacity to the city council in the development of a comprehensive program, with immediate, intermediate and long-range goals for the operation and improvement of the Chowchilla Municipal Airport;
- D. To act in an advisory capacity to the city council, in cooperation with the city planning commission, on the development of land surrounding the airport or land development which would affect the operation of the airport;
- E. To review and comment on the annual budget for the Chowchilla Municipal Airport during the process of the development of the preliminary budget and to make recommendations thereon to the city council;
- F. To review annually, in a formal manner, all fees and charges at the Chowchilla Municipal Airport; and
- G. To undertake such other duties, in relationship to the Chowchilla Municipal Airport, which may from time to time be assigned by city council.

(Ord. 431-06 § 3 (part), 2006)



## REPORT TO THE CITY COUNCIL

Council Meeting of October 27, 2015

**Agenda Section:** New Business

**SUBJECT:** **Consideration of a Fixed Asset Inventory Policy**

**Prepared By:** Rod Pruett, Finance Director

**Approved By:** Brian Haddix, City Administrator

**RECOMMENDATION:**

To approve the Fixed Asset Inventory Policy as presented.

**HISTORY / BACKGROUND:**

In June 1999 the Governmental Accounting Standards Board (GASB) issued GASB 34. While GASB 34 focused on a few different areas, the reporting of Capital Assets Government-Wide was one of the biggest changes for state and local governments.

Prior to GASB 34, capital assets were expensed in governmental funds and not capitalized and depreciated over a useful life expectancy. Infrastructure was also not capitalized and depreciated.

The City of Chowchilla is now implementing GASB 34 for Fiscal Year 2014/2015. With the implementation of GASB 34 the city needs to have a policy in place that guides staff on what items need to be capitalized/depreciated and for how long.

With such a wide range of items that are required to be capitalized, staff is recommending using the IRS guidelines for when something is to be capitalized and for how long. These guideline are described in the policy and the useful life tables are presented as Exhibit A in the policy.

Staff reviewed several Fixed Asset Inventory Policies from different cities and felt the policy that is being presented would best serve the City of Chowchilla.

**FINANCIAL IMPACT:**

While there is a substantial financial impact for the implementation of GASB 34, there is no financial impact in adopting the Fixed Asset Inventory Policy

**ATTACHMENTS:**

Finance Policy CPP-F6 Fixed Asset Inventory  
Resolution

# City of Chowchilla

## ADMINISTRATIVE POLICY and PROCEDURE MANUAL

### FIXED ASSET INVENTORY

Section: Finance	Date: October 2015
Subject: Fixed Asset Inventory	Supersedes: n/a
Ref: CPP – F6	Council Approval: Reso # xx-15
Applies to: All Employees	Administrator Approval:
Pages: 1 – 7	Exhibits: A: Appendix B Table of Class Lives & Recovery Periods

*Note: Policy language subject to modification at any time.*

#### **Purpose**

To establish a uniform policy for the accounting control and accountability of the City's financial fixed assets. The Finance Department is the central accounting and reporting locale for all audited fixed assets. Assets under this classification must follow specific accounting rules and are subject to annual audit requirements. The accounting and reporting policies utilized by the City for its fixed assets conform to GAAP, GASB and GASB Statement No. 34.

Capital or fixed assets are real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated useful life of greater than two years. [Land, land improvements, buildings, building improvements, machinery and equipment, vehicles, infrastructure, leasehold improvements and construction-in-progress (excluding projects donated by outside developers).]

Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that are normally stationary in nature. [Roads, bridges, tunnels, drainage systems, water systems and dams.] Infrastructure assets do not include buildings, drives, parking lots or any other items incidental to property or access to the property.

#### **Definitions of Terms**

**Capitalize:** to treat as an investment in long-term capital assets rather than as an ordinary operating expense to be charged against revenue in the period in which it is incurred (immediately).

**Depreciation:** the reduction in value of a capital asset due to use, obsolescence, age, etc. The spreading of an assets cost over the estimated usable life of the asset.

**Expense:** a use of money/an expenditure of money; a cost

**Depreciation Schedule:** is a report available in Caselle Asset Management Module which will provide the cost, current year depreciation, life-to-date depreciation, and net book value of every capital asset recorded.

**Estimated Useful Life/Depreciable Life:** the time period over which the original cost or value of an asset is spread to recorded as an expense. The life is determined by Internal Revenue Service guidelines unless evidence to the contrary is available which suggests a time period that is different. (See Exhibit A)

## Policy

1. Fixed assets must be capitalized if they have a useful life of two or more years. In determining useful life, the City should consider the asset’s present condition, use of the asset, construction type, and maintenance policy and adherence to policy as well as how long it is expected to meet service demands.
2. Not every asset with a useful life greater than two years needs to be capitalized. To do so is an unnecessary burden and will not materially affect financial results. The table below lists what will be used in determining the dollar thresholds to use for tracking the City’s financial fixed assets.

<b>Capitalization and Depreciation Thresholds</b>	
Land	\$1 or more (capitalized but not depreciated)
Land Improvements	\$5,000 and more
Building	\$5,000 and more
Building Improvements*	\$5,000 and more
Machinery and Equipment	\$5,000 and more
Infrastructure – based on total project cost	\$30,000 and more
Construction in Progress	Costs accumulated and capitalized upon completion
*excludes painting, carpeting, draperies, window shades or blinds	

3. Capitalization thresholds should be applied to individual assets, not to a group of assets except in specific situations. **(Contact the Finance Department for guidance.)**
4. Tracking and control methods over non-capitalized fixed assets should be maintained:
  - a. Assets that are, by nature, susceptible to theft or personal use (i.e., cameras, telecommunications equipment, such as cell phones and PDA’s, laptops, tablet PC’s, etc.), which have a cost of less than \$5,000, but more than \$300, should be tracked, and at the discretion of the departments, may be tracked in the Caselle Asset Management module using the classification of “Inventory Only”.
  - b. Security of these and all fixed assets is to be maintained at the department level and is the responsibility of the Department Head or his/her designee, such as the property management custodian/property monitor.

## Procedure

1. Each City department and division is responsible for the physical security, the use, maintenance, accounting and disposal of the fixed assets assigned to their units.
2. The Finance Department is responsible for maintaining the Asset Management Module
3. Each department will enter invoices into the Accounts Payable Module unless otherwise agreed

to with the Finance Department. If the invoice is for “Inventory Only” items they should use the 5000 series accounts. If the invoice is for Capitalized items, the 6000 account series should be used.

4. Every month the Finance Department will review all items entered into the Asset Management Module for proper coding and when applicable, proper inclusion in the General Ledger.
5. Financial fixed assets will be physically observed and counted on an annual basis. The Finance Department will assist departments in making random selections of assets to be observed at the end of each fiscal year and will provide instructions and appropriate forms to be completed for assets observed. More frequent audits of non-capitalized “sensitive” assets are left to the discretion of each department.
6. All departmental inventory records are subject to audit by the City’s external auditors or at the discretion of the Finance Department.
7. **Transfers.** A Fixed Asset Transfer form must be completed and signed by the department head relinquishing the asset for all asset transfers. The form must then be approved by the City Administrator or his/her designee and then submitted to the Finance Department for approval by the Finance Director. The Finance Department will then be responsible for updating the Asset Management Module.
8. **Disposals.** For all fixed asset disposals, a Fixed Asset Disposition form must be completed and signed by the department head disposing of the asset. The form must then be approved by the City Administrator or his/her designee and then submitted to the Finance Department for approval by the Finance Director. The Finance Department will then be responsible for updating the Asset Management Module. The form can be used for a single asset disposal or a group of assets, provided a list is attached. Any proceeds resulting from the disposed asset(s) must also be disclosed (with supporting documents attached).

## **Recording of Land, Rights of Way, Easements and Intangibles:**

Land: Land is capitalized but not depreciated. It is recorded at historical cost and remains at that cost until disposed of. If there is a gain or loss on the sale of the land, it must be reported on the Fixed Asset Disposition form. All land will be capitalized unless the City plans to immediately sell it instead of putting it to use.

The following items should be included as part of the cost of the land: purchase price or fair market value at the time of the gift or donation, commissions, professional fees (title searches, legal costs, appraisals, etc.) grading removal, relocation, or reconstruction of properties of others (telephone and power lines); interest, accrued and unpaid taxes at the date of purchase; other costs incurred in acquiring the land.

**Rights of Way (ROW) and Easements:** ROW cost will be recorded at the time of the project. If the Row costs are known at the time of the project they should be based upon actual costs. If actual cost is not available, a cost per square foot should be determined using an assessor’s valuation. An **easement** is the right to use the real property of another without possessing it.

**Intangibles:** Governments possess many different types of assets that may be considered intangible assets, including ROW, easements, water rights, timber rights, patents, from contractual or legal rights should be limited by the contractual or legal provisions. Some intangible assets will have indefinite useful lives as no contractual, legal or other factors limit

the useful life of the asset. Intangible assets with indefinite useful lives should not be amortized. (See also Intangibles below.)

**Land Improvements:** Land improvements consist of betterments, other than buildings, that ready land for its intended use. A few examples are retaining walls, parking lots, sidewalks, outdoor lighting, fencing/gates and landscaping. They can be categorized as non-exhaustible or exhaustible.

**Non-exhaustible** – expenditures for improvements that do not require maintenance or replacement, expenditures that bring land into condition to commence erection of structures, improvements that do not deteriorate with usage or passage of time.

**Exhaustible** – other improvements that are part of a site, such as parking lots, landscaping and fencing, gates, outside sprinkler systems, fountains, retaining walls, sidewalks, etc.

**Buildings:** Buildings should be recorded at either their acquisition cost or construction cost. The various components such as land, land improvements, building construction, furniture, fixtures and equipment should be broken out separately. Building components such as design/engineering costs, heating and air conditioning, windows etc., should be included in the initial cost of the building.

**Building Improvements:** Building Improvements that extend the useful life of the building by more than 25% should be capitalized. Building improvements would include major roofing projects that tear the original roof down to the rafters, major energy conservation projects or remodeling and replacing major building components. Normal maintenance and repair projects like re-shingling or re-tarring a roof would be expensed.

**Equipment and Vehicles:** Assets such as furniture, shop equipment, lawn equipment, computers, machinery and other equipment that meet the threshold levels should be identified and capitalized. Some assets, individually, may fall below the capitalization threshold but may be purchased in large quantities. When these items have a useful life of more than two years and meet the cost threshold as a group they should be capitalized and depreciated.

**Computer equipment** – computers will be excluded if they individually cost less than the threshold limit. If the dollar amount exceeds the limit, those assets will be capitalized and depreciated.

**Vehicles** – vehicles should be identified, capitalized and depreciated if they exceed the threshold limit. When setting up the initial costs of the vehicle, the cost of sirens, light bars, etc. on police cars will be included as part of the cost of getting the car into service. In the case of moving existing sirens, etc., that cost will be included as part of the initial cost associated with the new purchases.

**Leased Equipment** – equipment should be capitalized if the lease agreement is non-cancelable and meets one of the following criteria:

- The lease contains a bargain purchase option
- The lease term is equal to 75% or more of the estimated economic life of the leased property.
- The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90% of the fair value of the leased property.

Infrastructure Assets: Most infrastructure construction is associated with a project, with certain funds set aside based on the project. Infrastructure items will be evaluated based on the total cost of the project. Any project with a total cost that meets the threshold should be capitalized. The date of completion and placement into service determines when infrastructure is capitalized. If a project includes various components of infrastructure, each major component should be capitalized separately. In addition to actual construction costs, engineering fees and other incidental expenses should be added to the project cost. If certain shared costs cannot be determined for each segment, then the costs should be prorated to each segment based on the segment's percent of the overall project costs (excluding costs that will be allocated).

If ownership of the infrastructure associated with land, such as roads, sewers, etc. is unclear; the government with primary responsibility for managing the asset should report the asset.

**Streets, roads and other components** – The City will capitalize and include frontage roads and alleys as part of the street and road network if they exceed the dollar threshold. This category also includes the associated curbs and gutters. It excludes however, sidewalks constructed on private property.

**Bridges** – The initial cost of a bridge will include the sidewalks and guardrails associated with the bridges.

**Sidewalks** – Sidewalks owned and maintained by the City will be classified as a land improvement subject to the category threshold limits of the class.

**Street signs** – Street signs are installed once a street project is completed. The cost of the sign is not part of the construction cost. Given the nominal amount of the cost of the signs, when compared to project costs and the nominal cost for sign replacement, the City will not capitalize street signs.

**Street lighting** – Streetlights included in any project that meets the capitalization threshold will be capitalize as a part of that project.

**Traffic lights** – Traffic lights will be evaluated by intersection and all intersections that meet the infrastructure threshold will be capitalized.

**Bike Paths** – Assets associated with a bike path project will be capitalized as one project asset. These assets will include benches, receptacles, engineering costs, etc. Costs associated with the replacement of benches,

Construction in Progress: Construction in Progress costs are accumulated by the City and not reported as assets or depreciated until such time as the projects are completed and placed in service. These costs relate primarily to long-lived assets that are construction over several years.

Capital Asset Donations: Donated capital assets are to be capitalized at fair market or appraised value of the asset at the date that it was donated.

**Real Estate** – All gifts of real estate must have council approval prior to title transferring. Contributed capital assets are valued at their appraised or estimated fair market value on the date donated.

**Developers** – Private developers install infrastructure that is then given to the City. The acquisition date will be the date that council accepts the development. The developer is to provide the cost of construction associated with the infrastructure being donated. Each

infrastructure component should be capitalized separately. These components include such items as:

- Storm sewer
- Lift stations
- Sanitary sewer
- Water mains
- Streets, curbs and gutters
- Traffic signals
- Bike paths
- Street lights
- Land and right of ways

Public Works/Engineering will be responsible for obtaining this information from the developer.

Asset Cost or Acquisition Value: Fixed assets should be reported at historical cost and should include the cost of freight, site preparation, architect and engineering fees, etc. If something other than cash is used to pay for the asset, then the fair-market value of non-cash payment or consideration determines the asset's cost of acquisition value. When the value of the consideration paid cannot be determined, the asset's fair-market value determines the cost.

With few exceptions, an asset's cost should also include necessary costs incurred to place the asset in service. Costs include the invoice price plus incidental costs (insurance during transit, freight, title search, installation costs, etc.).

Repairs and Maintenance: The list below will help to determine if maintenance and repair costs should be capitalized or expensed. With respect to asset improvements, costs over \$5,000 (\$30,000 for infrastructure) should be capitalized if:

1. The estimated life of the asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased by more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads – if the work done impacts the “base” structure.

All other costs should be expensed as repairs and maintenance.

Intangibles: An intangible can be recognized as an asset only if it is identifiable, meaning that 1) it can be sold, transferred, licensed, rented, or exchanged, or 2) it arises from contractual or other legal rights.

Internally generated intangible assets include items created or produced by the government itself, or by a contracting party acting on its behalf. The term also encompasses costs associated with assets acquired from a third party that "require more than minimal incremental effort on the part of the government to begin to achieve their expected level of service capacity" (e.g., "off-the-shelf" software).

Capitalization of internally generated intangible assets, such as software, patents, copyrights and trademarks can only occur after all of the following conditions have been met:

- \* The specific objective of the project has been determined;
- \* The nature of the service capacity to be provided has been determined;

- \* The technical or technological feasibility of successfully completing the project has been demonstrated; and
- \* The government has demonstrated that it 1) intends, 2) is able, and 3) is making an effort to develop/complete the project.

No outlays incurred prior to meeting all of these criteria may be capitalized.

There are three stages of software development. The preliminary project stage includes conceptual formulation, evaluation of alternatives, determination of existence of needed technology, and final selection of alternatives for development. All outlays incurred during this stage need to be expensed as incurred. This stage must also be completed before outlays of another stage may be capitalized.

The application development stage includes: design of the chosen path (including software configuration and interfaces), coding, installation to hardware, testing (including the parallel processing phase), and data conversion needed to make the software operational (but only to the extent strictly necessary for that purpose). All outlays incurred during this stage should be capitalized, provided that management authorizes and commits to funding (either implicitly or explicitly), at least through the current period.

The post-implementation/operation stage includes: application training, data conversion (beyond what is strictly necessary to make the software operational), and software maintenance. All outlays incurred during this stage should be expensed rather than capitalized.

# Exhibit A

## Appendix B — Table of Class Lives and Recovery Periods

The *Table of Class Lives and Recovery Periods* has two sections. The first section, *Specific Depreciable Assets Used In All Business Activities, Except As Noted*, generally lists assets used in all business activities. It is shown as Table B-1. The second section, *Depreciable Assets Used In The Following Activities*, describes assets used only in certain activities. It is shown as Table B-2.

### How To Use the Tables

You will need to look at both Table B-1 and B-2 to find the correct recovery period. Generally, if the property is listed in Table B-1 you use the recovery period shown in that table. However, if the property is specifically listed in Table B-2 under the type of activity in which it is used, you use the recovery period listed under the activity in that table. Use the tables in the order shown below to determine the recovery period of your depreciable property.

**Table B-1.** Check Table B-1 for a description of the property. If it is described in Table B-1, also check Table B-2 to find the activity in which the property is being used. If the activity is described in Table B-2, read the text (if any) under the title to determine if the property is specifically included in that asset class. If it is, use the recovery period shown in the appropriate column of Table B-2 following the description of the activity. If the activity is not described in Table B-2 or if the activity is described but the property either is not specifically included in or is specifically excluded from that asset class, then use the recovery period shown in the appropriate column following the description of the property in Table B-1.

**Tax-exempt use property subject to a lease.** The recovery period for ADS cannot be less than 125 percent of the lease term for any property leased under a leasing arrangement to a tax-exempt organization, governmental unit, or foreign person or entity (other than a partnership).

**Table B-2.** If the property is not listed in Table B-1, check Table B-2 to find the activity in which the property is being used and use the recovery period shown in the appropriate column following the description.

**Property not in either table.** If the activity or the property is not included in either table, check the end of Table B-2 to find *Certain Property for Which Recovery Periods Assigned*. This property generally has a recovery period of 7 years for GDS or 12 years for ADS. See [Which Property Class Applies Under GDS](#) and [Which Recovery Period Applies](#) in chapter 4 for the class lives or the recovery periods for GDS and ADS for the following.

- Residential rental property and nonresidential real property (also see Appendix A, Chart 2).
- Qualified rent-to-own property.
- A motorsport entertainment complex placed in service before January 1, 2015.
- Any retail motor fuels outlet.
- Any qualified leasehold improvement property placed in service before January 1, 2015.
- Any qualified restaurant property placed in service before January 1, 2015.
- Initial clearing and grading land improvements for gas utility property and electric utility transmission and distribution plants.
- Any water utility property.
- Certain electric transmission property used in the transmission at 69 or more kilovolts of electricity for sale and placed in service after April 11, 2005.
- Natural gas gathering and distribution lines placed in service after April 11, 2005.

**Example 1.** Richard Green is a paper manufacturer. During the year, he made substantial improvements to the land on which his paper plant is located. He checks Table B-1 and finds

land improvements under asset class 00.3. He then checks Table B-2 and finds his activity, paper manufacturing, under asset class 26.1, *Manufacture of Pulp and Paper*. He uses the recovery period under this asset class because it specifically includes land improvements. The land improvements have a 13-year class life and a 7-year recovery period for GDS. If he elects to use ADS, the recovery period is 13 years. If Richard only looked at Table B-1, he would select asset class 00.3, *Land Improvements*, and incorrectly use a recovery period of 15 years for GDS or 20 years for ADS.

**Example 2.** Sam Plower produces rubber products. During the year, he made substantial improvements to the land on which his rubber plant is located. He checks Table B-1 and finds land improvements under asset class 00.3. He then checks Table B-2 and finds his activity, producing rubber products, under asset class 30.1, *Manufacture of Rubber Products*. Reading the headings and descriptions under asset class 30.1, Sam finds that it does not include land improvements. Therefore, Sam uses the recovery period under asset class 00.3. The land improvements have a 20-year class life and a 15-year recovery period for GDS. If he elects to use ADS, the recovery period is 20 years.

**Example 3.** Pam Martin owns a retail clothing store. During the year, she purchased a desk and a cash register for use in her business. She checks Table B-1 and finds office furniture under asset class 00.11. Cash registers are not listed in any of the asset classes in Table B-1. She then checks Table B-2 and finds her activity, retail store, under asset class 57.0, *Distributive Trades and Services*, which includes **assets used in wholesale and retail trade**. This asset class does not specifically list office furniture or a cash register. She looks back at Table B-1 and uses asset class 00.11 for the desk. The desk has a 10-year class life and a 7-year recovery period for GDS. If she elects to use ADS, the recovery period is 10 years. For the

cash register, she uses asset class 57.0 because cash registers are not listed in Table B-1 but it is an **asset** used in her retail business. The cash register has a 9-year class life and a 5-year recovery period for GDS. If she elects to use the ADS method, the recovery period is 9 years. ■

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Table B-1. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
<i>SPECIFIC DEPRECIABLE ASSETS USED IN ALL BUSINESS ACTIVITIES, EXCEPT AS NOTED:</i>				
00.11	<b>Office Furniture, Fixtures, and Equipment:</b> Includes furniture and fixtures that are not a structural component of a building. Includes such assets as desks, files, safes, and communications equipment. Does not include communications equipment that is included in other classes.	10	7	10
00.12	<b>Information Systems:</b> Includes computers and their peripheral equipment used in administering normal business transactions and the maintenance of business records, their retrieval and analysis. Information systems are defined as: 1) Computers: A computer is a programmable electronically activated device capable of accepting information, applying prescribed processes to the information, and supplying the results of these processes with or without human intervention. It usually consists of a central processing unit containing extensive storage, logic, arithmetic, and control capabilities. Excluded from this category are adding machines, electronic desk calculators, etc., and other equipment described in class 00.13. 2) Peripheral equipment consists of the auxiliary machines which are designed to be placed under control of the central processing unit. Nonlimiting examples are: Card readers, card punches, magnetic tape feeds, high speed printers, optical character readers, tape cassettes, mass storage units, paper tape equipment, keypunches, data entry devices, teleprinters, terminals, tape drives, disc drives, disc files, disc packs, visual image projector tubes, card sorters, plotters, and collators. Peripheral equipment may be used on-line or off-line. Does not include equipment that is an integral part of other capital equipment that is included in other classes of economic activity, i.e., computers used primarily for process or production control, switching, channeling, and automating distributive trades and services such as point of sale (POS) computer systems. Also, does not include equipment of a kind used primarily for amusement or entertainment of the user.	6	5	5
00.13	<b>Data Handling Equipment; except Computers:</b> Includes only typewriters, calculators, adding and accounting machines, copiers, and duplicating equipment.	6	5	6
00.21	<b>Airplanes (airframes and engines), except those used in commercial or contract carrying of passengers or freight, and all helicopters (airframes and engines)</b>	6	5	6
00.22	<b>Automobiles, Taxis</b>	3	5	5
00.23	<b>Buses</b>	9	5	9
00.241	<b>Light General Purpose Trucks:</b> Includes trucks for use over the road (actual weight less than 13,000 pounds)	4	5	5
00.242	<b>Heavy General Purpose Trucks:</b> Includes heavy general purpose trucks, concrete ready mix-trucks, and ore trucks, for use over the road (actual unloaded weight 13,000 pounds or more)	6	5	6
00.25	<b>Railroad Cars and Locomotives, except those owned by railroad transportation companies</b>	15	7	15
00.26	<b>Tractor Units for Use Over-The-Road</b>	4	3	4
00.27	<b>Trailers and Trailer-Mounted Containers</b>	6	5	6
00.28	<b>Vessels, Barges, Tugs, and Similar Water Transportation Equipment, except those used in marine construction</b>	18	10	18
00.3	<b>Land Improvements:</b> Includes improvements directly to or added to land, whether such improvements are section 1245 property or section 1250 property, provided such improvements are depreciable. Examples of such assets might include sidewalks, roads, canals, waterways, drainage facilities, sewers (not including municipal sewers in Class 51), wharves and docks, bridges, fences, landscaping shrubbery, or radio and television transmitting towers. Does not include land improvements that are explicitly included in any other class, and buildings and structural components as defined in section 1.48-1(e) of the regulations. Excludes public utility initial clearing and grading land improvements as specified in Rev. Rul. 72-403, 1972-2 C.B. 102.	20	15	20
00.4	<b>Industrial Steam and Electric Generation and/or Distribution Systems:</b> Includes assets, whether such assets are section 1245 property or 1250 property, providing such assets are depreciable, used in the production and/or distribution of electricity with rated total capacity in excess of 500 Kilowatts and/or assets used in the production and/or distribution of steam with rated total capacity in excess of 12,500 pounds per hour for use by the taxpayer in its industrial manufacturing process or plant activity and not ordinarily available for sale to others. Does not include buildings and structural components as defined in section 1.48-1(e) of the regulations. Assets used to generate and/or distribute electricity or steam of the type described above, but of lesser rated capacity, are not included, but are included in the appropriate manufacturing equipment classes elsewhere specified. Also includes electric generating and steam distribution assets, which may utilize steam produced by a waste reduction and resource recovery plant, used by the taxpayer in its industrial manufacturing process or plant activity. Steam and chemical recovery boiler systems used for the recovery and regeneration of chemicals used in manufacturing, with rated capacity in excess of that described above, with specifically related distribution and return systems are not included but are included in appropriate manufacturing equipment classes elsewhere specified. An example of an excluded steam and chemical recovery boiler system is that used in the pulp and paper manufacturing equipment classes elsewhere specified. An example of an excluded steam and chemical recovery boiler system is that used in the pulp and paper manufacturing industry.	22	15	22

Table B-2. **Table of Class Lives and Recovery Periods**

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
<i>DEPRECIABLE ASSETS USED IN THE FOLLOWING ACTIVITIES:</i>				
<b>01.1</b>	<b>Agriculture:</b> Includes machinery and equipment, grain bins, and fences but no other land improvements, that are used in the production of crops or plants, vines, and trees; livestock; the operation of farm dairies, nurseries, greenhouses, sod farms, mushroom cellars, cranberry bogs, apiaries, and fur farms; the performance of agriculture, animal husbandry, and horticultural services.	10	7	10
<b>01.11</b>	<b>Cotton Ginning Assets</b>	12	7	12
<b>01.21</b>	<b>Cattle, Breeding or Dairy</b>	7	5	7
<b>01.221</b>	<b>Any breeding or work horse that is 12 years old or less at the time it is placed in service**</b>	10	7	10
<b>01.222</b>	<b>Any breeding or work horse that is more than 12 years old at the time it is placed in service**</b>	10	3	10
<b>01.223</b>	<b>Any race horse that is more than 2 years old at the time it is placed in service**</b>	*	3	12
<b>01.224</b>	<b>Any horse that is more than 12 years old at the time it is placed in service and that is neither a race horse nor a horse described in class 01.222**</b>	*	3	12
<b>01.225</b>	<b>Any horse not described in classes 01.221, 01.222, 01.223, or 01.224</b>	*	7	12
<b>01.23</b>	<b>Hogs, Breeding</b>	3	3	3
<b>01.24</b>	<b>Sheep and Goats, Breeding</b>	5	5	5
<b>01.3</b>	<b>Farm buildings except structures included in Class 01.4</b>	25	20	25
<b>01.4</b>	<b>Single purpose agricultural or horticultural structures (within the meaning of section 168(i)(13) of the Code)</b>	15	10***	15
<b>10.0</b>	<b>Mining:</b> Includes assets used in the mining and quarrying of metallic and nonmetallic minerals (including sand, gravel, stone, and clay) and the milling, beneficiation and other primary preparation of such materials.	10	7	10
<b>13.0</b>	<b>Offshore Drilling:</b> Includes assets used in offshore drilling for oil and gas such as floating, self-propelled and other drilling vessels, barges, platforms, and drilling equipment and support vessels such as tenders, barges, towboats and crewboats. Excludes oil and gas production assets.	7.5	5	7.5
<b>13.1</b>	<b>Drilling of Oil and Gas Wells:</b> Includes assets used in the drilling of onshore oil and gas wells and the provision of geophysical and other exploration services; and the provision of such oil and gas field services as chemical treatment, plugging and abandoning of wells and cementing or perforating well casings. Does not include assets used in the performance of any of these activities and services by integrated petroleum and natural gas producers for their own account.	6	5	6
<b>13.2</b>	<b>Exploration for and Production of Petroleum and Natural Gas Deposits:</b> Includes assets used by petroleum and natural gas producers for drilling of wells and production of petroleum and natural gas, including gathering pipelines and related storage facilities. Also includes petroleum and natural gas offshore transportation facilities used by producers and others consisting of platforms (other than drilling platforms classified in Class 13.0), compression or pumping equipment, and gathering and transmission lines to the first onshore transshipment facility. The assets used in the first onshore transshipment facility are also included and consist of separation equipment (used for separation of natural gas, liquids, and in Class 49.23), and liquid holding or storage facilities (other than those classified in Class 49.25). Does not include support vessels.	14	7	14
<b>13.3</b>	<b>Petroleum Refining:</b> Includes assets used for the distillation, fractionation, and catalytic cracking of crude petroleum into gasoline and its other components.	16	10	16
<b>15.0</b>	<b>Construction:</b> Includes assets used in construction by general building, special trade, heavy and marine construction contractors, operative and investment builders, real estate subdividers and developers, and others except railroads.	6	5	6
<b>20.1</b>	<b>Manufacture of Grain and Grain Mill Products:</b> Includes assets used in the production of flours, cereals, livestock feeds, and other grain and grain mill products.	17	10	17
<b>20.2</b>	<b>Manufacture of Sugar and Sugar Products:</b> Includes assets used in the production of raw sugar, syrup, or finished sugar from sugar cane or sugar beets.	18	10	18
<b>20.3</b>	<b>Manufacture of Vegetable Oils and Vegetable Oil Products:</b> Includes assets used in the production of oil from vegetable materials and the manufacture of related vegetable oil products.	18	10	18
<b>20.4</b>	<b>Manufacture of Other Food and Kindred Products:</b> Includes assets used in the production of foods and beverages not included in classes 20.1, 20.2 and 20.3.	12	7	12
<b>20.5</b>	<b>Manufacture of Food and Beverages—Special Handling Devices:</b> Includes assets defined as specialized materials handling devices such as returnable pallets, palletized containers, and fish processing equipment including boxes, baskets, carts, and flaking trays used in activities as defined in classes 20.1, 20.2, 20.3 and 20.4. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	4	3	4

\* Property described in asset classes 01.223, 01.224, and 01.225 are assigned recovery periods but have no class lives.

\*\* A horse is more than 2 (or 12) years old after the day that is 24 (or 144) months after its actual birthdate.

\*\*\* 7 if property was placed in service before 1989.

Table B-2. **Table of Class Lives and Recovery Periods**

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
21.0	<b>Manufacture of Tobacco and Tobacco Products:</b> Includes assets used in the production of cigarettes, cigars, smoking and chewing tobacco, snuff, and other tobacco products.	15	7	15
22.1	<b>Manufacture of Knitted Goods:</b> Includes assets used in the production of knitted and netted fabrics and lace. Assets used in yarn preparation, bleaching, dyeing, printing, and other similar finishing processes, texturing, and packaging, are elsewhere classified.	7.5	5	7.5
22.2	<b>Manufacture of Yarn, Thread, and Woven Fabric:</b> Includes assets used in the production of spun yarns including the preparing, blending, spinning, and twisting of fibers into yarns and threads, the preparation of yarns such as twisting, warping, and winding, the production of covered elastic yarn and thread, cordage, woven fabric, tire fabric, braided fabric, twisted jute for packaging, mattresses, pads, sheets, and industrial belts, and the processing of textile mill waste to recover fibers, flocks, and shoddies. Assets used to manufacture carpets, man-made fibers, and nonwovens, and assets used in texturing, bleaching, dyeing, printing, and other similar finishing processes, are elsewhere classified.	11	7	11
22.3	<b>Manufacture of Carpets and Dyeing, Finishing, and Packaging of Textile Products and Manufacture of Medical and Dental Supplies:</b> Includes assets used in the production of carpets, rugs, mats, woven carpet backing, chenille, and other tufted products, and assets used in the joining together of backing with carpet yarn or fabric. Includes assets used in washing, scouring, bleaching, dyeing, printing, drying, and similar finishing processes applied to textile fabrics, yarns, threads, and other textile goods. Includes assets used in the production and packaging of textile products, other than apparel, by creasing, forming, trimming, cutting, and sewing, such as the preparation of carpet and fabric samples, or similar joining together processes (other than the production of scrim reinforced paper products and laminated paper products) such as the sewing and folding of hosiery and panty hose, and the creasing, folding, trimming, and cutting of fabrics to produce nonwoven products, such as disposable diapers and sanitary products. Also includes assets used in the production of medical and dental supplies other than drugs and medicines. Assets used in the manufacture of nonwoven carpet backing, and hard surface floor covering such as tile, rubber, and cork, are elsewhere classified.	9	5	9
22.4	<b>Manufacture of Textile Yarns:</b> Includes assets used in the processing of yarns to impart bulk and/or stretch properties to the yarn. The principal machines involved are false-twist, draw, beam-to-beam, and stuffer box texturing equipment and related highspeed twisters and winders. Assets, as described above, which are used to further process man-made fibers are elsewhere classified when located in the same plant in an integrated operation with man-made fiber producing assets. Assets used to manufacture man-made fibers and assets used in bleaching, dyeing, printing, and other similar finishing processes, are elsewhere classified.	8	5	8
22.5	<b>Manufacture of Nonwoven Fabrics:</b> Includes assets used in the production of nonwoven fabrics, felt goods including felt hats, padding, batting, wadding, oakum, and fillings, from new materials and from textile mill waste. Nonwoven fabrics are defined as fabrics (other than reinforced and laminated composites consisting of nonwovens and other products) manufactured by bonding natural and/or synthetic fibers and/or filaments by means of induced mechanical interlocking, fluid entanglement, chemical adhesion, thermal or solvent reaction, or by combination thereof other than natural hydration bonding as occurs with natural cellulose fibers. Such means include resin bonding, web bonding, and melt bonding. Specifically includes assets used to make flocked and needle punched products other than carpets and rugs. Assets, as described above, which are used to manufacture nonwovens are elsewhere classified when located in the same plant in an integrated operation with man-made fiber producing assets. Assets used to manufacture man-made fibers and assets used in bleaching, dyeing, printing, and other similar finishing processes, are elsewhere classified.	10	7	10
23.0	<b>Manufacture of Apparel and Other Finished Products:</b> Includes assets used in the production of clothing and fabricated textile products by the cutting and sewing of woven fabrics, other textile products, and furs; but does not include assets used in the manufacture of apparel from rubber and leather.	9	5	9
24.1	<b>Cutting of Timber:</b> Includes logging machinery and equipment and roadbuilding equipment used by logging and sawmill operators and pulp manufacturers for their own account.	6	5	6
24.2	<b>Sawing of Dimensional Stock from Logs:</b> Includes machinery and equipment installed in permanent or well established sawmills.	10	7	10
24.3	<b>Sawing of Dimensional Stock from Logs:</b> Includes machinery and equipment in sawmills characterized by temporary foundations and a lack, or minimum amount, of lumberhandling, drying, and residue disposal equipment and facilities.	6	5	6
24.4	<b>Manufacture of Wood Products, and Furniture:</b> Includes assets used in the production of plywood, hardboard, flooring, veneers, furniture, and other wood products, including the treatment of poles and timber.	10	7	10
26.1	<b>Manufacture of Pulp and Paper:</b> Includes assets for pulp materials handling and storage, pulp mill processing, bleach processing, paper and paperboard manufacturing, and on-line finishing. Includes pollution control assets and all land improvements associated with the factory site or production process such as effluent ponds and canals, provided such improvements are depreciable but does not include buildings and structural components as defined in section 1.48-1(e)(1) of the regulations. Includes steam and chemical recovery boiler systems, with any rated capacity, used for the recovery and regeneration of chemicals used in manufacturing. Does not include assets used either in pulpwood logging, or in the manufacture of hardboard.	13	7	13

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Recovery Periods (in years)		
		Class Life (in years)	GDS (MACRS)	ADS
26.2	<b>Manufacture of Converted Paper, Paperboard, and Pulp Products:</b> Includes assets used for modification, or remanufacture of paper and pulp into converted products, such as paper coated off the paper machine, paper bags, paper boxes, cartons and envelopes. Does not include assets used for manufacture of nonwovens that are elsewhere classified.	10	7	10
27.0	<b>Printing, Publishing, and Allied Industries:</b> Includes assets used in printing by one or more processes, such as letter-press, lithography, gravure, or screen; the performance of services for the printing trade, such as bookbinding, typesetting, engraving, photo-engraving, and electrotyping; and the publication of newspapers, books, and periodicals.	11	7	11
28.0	<b>Manufacture of Chemicals and Allied Products:</b> Includes assets used to manufacture basic organic and inorganic chemicals; chemical products to be used in further manufacture, such as synthetic fibers and plastics materials; and finished chemical products. Includes assets used to further process man-made fibers, to manufacture plastic film, and to manufacture nonwoven fabrics, when such assets are located in the same plant in an integrated operation with chemical products producing assets. Also includes assets used to manufacture photographic supplies, such as film, photographic paper, sensitized photographic paper, and developing chemicals. Includes all land improvements associated with plant site or production processes, such as effluent ponds and canals, provided such land improvements are depreciable but does not include buildings and structural components as defined in section 1.48-1(e) of the regulations. Does not include assets used in the manufacture of finished rubber and plastic products or in the production of natural gas products, butane, propane, and by-products of natural gas production plants.	9.5	5	9.5
30.1	<b>Manufacture of Rubber Products:</b> Includes assets used for the production of products from natural, synthetic, or reclaimed rubber, gutta percha, balata, or gutta siak, such as tires, tubes, rubber footwear, mechanical rubber goods, heels and soles, flooring, and rubber sundries; and in the recapping, retreading, and rebuilding of tires.	14	7	14
30.11	<b>Manufacture of Rubber Products—Special Tools and Devices:</b> Includes assets defined as special tools, such as jigs, dies, mandrels, molds, lasts, patterns, specialty containers, pallets, shells; and tire molds, and accessory parts such as rings and insert plates used in activities as defined in class 30.1. Does not include tire building drums and accessory parts and general purpose small tools such as wrenches and drills, both power and hand-driven, and other general purpose equipment such as conveyors and transfer equipment.	4	3	4
30.2	<b>Manufacture of Finished Plastic Products:</b> Includes assets used in the manufacture of plastics products and the molding of primary plastics for the trade. Does not include assets used in the manufacture of basic plastics materials nor the manufacture of phonograph records.	11	7	11
30.21	<b>Manufacture of Finished Plastic Products—Special Tools:</b> Includes assets defined as special tools, such as jigs, dies, fixtures, molds, patterns, gauges, and specialty transfer and shipping devices, used in activities as defined in class 30.2. Special tools are specifically designed for the production or processing of particular parts and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	3.5	3	3.5
31.0	<b>Manufacture of Leather and Leather Products:</b> Includes assets used in the tanning, currying, and finishing of hides and skins; the processing of fur pelts; and the manufacture of finished leather products, such as footwear, belting, apparel, and luggage.	11	7	11
32.1	<b>Manufacture of Glass Products:</b> Includes assets used in the production of flat, blown, or pressed products of glass, such as float and window glass, glass containers, glassware and fiberglass. Does not include assets used in the manufacture of lenses.	14	7	14
32.11	<b>Manufacture of Glass Products—Special Tools:</b> Includes assets defined as special tools such as molds, patterns, pallets, and specialty transfer and shipping devices such as steel racks to transport automotive glass, used in activities as defined in class 32.1. Special tools are specifically designed for the production or processing of particular parts and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	2.5	3	2.5
32.2	<b>Manufacture of Cement:</b> Includes assets used in the production of cement, but does not include assets used in the manufacture of concrete and concrete products nor in any mining or extraction process.	20	15	20
32.3	<b>Manufacture of Other Stone and Clay Products:</b> Includes assets used in the manufacture of products from materials in the form of clay and stone, such as brick, tile, and pipe; pottery and related products, such as vitreous-china, plumbing fixtures, earthenware and ceramic insulating materials; and also includes assets used in manufacture of concrete and concrete products. Does not include assets used in any mining or extraction processes.	15	7	15

Table B-2. **Table of Class Lives and Recovery Periods**

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
33.2	<b>Manufacture of Primary Nonferrous Metals:</b> Includes assets used in the smelting, refining, and electrolysis of nonferrous metals from ore, pig, or scrap, the rolling, drawing, and alloying of nonferrous metals; the manufacture of castings, forgings, and other basic products of nonferrous metals; and the manufacture of nails, spikes, structural shapes, tubing, wire, and cable.	14	7	14
33.21	<b>Manufacture of Primary Nonferrous Metals—Special Tools:</b> Includes assets defined as special tools such as dies, jigs, molds, patterns, fixtures, gauges, and drawings concerning such special tools used in the activities as defined in class 33.2, Manufacture of Primary Nonferrous Metals. Special tools are specifically designed for the production or processing of particular products or parts and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices. Rolls, mandrels and refractories are not included in class 33.21 but are included in class 33.2.	6.5	5	6.5
33.3	<b>Manufacture of Foundry Products:</b> Includes assets used in the casting of iron and steel, including related operations such as molding and coremaking. Also includes assets used in the finishing of castings and patternmaking when performed at the foundry, all special tools and related land improvements.	14	7	14
33.4	<b>Manufacture of Primary Steel Mill Products:</b> Includes assets used in the smelting, reduction, and refining of iron and steel from ore, pig, or scrap; the rolling, drawing and alloying of steel; the manufacture of nails, spikes, structural shapes, tubing, wire, and cable. Includes assets used by steel service centers, ferrous metal forges, and assets used in coke production, regardless of ownership. Also includes related land improvements and all special tools used in the above activities.	15	7	15
34.0	<b>Manufacture of Fabricated Metal Products:</b> Includes assets used in the production of metal cans, tinware, fabricated structural metal products, metal stampings, and other ferrous and nonferrous metal and wire products not elsewhere classified. Does not include assets used to manufacture non-electric heating apparatus.	12	7	12
34.01	<b>Manufacture of Fabricated Metal Products—Special Tools:</b> Includes assets defined as special tools such as dies, jigs, molds, patterns, fixtures, gauges, and returnable containers and drawings concerning such special tools used in the activities as defined in class 34.0. Special tools are specifically designed for the production or processing of particular machine components, products, or parts, and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	3	3	3
35.0	<b>Manufacture of Electrical and Non-Electrical Machinery and Other Mechanical Products:</b> Includes assets used to manufacture or rebuild finished machinery and equipment and replacement parts thereof such as machine tools, general industrial and special industry machinery, electrical power generation, transmission, and distribution systems, space heating, cooling, and refrigeration systems, commercial and home appliances, farm and garden machinery, construction machinery, mining and oil field machinery, internal combustion engines (except those elsewhere classified), turbines (except those that power airborne vehicles), batteries, lamps and lighting fixtures, carbon and graphite products, and electromechanical and mechanical products including business machines, instruments, watches and clocks, vending and amusement machines, photographic equipment, medical and dental equipment and appliances, and ophthalmic goods. Includes assets used by manufacturers or rebuilders of such finished machinery and equipment in activities elsewhere classified such as the manufacture of castings, forgings, rubber and plastic products, electronic subassemblies or other manufacturing activities if the interim products are used by the same manufacturer primarily in the manufacture, assembly, or rebuilding of such finished machinery and equipment. Does not include assets used in mining, assets used in the manufacture of primary ferrous and nonferrous metals, assets included in class 00.11 through 00.4 and assets elsewhere classified.	10	7	10
36.0	<b>Manufacture of Electronic Components, Products, and Systems:</b> Includes assets used in the manufacture of electronic communication, computation, instrumentation and control system, including airborne applications; also includes assets used in the manufacture of electronic products such as frequency and amplitude modulated transmitters and receivers, electronic switching stations, television cameras, video recorders, record players and tape recorders, computers and computer peripheral machines, and electronic instruments, watches, and clocks; also includes assets used in the manufacture of components, provided their primary use is products and systems defined above such as electron tubes, capacitors, coils, resistors, printed circuit substrates, switches, harness cables, lasers, fiber optic devices, and magnetic media devices. Specifically excludes assets used to manufacture electronic products and components, photocopiers, typewriters, postage meters and other electromechanical and mechanical business machines and instruments that are elsewhere classified. Does not include semiconductor manufacturing equipment included in class 36.1.	6	5	6
36.1	<b>Any Semiconductor Manufacturing Equipment</b>	5	5	5

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Recovery Periods (in years)		
		Class Life (in years)	GDS (MACRS)	ADS
37.11	<b>Manufacture of Motor Vehicles:</b> Includes assets used in the manufacture and assembly of finished automobiles, trucks, trailers, motor homes, and buses. Does not include assets used in mining, printing and publishing, production of primary metals, electricity, or steam, or the manufacture of glass, industrial chemicals, batteries, or rubber products, which are classified elsewhere. Includes assets used in manufacturing activities elsewhere classified other than those excluded above, where such activities are incidental to and an integral part of the manufacture and assembly of finished motor vehicles such as the manufacture of parts and subassemblies of fabricated metal products, electrical equipment, textiles, plastics, leather, and foundry and forging operations. Does not include any assets not classified in manufacturing activity classes, e.g., does not include any assets classified in asset guideline classes 00.11 through 00.4. Activities will be considered incidental to the manufacture and assembly of finished motor vehicles only if 75 percent or more of the value of the products produced under one roof are used for the manufacture and assembly of finished motor vehicles. Parts that are produced as a normal replacement stock complement in connection with the manufacture and assembly of finished motor vehicles are considered used for the manufacture assembly of finished motor vehicles. Does not include assets used in the manufacture of component parts if these assets are used by taxpayers not engaged in the assembly of finished motor vehicles.	12	7	12
37.12	<b>Manufacture of Motor Vehicles—Special Tools:</b> Includes assets defined as special tools, such as jigs, dies, fixtures, molds, patterns, gauges, and specialty transfer and shipping devices, owned by manufacturers of finished motor vehicles and used in qualified activities as defined in class 37.11. Special tools are specifically designed for the production or processing of particular motor vehicle components and have no significant utilitarian value, and cannot be adapted to further or different use, after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and powerdriven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	3	3	3
37.2	<b>Manufacture of Aerospace Products:</b> Includes assets used in the manufacture and assembly of airborne vehicles and their component parts including hydraulic, pneumatic, electrical, and mechanical systems. Does not include assets used in the production of electronic airborne detection, guidance, control, radiation, computation, test, navigation, and communication equipment or the components thereof.	10	7	10
37.31	<b>Ship and Boat Building Machinery and Equipment:</b> Includes assets used in the manufacture and repair of ships, boats, caissons, marine drilling rigs, and special fabrications not included in asset classes 37.32 and 37.33. Specifically includes all manufacturing and repairing machinery and equipment, including machinery and equipment used in the operation of assets included in asset class 37.32. Excludes buildings and their structural components.	12	7	12
37.32	<b>Ship and Boat Building Dry Docks and Land Improvements:</b> Includes assets used in the manufacture and repair of ships, boats, caissons, marine drilling rigs, and special fabrications not included in asset classes 37.31 and 37.33. Specifically includes floating and fixed dry docks, ship basins, graving docks, shipways, piers, and all other land improvements such as water, sewer, and electric systems. Excludes buildings and their structural components.	16	10	16
37.33	<b>Ship and Boat Building—Special Tools:</b> Includes assets defined as special tools such as dies, jigs, molds, patterns, fixtures, gauges, and drawings concerning such special tools used in the activities defined in classes 37.31 and 37.32. Special tools are specifically designed for the production or processing of particular machine components, products, or parts, and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	6.5	5	6.5
37.41	<b>Manufacture of Locomotives:</b> Includes assets used in building or rebuilding railroad locomotives (including mining and industrial locomotives). Does not include assets of railroad transportation companies or assets of companies which manufacture components of locomotives but do not manufacture finished locomotives.	11.5	7	11.5
37.42	<b>Manufacture of Railroad Cars:</b> Includes assets used in building or rebuilding railroad freight or passenger cars (including rail transit cars). Does not include assets of railroad transportation companies or assets of companies which manufacture components of railroad cars but do not manufacture finished railroad cars.	12	7	12
39.0	<b>Manufacture of Athletic, Jewelry, and Other Goods:</b> Includes assets used in the production of jewelry; musical instruments; toys and sporting goods; motion picture and television films and tapes; and pens, pencils, office and art supplies, brooms, brushes, caskets, etc. <b>Railroad Transportation:</b> Classes with the prefix 40 include the assets identified below that are used in the commercial and contract carrying of passengers and freight by rail. Assets of electrified railroads will be classified in a manner corresponding to that set forth below for railroads not independently operated as electric lines. Excludes the assets included in classes with the prefix beginning 00.1 and 00.2 above, and also excludes any non-depreciable assets included in Interstate Commerce Commission accounts enumerated for this class.	12	7	12

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
40.1	<b>Railroad Machinery and Equipment:</b> Includes assets classified in the following Interstate Commerce Commission accounts: <b>Roadway accounts:</b> (16) Station and office buildings (freight handling machinery and equipment only) (25) TOFC/COFC terminals (freight handling machinery and equipment only) (26) Communication systems (27) Signals and interlockers (37) Roadway machines (44) Shop machinery <b>Equipment accounts:</b> (52) Locomotives (53) Freight train cars (54) Passenger train cars (57) Work equipment	14	7	14
40.2	<b>Railroad Structures and Similar Improvements:</b> Includes assets classified in the following Interstate Commerce Commission road accounts: (6) Bridges, trestles, and culverts (7) Elevated structures (13) Fences, snowsheds, and signs (16) Station and office buildings (stations and other operating structures only) (17) Roadway buildings (18) Water stations (19) Fuel stations (20) Shops and enginehouses (25) TOFC/COFC terminals (operating structures only) (31) Power transmission systems (35) Miscellaneous structures (39) Public improvements construction	30	20	30
40.3	<b>Railroad Wharves and Docks:</b> Includes assets classified in the following Interstate Commission Commerce accounts: (23) Wharves and docks (24) Coal and ore wharves	20	15	20
40.4	<b>Railroad Track</b>	10	7	10
40.51	<b>Railroad Hydraulic Electric Generating Equipment</b>	50	20	50
40.52	<b>Railroad Nuclear Electric Generating Equipment</b>	20	15	20
40.53	<b>Railroad Steam Electric Generating Equipment</b>	28	20	28
40.54	<b>Railroad Steam, Compressed Air, and Other Power Plan Equipment</b>	28	20	28
41.0	<b>Motor Transport—Passengers:</b> Includes assets used in the urban and interurban commercial and contract carrying of passengers by road, except the transportation assets included in classes with the prefix 00.2.	8	5	8
42.0	<b>Motor Transport—Freight:</b> Includes assets used in the commercial and contract carrying of freight by road, except the transportation assets included in classes with the prefix 00.2.	8	5	8
44.0	<b>Water Transportation:</b> Includes assets used in the commercial and contract carrying of freight and passengers by water except the transportation assets included in classes with the prefix 00.2. Includes all related land improvements.	20	15	20
45.0	<b>Air Transport:</b> Includes assets (except helicopters) used in commercial and contract carrying of passengers and freight by air. For purposes of section 1.167(a)-11(d)(2)(iv)(a) of the regulations, expenditures for “repair, maintenance, rehabilitation, or improvement,” shall consist of direct maintenance expenses (irrespective of airworthiness provisions or charges) as defined by Civil Aeronautics Board uniform accounts 5200, maintenance burden (exclusive of expenses pertaining to maintenance buildings and improvements) as defined by Civil Aeronautics Board accounts 5300, and expenditures which are not “excluded additions” as defined in section 1.167(a)-11(d)(2)(vi) of the regulations and which would be charged to property and equipment accounts in the Civil Aeronautics Board uniform system of accounts.	12	7	12
45.1	<b>Air Transport (restricted):</b> Includes each asset described in the description of class 45.0 which was held by the taxpayer on April 15, 1976, or is acquired by the taxpayer pursuant to a contract which was, on April 15, 1976, and at all times thereafter, binding on the taxpayer. This criterion of classification based on binding contract concept is to be applied in the same manner as under the general rules expressed in section 49(b)(1), (4), (5) and (8) of the Code (as in effect prior to its repeal by the Revenue Act of 1978, section 312(c)(1), (d), 1978-3 C.B. 1, 60).	6	5	6
46.0	<b>Pipeline Transportation:</b> Includes assets used in the private, commercial, and contract carrying of petroleum, gas and other products by means of pipes and conveyors. The trunk lines and related storage facilities of integrated petroleum and natural gas producers are included in this class. Excludes initial clearing and grading land improvements as specified in Rev. Rul. 72-403, 1972-2; C.B. 102, but includes all other related land improvements.	22	15	22

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
48.11	<b>Telephone Communications:</b> Includes the assets classified below and that are used in the provision of commercial and contract telephonic services such as: <b>Telephone Central Office Buildings:</b> Includes assets intended to house central office equipment, as defined in Federal Communications Commission Part 31 Account No. 212 whether section 1245 or section 1250 property.	45	20	45
48.12	<b>Telephone Central Office Equipment:</b> Includes central office switching and related equipment as defined in Federal Communications Commission Part 31 Account No. 221. Does not include computer-based telephone central office switching equipment included in class 48.121. Does not include private branch exchange (PBX) equipment.	18	10	18
48.121	<b>Computer-based Telephone Central Office Switching Equipment:</b> Includes equipment whose functions are those of a computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code) used in its capacity as telephone central office equipment. Does not include private exchange (PBX) equipment.	9.5	5	9.5
48.13	<b>Telephone Station Equipment:</b> Includes such station apparatus and connections as teletypewriters, telephones, booths, private exchanges, and comparable equipment as defined in Federal Communications Commission Part 31 Account No. 231, 232, and 234.	10	7*	10*
48.14	<b>Telephone Distribution Plant:</b> Includes such assets as pole lines, cable, aerial wire, underground conduits, and comparable equipment, and related land improvements as defined in Federal Communications Commission Part 31 Account Nos. 241, 242.1, 242.2, 242.3, 242.4, 243, and 244.	24	15	24
48.2	<b>Radio and Television Broadcastings:</b> Includes assets used in radio and television broadcasting, except transmitting towers. <b>Telegraph, Ocean Cable, and Satellite Communications (TOCSC)</b> includes communications-related assets used to provide domestic and international radio-telegraph, wire-telegraph, ocean-cable, and satellite communications services; also includes related land improvements. If property described in Classes 48.31–48.45 is comparable to telephone distribution plant described in Class 48.14 and used for 2-way exchange of voice and data communication which is the equivalent of telephone communication, such property is assigned a class life of 24 years under this revenue procedure. Comparable equipment does not include cable television equipment used primarily for 1-way communication.	6	5	6
48.31	<b>TOCSC—Electric Power Generating and Distribution Systems:</b> Includes assets used in the provision of electric power by generation, modulation, rectification, channelization, control, and distribution. Does not include these assets when they are installed on customers premises.	19	10	19
48.32	<b>TOCSC—High Frequency Radio and Microwave Systems:</b> Includes assets such as transmitters and receivers, antenna supporting structures, antennas, transmission lines from equipment to antenna, transmitter cooling systems, and control and amplification equipment. Does not include cable and long-line systems.	13	7	13
48.33	<b>TOCSC—Cable and Long-line Systems:</b> Includes assets such as transmission lines, pole lines, ocean cables, buried cable and conduit, repeaters, repeater stations, and other related assets. Does not include high frequency radio or microwave systems.	26.5	20	26.5
48.34	<b>TOCSC—Central Office Control Equipment:</b> Includes assets for general control, switching, and monitoring of communications signals including electromechanical switching and channeling apparatus, multiplexing equipment patching and monitoring facilities, in-house cabling, teleprinter equipment, and associated site improvements.	16.5	10	16.5
48.35	<b>TOCSC—Computerized Switching, Channeling, and Associated Control Equipment:</b> Includes central office switching computers, interfacing computers, other associated specialized control equipment, and site improvements.	10.5	7	10.5
48.36	<b>TOCSC—Satellite Ground Segment Property:</b> Includes assets such as fixed earth station equipment, antennas, satellite communications equipment, and interface equipment used in satellite communications. Does not include general purpose equipment or equipment used in satellite space segment property.	10	7	10
48.37	<b>TOCSC—Satellite Space Segment Property:</b> Includes satellites and equipment used for telemetry, tracking, control, and monitoring when used in satellite communications.	8	5	8
48.38	<b>TOCSC—Equipment Installed on Customer’s Premises:</b> Includes assets installed on customer’s premises, such as computers, terminal equipment, power generation and distribution systems, private switching center, teleprinters, facsimile equipment and other associated and related equipment.	10	7	10
48.39	<b>TOCSC—Support and Service Equipment:</b> Includes assets used to support but not engage in communications. Includes store, warehouse and shop tools, and test and laboratory assets. <b>Cable Television (CATV):</b> Includes communications-related assets used to provide cable television community antenna television services. Does not include assets used to provide subscribers with two-way communications services.	13.5	7	13.5

\* Property described in asset guideline class 48.13 which is qualified technological equipment as defined in section 168(i)(2) is assigned a 5-year recovery period.

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
48.41	<b>CATV—Headend:</b> Includes assets such as towers, antennas, preamplifiers, converters, modulation equipment, and program non-duplication systems. Does not include headend buildings and program origination assets.	11	7	11
48.42	<b>CATV—Subscriber Connection and Distribution Systems:</b> Includes assets such as trunk and feeder cable, connecting hardware, amplifiers, power equipment, passive devices, directional taps, pedestals, pressure taps, drop cables, matching transformers, multiple set connector equipment, and convertors.	10	7	10
48.43	<b>CATV—Program Origination:</b> Includes assets such as cameras, film chains, video tape recorders, lighting, and remote location equipment excluding vehicles. Does not include buildings and their structural components.	9	5	9
48.44	<b>CATV—Service and Test:</b> Includes assets such as oscilloscopes, field strength meters, spectrum analyzers, and cable testing equipment, but does not include vehicles.	8.5	5	8.5
48.45	<b>CATV—Microwave Systems:</b> Includes assets such as towers, antennas, transmitting and receiving equipment, and broad band microwave assets is used in the provision of cable television services. Does not include assets used in the provision of common carrier services.	9.5	5	9.5
49.11	<b>Electric, Gas, Water and Steam, Utility Services:</b> Includes assets used in the production, transmission and distribution of electricity, gas, steam, or water for sale including related land improvements. <b>Electric Utility Hydraulic Production Plant:</b> Includes assets used in the hydraulic power production of electricity for sale, including related land improvements, such as dams, flumes, canals, and waterways.	50	20	50
49.12	<b>Electric Utility Nuclear Production Plant:</b> Includes assets used in the nuclear power production and electricity for sale and related land improvements. Does not include nuclear fuel assemblies.	20	15	20
49.121	<b>Electric Utility Nuclear Fuel Assemblies:</b> Includes initial core and replacement core nuclear fuel assemblies (i.e., the composite of fabricated nuclear fuel and container) when used in a boiling water, pressurized water, or high temperature gas reactor used in the production of electricity. Does not include nuclear fuel assemblies used in breeder reactors.	5	5	5
49.13	<b>Electric Utility Steam Production Plant:</b> Includes assets used in the steam power production of electricity for sale, combustion turbines operated in a combined cycle with a conventional steam unit and related land improvements. Also includes package boilers, electric generators and related assets such as electricity and steam distribution systems as used by a waste reduction and resource recovery plant if the steam or electricity is normally for sale to others.	28	20	28
49.14	<b>Electric Utility Transmission and Distribution Plant:</b> Includes assets used in the transmission and distribution of electricity for sale and related land improvements. Excludes initial clearing and grading land improvements as specified in Rev. Rul. 72-403, 1972-2 C.B. 102.	30	20	30
49.15	<b>Electric Utility Combustion Turbine Production Plant:</b> Includes assets used in the production of electricity for sale by the use of such prime movers as jet engines, combustion turbines, diesel engines, gasoline engines, and other internal combustion engines, their associated power turbines and/or generators, and related land improvements. Does not include combustion turbines operated in a combined cycle with a conventional steam unit.	20	15	20
49.21	<b>Gas Utility Distribution Facilities:</b> Includes gas water heaters and gas conversion equipment installed by utility on customers' premises on a rental basis.	35	20	35
49.221	<b>Gas Utility Manufactured Gas Production Plants:</b> Includes assets used in the manufacture of gas having chemical and/or physical properties which do not permit complete interchangeability with domestic natural gas. Does not include gas-producing systems and related systems used in waste reduction and resource recovery plants which are elsewhere classified.	30	20	30
49.222	<b>Gas Utility Substitute Natural Gas (SNG) Production Plant (naphtha or lighter hydrocarbon feedstocks):</b> Includes assets used in the catalytic conversion of feedstocks or naphtha or lighter hydrocarbons to a gaseous fuel which is completely interchangeable with domestic natural gas.	14	7	14
49.223	<b>Substitute Natural Gas—Coal Gasification:</b> Includes assets used in the manufacture and production of pipeline quality gas from coal using the basic Lurgi process with advanced methanation. Includes all process plant equipment and structures used in this coal gasification process and all utility assets such as cooling systems, water supply and treatment facilities, and assets used in the production and distribution of electricity and steam for use by the taxpayer in a gasification plant and attendant coal mining site processes but not for assets used in the production and distribution of electricity and steam for sale to others. Also includes all other related land improvements. Does not include assets used in the direct mining and treatment of coal prior to the gasification process itself.	18	10	18
49.23	<b>Natural Gas Production Plant</b>	14	7	14
49.24	<b>Gas Utility Trunk Pipelines and Related Storage Facilities:</b> Excluding initial clearing and grading land improvements as specified in Rev. Rul. 72-40.	22	15	22
49.25	<b>Liquefied Natural Gas Plant:</b> Includes assets used in the liquefaction, storage, and regasification of natural gas including loading and unloading connections, instrumentation equipment and controls, pumps, vaporizers and odorizers, tanks, and related land improvements. Also includes pipeline interconnections with gas transmission lines and distribution systems and marine terminal facilities.	22	15	22

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
49.3	<b>Water Utilities:</b> Includes assets used in the gathering, treatment, and commercial distribution of water.	50	20***	50
49.4	<b>Central Steam Utility Production and Distribution:</b> Includes assets used in the production and distribution of steam for sale. Does not include assets used in waste reduction and resource recovery plants which are elsewhere classified.	28	20	28
49.5	<b>Waste Reduction and Resource Recovery Plants:</b> Includes assets used in the conversion of refuse or other solid waste or biomass to heat or to a solid, liquid, or gaseous fuel. Also includes all process plant equipment and structures at the site used to receive, handle, collect, and process refuse or other solid waste or biomass in a waterwall, combustion system, oil or gas pyrolysis system, or refuse derived fuel system to create hot water, gas, steam and electricity. Includes material recovery and support assets used in refuse or solid refuse or solid waste receiving, collecting, handling, sorting, shredding, classifying, and separation systems. Does not include any package boilers, or electric generators and related assets such as electricity, hot water, steam and manufactured gas production plants classified in classes 00.4, 49.13, 49.221, and 49.4. Does include, however, all other utilities such as water supply and treatment facilities, ash handling and other related land improvements of a waste reduction and resource recovery plant.	10	7	10
50.	<b>Municipal Wastewater Treatment Plant</b>	24	15	24
51.	<b>Municipal Sewer</b>	50	20***	50
57.0	<b>Distributive Trades and Services:</b> Includes assets used in wholesale and retail trade, and personal and professional services. Includes section 1245 assets used in marketing petroleum and petroleum products.	9	5	9*
57.1	<b>Distributive Trades and Services—Billboard, Service Station Buildings and Petroleum Marketing Land Improvements:</b> Includes section 1250 assets, including service station buildings and depreciable land improvements, whether section 1245 property or section 1250 property, used in the marketing of petroleum and petroleum products, but not including any of these facilities related to petroleum and natural gas trunk pipelines. Includes car wash buildings and related land improvements. Includes billboards, whether such assets are section 1245 property or section 1250 property. Excludes all other land improvements, buildings and structural components as defined in section 1.48-1(e) of the regulations. See <i>Gas station convenience stores</i> in chapter 3.	20	15	20
79.0	<b>Recreation:</b> Includes assets used in the provision of entertainment services on payment of a fee or admission charge, as in the operation of bowling alleys, billiard and pool establishments, theaters, concert halls, and miniature golf courses. Does not include amusement and theme parks and assets which consist primarily of specialized land improvements or structures, such as golf courses, sports stadia, race tracks, ski slopes, and buildings which house the assets used in entertainment services.	10	7	10
80.0	<b>Theme and Amusement Parks:</b> Includes assets used in the provision of rides, attractions, and amusements in activities defined as theme and amusement parks, and includes appurtenances associated with a ride, attraction, amusement or theme setting within the park such as ticket booths, facades, shop interiors, and props, special purpose structures, and buildings other than warehouses, administration buildings, hotels, and motels. Includes all land improvements for or in support of park activities (e.g., parking lots, sidewalks, waterways, bridges, fences, landscaping, etc.), and support functions (e.g., food and beverage retailing, souvenir vending and other nonlodging accommodations) if owned by the park and provided exclusively for the benefit of park patrons. Theme and amusement parks are defined as combinations of amusements, rides, and attractions which are permanently situated on park land and open to the public for the price of admission. This guideline class is a composite of all assets used in this industry except transportation equipment (general purpose trucks, cars, airplanes, etc., which are included in asset guideline classes with the prefix 00.2), assets used in the provision of administrative services (asset classes with the prefix 00.1) and warehouses, administration buildings, hotels and motels.	12.5	7	12.5
	<b>Certain Property for Which Recovery Periods Assigned</b>			
	A. Personal Property With No Class Life Section 1245 Real Property With No Class Life		7 7	12 40
	B. Qualified Technological Equipment, as defined in section 168(i)(2).	**	5	5
	C. Property Used in Connection with Research and Experimentation referred to in section 168(e)(3)(B).	**	5	class life if no class life—12
	D. Alternative energy property described in sections 48(l)(3)(A)(ix) (as in effect on the day before the date of enactment (11/5/90) of the Revenue Reconciliation Act of 1990).	**	5	class life if no class life—12
	E. Biomass property described in section 48(l)(15) (as in effect on the day before the date of enactment (11/5/90) of the Revenue Reconciliation Act of 1990) and is a qualifying small production facility within the meaning of section 3(17)(c) of the Federal Power Act (16 U.S.C. 796(17)(C)), as in effect on September 1, 1986.	**	5	class life if no class life—12
	F. Energy property described in section 48(a)(3)(A) (or would be described if “solar or wind energy” were substituted for “solar energy” in section 48(a)(3)(A)(i)).	**	5	class life if no class life—12

\* Any high technology medical equipment as defined in section 168(i)(2)(C) which is described in asset guideline class 57.0 is assigned a 5-year recovery period for the alternate MACRS method.

\*\* The class life (if any) of property described in classes B, C, D, E, or F is determined by reference to the asset guideline classes. If an item of property described in paragraphs B, C, D, E, or F is not described in any asset guideline class, such item of property has no class life.

\*\*\* Use straight line over 25 years if placed in service after June 12, 1996, unless placed in service under a binding contract in effect before June 10, 1996, and at all times until placed in service.

**COUNCIL RESOLUTION # -15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA TO APPROVE A  
FIXED ASSET INVENTORY POLICY**

**WHEREAS**, the City of Chowchilla owns multiple types of fixed assets that need to be capitalized; and

**WHEREAS**, the City of Chowchilla will continue to acquire fixed assets that need to be capitalized; and

**WHEREAS**, the City of Chowchilla City Council is the authoritative body that establishes policies and procedures; and

**WHEREAS**, the City of Chowchilla desires to establish a policy to properly account for the acquisition, disposition, and transfer of fixed assets

**NOW, THEREFORE, LET IT BE RESOLVED** that the City Council of the City of Chowchilla hereby finds and orders as follows:

1. The City Administrator is authorized to implement a Fixed Asset Inventory Policy.

**PPASSED AND ADOPTED** by the City Council of the City of Chowchilla this 27th day of October, 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

APPROVED:

\_\_\_\_\_  
John Chavez, Mayor

ATTEST:

\_\_\_\_\_  
Joann McClendon, CMC  
Interim City Clerk



## REPORT TO THE CITY COUNCIL

Council Meeting of October 27, 2015

<b>Agenda Section:</b>	<u>New Business</u>
<b>SUBJECT:</b>	<b>Consideration of Proposed Possible Chowchilla Little League RC Wisener Park Facilities Improvements</b>
<b>Prepared By:</b>	<u>D. Martin Piepenbrok, Community Relations Manager</u>
<b>Approved By:</b>	<u>Brian Haddix, City Administrator</u>

### **RECOMMENDATION:**

Approve the broad list of possible improvement projects proposed by the Chowchilla Little League for RC Wisener Park.

### **HISTORY / BACKGROUND:**

Chowchilla Little League throughout its existence has been strongly responsible for many of the facilities improvements at RC Wisener Park that directly benefit the youth Little League program in the community and indirectly benefit other park users as well. Efforts have always been undertaken for both Little League and the City to mutually plan, fund, construct and maintain those facilities with a consistent focus towards high quality products to develop long-standing worthwhile amenities. The City consistently strives to work with Little League to ensure developments are appropriate, are within regulations such as building codes, and fit the obligation to public access since the overall site and its assets are part of the public park property inventory.

Over the years Chowchilla Little League has raised substantial funds, and the City of Chowchilla has expended substantial monies alongside Little League, to provide quality park facilities and program amenities. Little League is seeking to enhance their funding sources by applying to grant programs for which Little League is eligible as a non-profit organization. While their traditional paths of fundraising remain active, the organization is striving to gain substantial funds infusions so they can more quickly complete their needed and desired projects.

To that end, Chowchilla Little League has developed a list of projects for RC Wisener Park they have determined are important to their program. Since the City of Chowchilla is the legal property owner of the park and is thereby ultimately responsible for all amenities on the property, staff believes the City Council should consider and render an overall acceptance of the projects Little League would like to complete. Having this buy-in from the Council will help bolster Little League's position in their grant applications particularly when they need to acknowledge the property owners' acceptance of their project funding application. Further, once the City Council concurs with the projects staff can better assist the Chowchilla Little League in facilitating regulation and permit requirements to move the projects toward completion. Of course, any individual project work, or substantial commitments from the City for funding assistance that requires further consideration as non-budgeted tasks will be brought separately to the City Council for consideration.

The lists that follow was compiled from information provided by the Chowchilla Little League Board. The organization's Board regularly discusses this "working" list and prioritizes the projects to guide their decisions to seek funding through various avenues. The lists are the basis for the Board to prepare applications for grant program funds.

### **CURRENT TOP FIVE PRIORITIES**

1. Install field lights on the AA field (Third Street & Orange Avenue) that presently has no lights
2. Replace the perimeter fence on the AAA field (Third Street & Trinity Avenue) with 8-foot high fence including bull pen areas
3. On the AAA field (Third Street & Trinity Avenue) remodel and repair, including roof replacement, of the dugouts, and install a drinking fountain
4. Remodel and repair the batting cage including new dividing walls, pitching screens, sump pump, electrical repairs and fence/gate repairs
5. Install a water cooler on the snack bar/announcing booth at the AAA field (Third Street & Trinity Avenue)

### **LONG TERM PROJECTS**

1. Replace the 50/70 field (First Street & Trinity Avenue) announcing booth
2. Move the 50/70 field (First Street & Trinity Avenue) fence behind home plate
3. Enclose the park structure (with restrooms) between the ball fields to build a new snack bar
4. Replace the AA field (Third Street & Orange Avenue) infield with grass

### **INCIDENTAL PROJECTS AS NEEDED**

1. Purchase a handheld scoreboard controller
2. Purchase unfired clay brick
3. Replace bases
4. Purchase field dressing
5. Purchase a public address system to use at the 50/70 field (First Street & Trinity Avenue)
6. Replace burned out stadium lights with LED lights

The above projects remain fluid based on the success of the fundraising efforts of Little League and future adjustments could be made at the Chowchilla Little League Board level.

Prior to undertaking any projects the Chowchilla Little League Board recognizes the necessity and importance to confer with City personnel to ensure that proper building codes and permits are obtained, along with scheduling the project tasks with volunteers, and delivery and storage of project materials. Staff believes that by planning out all the projects to the extent of their completion will result in a timely and proper completion of the projects both to the benefit of Little League and its program, as well as to the City and the amenities of the overall RC Wisener Park property.

### **FINANCIAL IMPACT**

None pertaining to this action

### **ATTACHMENTS**

None