



AGENDA REGULAR MEETING

CHOWCHILLA CITY COUNCIL

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

March 8, 2016

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.CityofChowchilla.org.

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: Waseem Ahmed

Mayor Pro Tem: Mary Gaumnitz

Council: John Chavez, 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 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 who will distribute them to the Council 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 Council Meeting.

- 1. Conference with Labor Negotiators, Gov. Code Section 54957.6**
Negotiating Parties: CEA, CCOEA, CPOA, MMCA, Management
- 2. Conference with Real Property Negotiators, Gov. Code Section 54956.8**
Property: Rancho Calera Specific Plan
Agency Negotiator: City Administrator
Negotiating Party: Pembroke Development
Under Negotiation: Price & Terms of Payment

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:** Mr. Hansen**CLOSED SESSION REPORT:****CEREMONIAL / PRESENTATIONS – Section 1****1.1 Recognition of the Chowchilla Western Stampede Committee****1.2 Recognition of the Chowchilla Athletic Foundation 2016 Hall of Fame Inductees****WORKSHOPS****PUBLIC ADDRESS**

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

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 on items on the Agenda should notify the Mayor when that Agenda item is called.

The Council 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 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, any handouts are to be provided to City Clerk who will distribute them to the Council 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

- Town Hall Meeting Announcement

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 February 23, 2016 Regular City Council Meeting Minutes (McClendon)**3.2 Approval of General Payments for the Month of February 2016 (Pruett)****3.3 Townsend Monthly Report (Haddix)**

PUBLIC HEARINGS – Section 4**DEFERRED BUSINESS – Section 5****NEW BUSINESS – Section 6**

- 6.1 **Presentation of the City of Chowchilla's Fiscal Year 2014-2015 Audit (Pruett)**
- 6.2 **Council Resolution # -16, Authorizing the City Administrator to Execute a Lease Agreement with Cleargas Inc. for Tenancy and Easements to Allow Provision of Airplane Fuel and a Pilot Lounge at the Chowchilla Airport (Locke/Attorney)**
- 6.3 **City Council Resolution # -16, Authorization of Service #1 Under the Master Service Agreement with Tartaglia Engineering to Produce an Updated Airport Layout Plan and Pavement Management and Maintenance Plan (Locke)**
- 6.4 **Council Resolution # -16 Approving the Adoption and Implementation of Rules and Regulations Pursuant to Chowchilla Municipal Code Section 13.16.020, Providing for Procedures for Evaluation by the City Administrator of Disputed Bills Under Municipal Code Section 13.16.040 (G); and Providing a Scope of Authority to the City Administrator to Resolve Such Disputes (Attorney)**
- 6.5 **Council Resolution # -16, Committing \$10,000 in Support of Promoting the Location of the California High Speed Rail Heavy Maintenance Facility in Madera County (Haddix)**
- 6.6 **Ordinance of the City Council of the City of Chowchilla Amending the Chowchilla Municipal Code Title 8, Chapter 8.19 Establishing the Requirements for the Recycling of Construction and Demolition Waste; Waiving First Reading of the Ordinance, and Setting a Public Hearing Prior to Adoption of the Ordinance (Locke/Attorney)**
- 6.7 **Consideration to Proceed to Finalize Plans to Build the Veterans Memorial Park Performance Stage Project (Piepenbrok)**
- 6.8 **Ordinance of the City Council of the City of Chowchilla Amending the Prior Adoption of Chowchilla Municipal Code Section 15.04.160, Incorporating California Code of Regulations Title 24 into the Municipal Code by Reference; Waiving First Reading of the Ordinance; and Setting a Public Hearing Prior to Adoption of the Ordinance (Locke/Attorney)**
- 6.9 **Ordinance of the City Council of the City of Chowchilla Ordinance Amending the Chowchilla Municipal Code Title 8, Establishing a Proposed Anti-Scavenging Ordinance; Waiving First Reading of the Ordinance; and Setting a Public Hearing Prior to Adoption of the Ordinance (Locke/Attorney)**
- 6.10 **Consideration Resolution # -16, Approving, for a Defined Period (April 1, 2016 – July 31, 2017), all Development Impact Fees in the Older Established Neighborhoods be Waived for Builders to Construct New Homes on Vacant Infill Lots (Haddix)**
- 6.11 **Council Resolution # -16, Amending the O'Dell Engineering Contract for Engineering Services for Robertson Blvd. & 11th Street Pedestrian Facility Improvements Project, State Funded Active Transportation Program (Locke)**

ANNOUNCEMENTS – Section 7

Mar 10 Chowchilla Western Stampede Royalty Contest 6 PM
Mar 1 Stampede Cattle Drive, Robertson Blvd 10 AM
Mar 11-13 Chowchilla Western Stampede Roping, Fairgrounds All Day
Mar 12 Rabies Vaccination Clinic, Police Department 9 AM - NOON
Mar 12 Chicano Correctional Workers Assn Crab Feed, Fairgrounds, 5 PM
Mar 13 Daylight Savings Time Begins
Mar 16 Planning Commission Meeting, City Hall, 7 PM
Mar 18 City Hall Closed
Mar 18-20 Chowchilla Western Stampede Barrel Racing 9 AM-5 PM
Mar 19 Chowchilla Lions Club Spring Round Up Dinner, Fairgrounds 6:30 PM
Mar 19 City Easter Egg Scramble, Edward Ray Park 10 AM
Mar 21- 28 Chowchilla Schools Spring Break
Mar 22 City Council Meeting, City Hall, 7 PM

ADJOURNMENT**Adjournment in Memory of Mr. John Fore**

I, Joann McClendon, CMC, City Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Chowchilla City Hall, 130 S Second Street, Chowchilla, CA and made available for public review on this 3rd day of March 2016 at or before 6:30 p.m.

_____/s/
Joann McClendon, CMC
City Clerk



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section:	<u>Council and Staff Reports</u>
SUBJECT:	Announcement of the City Council Town Hall Meeting on March 29 at 6:00PM at the Chowchilla Senior Center – Information Only
Prepared By:	<u>D. Martin Piepenbrok, Community Relations Manager</u>
Approved By:	<u>Brian Haddix, City Administrator</u>

RECOMMENDATION:

Accept and comment on the announcement of the City Council Town Hall meeting scheduled for Tuesday, March 29 at 6:00pm to be conducted at the Chowchilla Senior Center with the principal but non-exclusive topic of the 2016-2017 fiscal year budget.

HISTORY / BACKGROUND:

An important element of enhancing the City of Chowchilla's community engagement processes with the residents and stakeholders is to hold Town Hall meetings. These are officially noticed meetings that comply with the requirements of the Brown Act but there is no action items placed on the agenda. The intent is to foster discussion among the attendees with the City Council members and City staff.

The first Town Hall meeting is scheduled for Tuesday, March 29 at 6:00pm. As part of "taking City Hall out to the residents" staff has proposed to hold the meeting in the Chowchilla Senior Center, 820 W. Robertson Boulevard. There is plenty of on-site parking and with the adjacent neighborhoods it is anticipated that attendees may walk to the venue.

While the focus of this Town Hall is to discuss the development of the 2016-2017 fiscal year budget any type of topic may be presented for discussion. Of course, any topic may have an influence on developing the upcoming budget.

Utilizing the various media resources City staff will strive to achieve a good attendance to the Town Hall with the anticipation to create an engaging conversational experience with the attendees who may provide useful suggestions and guidance for departments in the preparation of the next budget.

No action is required.

FINANCIAL IMPACT

None

ATTACHMENTS

None



MINUTES
REGULAR MEETING
CHOWCHILLA CITY COUNCIL

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

February 23, 2016

CALL TO ORDER

ROLL CALL:

Mayor: Waseem Ahmed

Mayor Pro Tem: Mary Gaumnitz

Council: John Chavez, Dennis Haworth, Richard Walker

City staff and contract employees present: City Administrator Brian Haddix, City Attorney David Ritchie, Police Chief Dave Riviere, Fire Chief Harry Turner, Finance Director Rod Pruett, Engineer/Public Works Director Craig Locke, Community Relations Manager Marty Piepenbrok, City Clerk Joann McClendon

PUBLIC ADDRESS – CLOSED SESSION

No one spoke.

CLOSED SESSION – 6:08 PM

1. **Conference with Labor Negotiators, Gov. Code Section 54957.6**
Negotiating Parties: All Bargaining Groups
2. **Public Employee Performance Evaluation California Government Code Section 54957:**
Title: City Administrator

OPEN SESSION – 7:00 PM

PLEDGE OF ALLEGIANCE: Council Member Chavez

INVOCATION: Mr. Hansen

CLOSED SESSION REPORT: No reportable action.

CEREMONIAL / PRESENTATIONS – Section 1

- 1.1 Oath of Office – Joann McClendon
Mayor Ahmed called for a ten-minute break at 7:12 p.m.

WORKSHOPS

None.

PUBLIC ADDRESS

No one spoke.

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

Legislative Items
Oral / Written Reports

Mayor Pro Tem Gaumnitz attended the Citizens Advisory Committee meeting. She also attended the Chowchilla Athletic Foundation Dinner with Council Member Chavez.

2.2 STAFF REPORTS

Written/Oral Reports

City Administrator Haddix, along with Fire Chief Turner, presented Central California Women's Facility firefighters with certificates of appreciation; met with two of City of Madera Council Members; attended the Chowchilla Athletic Foundation Dinner; Quad Knopf, new contract planner, is now on board.

- a) Mid-Year Budget PowerPoint Presentation (Pruett)

CONSENT CALENDAR – Section 3

3.1 Approval of the February 9, 2016 Regular City Council Meeting Minutes (McClendon)

3.2 Approval of the February 9, 2016 Special City Council Meeting Minutes (McClendon)

3.3 Approval of the February 17, 2016 Special City Council Meeting Minutes (McClendon)

Motion by Council Member Walker, seconded by Mayor Pro Tem Gaumnitz to approve the Consent Calendar as presented. Motion passed unanimously by roll call vote.

PUBLIC HEARINGS – Section 4**DEFERRED BUSINESS – Section 5****NEW BUSINESS – Section 6**

6.1 Council Resolution # 23-16, Declaring the Existence of a Public Nuisance by Virtue of Certain Weed Growth (Turner)

Motion by Council Member Haworth, seconded by Council Member Walker to approve Council Resolution #23-16, Declaring the Existence of a Public Nuisance by Virtue of Certain Weed Growth. Motion passed unanimously by roll call vote.

6.2 Council Resolution # 24-16, Adopting the City of Chowchilla Transit Services Drug and Alcohol Testing Policy (Piepenbrok)

Motion by Council Member Haworth, seconded by Mayor Pro Tem Gaumnitz to approve Council Resolution #24-16, Adopting the City of Chowchilla Transit Services Drug and Alcohol Testing Policy. Motion passed unanimously by roll call vote.

6.3 Approval of the 2016-2017 Budget Calendar (Pruett)

Motion by Council Member Walker, seconded by Council Member Haworth, to Approve the 2016-2017 Budget Calendar. Motion passed unanimously by roll call vote.

6.4 Council Resolution # 25-16, In Support of Locating the California High Speed Rail Heavy Maintenance Facility in Madera County (Haddix)

Spoke:

Letti Gonzalez

8:28 pm, Mayor Ahmed called for a ten-minute break.

The Resolution will be amended, adding, "Whereas, the City remains consistent with Chowchilla City Council Resolution #81-15."

Motion by Council Member Walker, seconded by Council Member Chavez to approve Council Resolution #25-16, In Support of Locating the California High Speed Rail Heavy Maintenance Facility in Madera County as amended. Motion passed unanimously by roll call vote.

ANNOUNCEMENTS – Section 7

Feb 26 Edward Ray Day in Chowchilla, All Day
~~Feb 25 RDA Successor Agency Meeting, Chowchilla City Hall, 9 AM Cancelled~~
 Feb 26 Edward Ray Day in Chowchilla, All Day
 Feb 27 Sportsmen's Dinner, Chowchilla Fairgrounds 5:30 PM
 Mar 4 City Offices Closed
 Mar 5 Chowchilla Rotary Club Crab Feed, Eastman Hall, Fairgrounds 6 PM
 Mar 6 Chowchilla Community Health Fair, Wilson Middle School 8 AM-4 PM
 Mar 8 City Council Meeting, City Hall, 7 PM

ADJOURNMENT

Motion by Council Member Walker, seconded by Council Member Chavez to adjourn the February 23, 2016 Regular Council Meeting at 9:04 p.m. Motion passed unanimously by voice vote.

ATTEST:

APPROVED:

 Joann McClendon, CMC
 City Clerk

 Mayor Waseem Ahmed



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section:	<u>Consent</u>
SUBJECT:	Consideration of Monthly Invoice Payment Authorization Request
Authorized By:	<u>Rod Pruett, Finance Director</u>
Approved By:	<u>Brian Haddix, City Administrator</u>

RECOMMENDATION

Approve by minute order, the release of the payments for the invoices shown in the attached listing of invoices.

HISTORY / BACKGROUND

Presented this evening is a list of invoices awaiting payment. Included in the list are a number of items related to employee pay, benefits and deductions which have been estimated for future payments. The report issued next month will reflect the actual amounts paid. Certain payments like insurance premiums and the payroll related items cannot be held due to deadlines associated with the payment in order to ensure timely receipt.

FINANCIAL ANALYSIS

Each item shown on the invoice list includes a description of that item and the amount of the invoice.

ATTACHMENTS

Invoice listing

Report Criteria:

Report type: Invoice detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
02/16	02/03/2016	51644	16	A & R Refrigeration	Repairs to Senior Center Heater	100-6615-0000-315	477.55
Total 51644:							477.55
02/16	02/03/2016	51645	12477	American Valley Waste Oil Inc	Used oil filter pick up fee	601-3615-0000-321	55.00
Total 51645:							55.00
02/16	02/03/2016	51646	421	AmeriPride	mats for Civic Center	100-1705-0000-315	53.37
02/16	02/03/2016	51646	421	AmeriPride	Supplies for the Garage	601-3615-0000-315	40.64
02/16	02/03/2016	51646	421	AmeriPride	Supplies for the garage	601-3615-0000-315	50.14
02/16	02/03/2016	51646	421	AmeriPride	Supplies for Public Works	305-3620-0000-315	120.62
02/16	02/03/2016	51646	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.89
02/16	02/03/2016	51646	421	AmeriPride	Mats for Civic Center	100-1705-0000-315	53.37
02/16	02/03/2016	51646	421	AmeriPride	Supplies for the Senior Center	100-6615-0000-315	34.04
02/16	02/03/2016	51646	421	AmeriPride	Supplies for the garage	601-3615-0000-315	40.64
02/16	02/03/2016	51646	421	AmeriPride	Supplies for Public Works	305-3620-0000-315	87.12
02/16	02/03/2016	51646	421	AmeriPride	decorating charge	100-1705-0000-315	5.41
02/16	02/03/2016	51646	421	AmeriPride	Supplies for Public Works	305-3620-0000-315	88.12
Total 51646:							589.36
02/16	02/03/2016	51647	446	Anderson Pump Co	Repair storm drain pump	220-3650-0000-317	319.73
Total 51647:							319.73
02/16	02/03/2016	51648	12493	Baker Supplies and Repairs	Mower Blades/ Parks dept	100-6620-0000-301	145.50
02/16	02/03/2016	51648	12493	Baker Supplies and Repairs	New chain saw/ Streets Dept	305-3620-0000-301	558.66
02/16	02/03/2016	51648	12493	Baker Supplies and Repairs	New weed eater/ Parks dept	100-6620-0000-301	307.75
Total 51648:							1,011.91
02/16	02/03/2016	51649	986	Best Uniforms	Second Chance Summit SMOR IIIA with Extra Carrier	100-2610-0000-301	860.39
02/16	02/03/2016	51649	986	Best Uniforms	Duty belts	100-2610-0000-301	174.20

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51649:							1,034.59
02/16	02/03/2016	51650	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	344.00
02/16	02/03/2016	51650	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	130.00
02/16	02/03/2016	51650	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	256.00
02/16	02/03/2016	51650	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	65.00
02/16	02/03/2016	51650	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	168.00
Total 51650:							963.00
02/16	02/03/2016	51651	1506	California Chamber of Commerce	2016 Employment Posters	100-1610-0000-300	218.84
Total 51651:							218.84
02/16	02/03/2016	51652	12478	California Fresno Oil Co	Hot patch material/ Streets Dept	305-3620-4000-318	186.43
Total 51652:							186.43
02/16	02/03/2016	51653	1956	Central Valley Trucking	Purchase 25 tons Base Rock	305-3620-4000-318	756.00
Total 51653:							756.00
02/16	02/03/2016	51654	2096	Chowchilla Auto Body Work	repairs to unit 51	100-2610-0000-320	804.47
Total 51654:							804.47
02/16	02/03/2016	51655	1966	Chowchilla Chamber of Commerce	2015/2016 City Contribution	100-4905-0000-326	7,000.00
02/16	02/03/2016	51655	1966	Chowchilla Chamber of Commerce	Community Awards dinner- Ahmed	100-1605-0000-307	35.00
Total 51655:							7,035.00
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies for the parks Restrooms	100-6620-0000-315	20.22
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-315	2.48
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies for the Airport Restrooms	330-3805-0000-315	49.97
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies fro the Parks dept	100-6620-0000-317	19.41
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies for Parks Dept	100-6620-0000-315	4.80
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	2 Ply tissue/Case Civic Center	100-1705-0000-315	64.79
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-315	19.42

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
02/16	02/03/2016	51656	2131	Chowchilla Dolt Best	Supplies for RCW restrooms	100-6620-0000-315	13.01
Total 51656:							184.50
02/16	02/03/2016	51657	2206	Chowchilla Volunteer Fire	2015 4th Quarter Attendance	100-2705-0000-305	2,510.00
Total 51657:							2,510.00
02/16	02/03/2016	51658	2246	City National Bank	00-023B Streets acct 645094 note 00232	915-9915-0000-403	19,686.99
Total 51658:							19,686.99
02/16	02/03/2016	51659	3011	Department of Conservation	SMIF Fees Qtr 3 2015	100-4805-0000-820	326.42
02/16	02/03/2016	51659	3011	Department of Conservation	SMIF Fees Qtr 4 2015	100-4805-0000-820	67.17
Total 51659:							393.59
02/16	02/03/2016	51660	3031	Department of Justice/Acc	Fingerprinting for December 2015	100-2610-0000-350	96.00
02/16	02/03/2016	51660	3031	Department of Justice/Acc	Blood Alcohol Analysis	100-2610-0000-350	105.00
Total 51660:							201.00
02/16	02/03/2016	51661	3066	Department of Transportation	Signal & Lighting fee Oct 2015- Dec 2015	305-3620-0000-317	1,557.11
Total 51661:							1,557.11
02/16	02/03/2016	51662	3576	Eric Haupt Construction	Bonnie Alisea - 1209 Colusa Payment Final	701-0200-0000-042	12,167.68
Total 51662:							12,167.68
02/16	02/03/2016	51663	3636	ETCH THIS! and That	Plaque/Engraving John Chavez, Mayor	100-1605-0000-308	145.80
Total 51663:							145.80
02/16	02/03/2016	51664	3711	Farmers Hardware	Parts for the Parks edger	100-6620-0000-301	5.39
02/16	02/03/2016	51664	3711	Farmers Hardware	Tools for the Parks dept	100-6620-0000-320	76.17
02/16	02/03/2016	51664	3711	Farmers Hardware	Supplies for the Water Dept	205-7605-0000-317	27.69
02/16	02/03/2016	51664	3711	Farmers Hardware	Supplies for the LL District	310-3625-0000-300	15.65
02/16	02/03/2016	51664	3711	Farmers Hardware	Double sided key	100-2610-0000-320	3.23

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
02/16	02/03/2016	51664	3711	Farmers Hardware	Parts for Unit #17	100-6620-0000-320	14.34
Total 51664:							142.47
02/16	02/03/2016	51665	3736	Ferguson Enterprises, Inc.	Water meter proj supplies	207-7705-0000-500	494.55
02/16	02/03/2016	51665	3736	Ferguson Enterprises, Inc.	Water meter project supplies	207-7705-0000-500	125.99
02/16	02/03/2016	51665	3736	Ferguson Enterprises, Inc.	Water meter project supplies	207-7705-0000-500	129.07
02/16	02/03/2016	51665	3736	Ferguson Enterprises, Inc.	Water meter project supplies	207-7705-0000-500	609.03
02/16	02/03/2016	51665	3736	Ferguson Enterprises, Inc.	Civic Center grate	100-1705-0000-315	56.75
02/16	02/03/2016	51665	3736	Ferguson Enterprises, Inc.	Restroom repair supplies/ Civic Center	100-1705-0000-315	135.05
Total 51665:							1,550.44
02/16	02/03/2016	51666	4616	Grover Landscape Services Inc.	Open PO for 2015/16 budget year/ Landscape Services	100-6620-0000-336	2,535.00
Total 51666:							2,535.00
02/16	02/03/2016	51667	5246	Interstate Battery	Batteries for Vehicles	100-2610-0000-320	90.67
Total 51667:							90.67
02/16	02/03/2016	51668	12818	Interwest Consulting Group	Development Agreement Rancho Calera	100-4605-0000-335	1,080.00
Total 51668:							1,080.00
02/16	02/03/2016	51669	12531	Madera County Fairmead Landfill	Disposal Services for December 2015	210-5605-0000-351	15,821.67
Total 51669:							15,821.67
02/16	02/03/2016	51670	6791	Merced Sun-Star	Public Hearing	100-4605-0000-337	104.06
02/16	02/03/2016	51670	6791	Merced Sun-Star	Master user fee- Public hearing	100-1720-0000-337	109.38
02/16	02/03/2016	51670	6791	Merced Sun-Star	notice of intents	100-4605-0000-337	112.11
Total 51670:							325.55
02/16	02/03/2016	51671	12456	Merced Truck & Trailer Inc.	supplies for Fire Dept	100-2705-0000-320	10.71
Total 51671:							10.71

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
02/16	02/03/2016	51672	12429	O'Dell Engineering	Conceptual Design/ Robertson & 11th St Prj	305-3620-0000-660	15,213.75
Total 51672:							15,213.75
02/16	02/03/2016	51673	7516	Office Depot	Community Development Director Recruitment	100-4605-0000-300	27.69
02/16	02/03/2016	51673	7516	Office Depot	Office Supplies Public Works	215-5705-0000-300	7.86
Total 51673:							35.55
02/16	02/03/2016	51674	7671	Pacific Gas & Electric	Gas & Electric for January 2016	310-3625-0000-315	51,370.19
Total 51674:							51,370.19
02/16	02/03/2016	51675	7966	Platt Electrical Supply	Credit for parts return/ Parks Dept	100-6620-0000-317	37.58
02/16	02/03/2016	51675	7966	Platt Electrical Supply	Batteries for equipment	100-2610-0000-301	279.34
02/16	02/03/2016	51675	7966	Platt Electrical Supply	Light replacement for Civic Center	100-1705-0000-315	108.43
02/16	02/03/2016	51675	7966	Platt Electrical Supply	Refund Lights for the Parks Dept	100-6620-0000-315	234.54
Total 51675:							115.65
02/16	02/03/2016	51676	12815	Public Safety Training Consultants	Training for Johnson and Mitchell	100-2610-0000-305	440.00
Total 51676:							440.00
02/16	02/03/2016	51677	8241	Jeremy Rahn	Annual Fire Extinguisher Service- old City hall	100-1712-0000-315	50.00
02/16	02/03/2016	51677	8241	Jeremy Rahn	Annual Fire Extinguishers Service - Civic Center	100-1705-0000-302	80.00
02/16	02/03/2016	51677	8241	Jeremy Rahn	Annual Fire Extinguishers Service- Fire Dept	100-2705-0000-302	243.60
Total 51677:							373.60
02/16	02/03/2016	51678	8796	S & W Auto Parts Inc.	Parts for Unti #354	100-6620-0000-320	31.92
02/16	02/03/2016	51678	8796	S & W Auto Parts Inc.	Oil and Filter for patrol veh	100-2610-0000-320	78.58
02/16	02/03/2016	51678	8796	S & W Auto Parts Inc.	Oil and Filters for Patrol Veh	100-2610-0000-320	89.99
02/16	02/03/2016	51678	8796	S & W Auto Parts Inc.	Oil Filter for Patrol Veh	100-2610-0000-320	7.02
02/16	02/03/2016	51678	8796	S & W Auto Parts Inc.	Core Deposit and Fuel Filter	100-2610-0000-320	59.59
Total 51678:							147.92
02/16	02/03/2016	51679	9376	Sparkletts	Supplies for the WWTP	215-5705-0000-315	31.40

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51679:							31.40
02/16	02/03/2016	51680	10111	Terryberry	Employee Service Awards -Hunter, Riviere, Sahagun, Eggert, Cook	100-1605-0000-308	1,097.30
Total 51680:							1,097.30
02/16	02/03/2016	51681	10116	Tesei Petroleum Inc.	Propane for Animal Shelter	100-2805-0000-320	6.61
02/16	02/03/2016	51681	10116	Tesei Petroleum Inc.	Propane for Animal Shelter	100-2805-0000-320	292.90
02/16	02/03/2016	51681	10116	Tesei Petroleum Inc.	Supplies for the garage	601-3615-0000-321	1.00
02/16	02/03/2016	51681	10116	Tesei Petroleum Inc.	Propane for Unit #339	305-3620-0000-301	26.99
02/16	02/03/2016	51681	10116	Tesei Petroleum Inc.	Fuel for the WWTP	215-5705-0000-320	381.07
02/16	02/03/2016	51681	10116	Tesei Petroleum Inc.	Fuel for City 1/11-1/20/16	325-3705-0000-320	1,879.33
Total 51681:							2,587.90
02/16	02/03/2016	51682	10176	The Presort Center	Utility bills and newsletter	215-1720-0000-336	322.21
02/16	02/03/2016	51682	10176	The Presort Center	Utility bills and newsletter	215-1720-0000-336	2,663.38
Total 51682:							2,985.59
02/16	02/03/2016	51683	10356	TransUnion LLC	Basic Service Charge 10/26/15-11/25/15	420-4810-0000-336	66.00
02/16	02/03/2016	51683	10356	TransUnion LLC	Basic Service Charge 11/26/15-12/25/15	420-4810-0000-336	66.00
Total 51683:							132.00
02/16	02/03/2016	51684	10756	Verizon Wireless	Cellular Phones for Dec 10-Jan 9 2016	601-3615-0000-310	108.92
Total 51684:							108.92
02/16	02/03/2016	51685	11031	West Coast Arborists Inc.	Annual Tree trimming- Pheasant Run District- Zone 10	310-3625-0000-316	10,780.00
Total 51685:							10,780.00
02/16	02/03/2016	51686	11361	Zee Medical Service Company	supplies for city's first aid kits	100-6620-0000-336	429.41
Total 51686:							429.41
02/16	02/03/2016	51687	12733	Brian Haddix	CHSRA Meeting in Sacramento	100-1710-0000-307	491.84

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
02/16	02/03/2016	51687	12733	Brian Haddix	Mileage from Home to Fairgrounds for Chamber Dinner	100-1710-0000-307	46.23
02/16	02/03/2016	51687	12733	Brian Haddix	Rotary Lunch	100-1710-0000-307	13.00
02/16	02/03/2016	51687	12733	Brian Haddix	Mileage from Home to Fairgrounds for Stampede Dinner	100-1710-0000-307	46.23
02/16	02/03/2016	51687	12733	Brian Haddix	Lunch with Craig Locke and Joann McClendon	100-1710-0000-307	77.53
02/16	02/03/2016	51687	12733	Brian Haddix	FEDEX Postage for JCI Contract	100-1710-0000-300	4.45
02/16	02/03/2016	51687	12733	Brian Haddix	Home to FEDEX to mail JCI Contract	100-1710-0000-307	3.80
02/16	02/03/2016	51687	12733	Brian Haddix	IPAD Leather Case	100-1710-0000-300	68.15
02/16	02/03/2016	51687	12733	Brian Haddix	Mileage from Home to Chowchilla for Fire Emergency	100-1710-0000-307	45.54
02/16	02/03/2016	51687	12733	Brian Haddix	Lunch with Marty Piepenbrok	100-1710-0000-307	11.22
02/16	02/03/2016	51687	12733	Brian Haddix	Lunch Meeting at Tea Garden	100-1710-0000-307	7.25
Total 51687:							815.24
02/16	02/03/2016	51688	8521	David Riviere	Legislative Day for Law Enforcement Conference	100-2610-0000-305	160.00
Total 51688:							160.00
02/16	02/03/2016	51689	11805	Fresno PD Regional Training Center	J. Palmer to Attend Basic Sniper Class	100-2610-0000-305	692.00
Total 51689:							692.00
02/16	02/03/2016	51690	7736	Jeffery Palmer	Sniper Training Class	100-2610-0000-305	80.00
Total 51690:							80.00
02/16	02/03/2016	51691	11541	Meyers Nave	Legal Services Chowchilla VS Madera County	100-1615-0000-335	57,249.30
Total 51691:							57,249.30
02/16	02/03/2016	51692	7176	Myers Stevens & Toohey & Co In	PD Disability Insurance for February 2016	100-2805-0000-341	494.50
Total 51692:							494.50
02/16	02/03/2016	51693	8031	Principal Financial Group	Dental Insurance for February 2016	702-0100-0000-023	6,247.58
Total 51693:							6,247.58
02/16	02/03/2016	51694	8531	Roberts Water Technologies Inc.	Bucket tip for John Deere Tractor	215-5705-0000-640	949.63

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51694:							949.63
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for PD	100-2618-1202-324	37.79
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cleaning Supplies for Dispatch	100-2610-0000-315	11.88
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Lasko 5165 Digital Ceramic Heater	100-2610-0000-315	53.94
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Parts for CATX	325-3705-0000-320	264.15
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Travel Expenses for Administration	100-1710-0000-307	1,091.11
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Registration for Global Retail Convention	100-6620-0000-307	1,590.00
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Postage for Plans	100-4805-0000-300	16.45
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Light Bar for Det. Denny's Truck	100-2615-0000-301	89.94
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Late Fee for Administration	100-1710-0000-307	2.00
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Administration Expenses and Travel	100-1710-0000-307	661.35
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Travel for J. McClendon	100-1610-0000-307	836.97
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Batteries & Supplies for PD	100-2610-0000-301	73.06
02/16	02/03/2016	51695	10571	US BANK (I.M.P.A.C. CAL-CARD)	Batteries for PD	100-2610-0000-301	23.31
Total 51695:							4,751.95
02/16	02/03/2016	51696	12016	Vision Service Plan - (CA)	Vision Service for February 2016	702-0100-0000-023	728.76
Total 51696:							728.76
02/16	02/04/2016	51697	1196	Michelle Boyle	Payroll	702-0200-0000-043	983.84
Total 51697:							983.84
02/16	02/11/2016	51698	2136	Chowchilla Employees Assn.	Employee Contribution	702-0200-0000-040	45.00
Total 51698:							45.00
02/16	02/11/2016	51699	12408	Chowchilla Mid-Management	Employee Contributions	702-0200-0000-040	244.00
Total 51699:							244.00
02/16	02/11/2016	51700	2166	Chowchilla Office	Employee Contributions	702-0200-0000-040	156.00
Total 51700:							156.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
02/16	02/11/2016	51701	2171	Chowchilla Peace Officers	Employee Contribution	702-0200-0000-040	903.00
Total 51701:							903.00
02/16	02/11/2016	51702	11622	Cota Cole LLP	Legal Fees for Monthly Retainer	100-1615-0000-335	8,338.33
02/16	02/11/2016	51702	11622	Cota Cole LLP	Legal Fees for Special Council	100-1615-0000-335	95.00
02/16	02/11/2016	51702	11622	Cota Cole LLP	Legal Fees for Rancho Calera (Reimbursed)	701-0200-0000-042	190.00
02/16	02/11/2016	51702	11622	Cota Cole LLP	Legal Fees for Heffington Abatement Action	100-1615-0000-335	806.63
02/16	02/11/2016	51702	11622	Cota Cole LLP	Legal Fees for Collective Bargaining	100-1615-0000-335	2,451.00
02/16	02/11/2016	51702	11622	Cota Cole LLP	Legal Fees for Employee Complaints	100-1615-0000-335	247.00
Total 51702:							12,127.96
02/16	02/11/2016	51703	12379	Daniel Denny	ICI Courses	100-2610-0000-305	160.00
02/16	02/11/2016	51703	12379	Daniel Denny	BATI Class	100-2610-0000-305	80.00
Total 51703:							240.00
02/16	02/11/2016	51704	3836	Fitness Peak	Employee Contribution	702-0200-0000-040	140.00
Total 51704:							140.00
02/16	02/11/2016	51705	11944	Madera County Records Office	Lien Release for #2013031407	100-1600-0000-849	13.00
Total 51705:							13.00
02/16	02/11/2016	51706	7516	Office Depot	City Clerk Brochures	100-1610-0000-300	14.90
Total 51706:							14.90
02/16	02/11/2016	51707	11772	PARS	PARS Administration for December 2015	207-7705-0000-206	424.48
Total 51707:							424.48
02/16	02/11/2016	51708	10111	Terryberry	Employee Awards	100-1605-0000-308	525.26
Total 51708:							525.26
02/16	02/11/2016	51709	12044	U.S. Bank (PARS)	Employee Contributions	702-0200-0000-040	282.22

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51709:							282.22
02/16	02/18/2016	51710	12834	Aguilar, Josephine	deposit refund for 11483 Meadow Brook Ln	205-0200-0000-043	27.22
Total 51710:							27.22
02/16	02/18/2016	51711	12833	Alves, Phyllis	deposit refund for 135 Birch Ct	205-0200-0000-043	98.35
Total 51711:							98.35
02/16	02/18/2016	51712	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.89
02/16	02/18/2016	51712	421	AmeriPride	Supplies for PD	100-2610-0000-315	33.37
02/16	02/18/2016	51712	421	AmeriPride	Supplies for the Senior center	100-6615-0000-315	34.04
Total 51712:							83.30
02/16	02/18/2016	51713	691	A-Z Bus Sales Inc.	Parts for Bus #29	325-3705-0000-320	22.43
Total 51713:							22.43
02/16	02/18/2016	51714	12837	Berlitz	language testing- Mayers	100-1720-0000-306	150.00
Total 51714:							150.00
02/16	02/18/2016	51715	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	65.00
02/16	02/18/2016	51715	1281	BSK Associates	Open PO for Weekly Water test for the Water Dept	205-7605-0000-350	168.00
02/16	02/18/2016	51715	1281	BSK Associates	Open PO for Weekly Water test for the WWTP	215-5705-0000-350	65.00
Total 51715:							298.00
02/16	02/18/2016	51716	1856	CDW Government, Inc.	Kaspersky AntiVirus Subscription	602-1715-0000-302	2,591.10
Total 51716:							2,591.10
02/16	02/18/2016	51717	2046	Chem Quip	Open PO/ Water Dept/Chemicals (Chlorine)	205-7605-0000-346	1,104.43
02/16	02/18/2016	51717	2046	Chem Quip	Open PO/ Water Dept/Chemicals (Chlorine)	205-7605-0000-346	678.24

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51717:							1,782.67
02/16	02/18/2016	51718	1966	Chowchilla Chamber of Commerce	Tickets for Annual Awards Dinner- Haddix	100-1710-0000-307	35.00
Total 51718:							35.00
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the Water Meter Project	207-7705-0000-500	42.59
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the water meter project	207-7705-0000-500	32.49
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the parks Dept	100-6620-0000-317	20.22
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the water Dept	205-7605-0000-317	13.81
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Tools for the Streets Dept	305-3620-0000-320	4.31
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Tile repair on Civic Center planters	100-1705-0000-315	36.56
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the Water Meter Proj	207-7705-0000-500	26.69
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the Water Meter Proj	207-7705-0000-500	8.41
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for Well #11	205-7605-0000-317	2.14
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the WWTP	215-5705-0000-317	13.47
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for the water Dept	205-7605-0000-317	24.26
02/16	02/18/2016	51719	2131	Chowchilla Dolt Best	Supplies for Ed Ray Park	100-6620-0000-315	4.85
Total 51719:							229.80
02/16	02/18/2016	51720	2251	City of Chowchilla-CH	supplies for vending machine	701-0200-0000-042	192.37
Total 51720:							192.37
02/16	02/18/2016	51721	12074	Comcast	Cable Services	100-2610-0000-315	6.44
02/16	02/18/2016	51721	12074	Comcast	Internet Service 1/7/16-2/6/16	602-1715-0000-310	245.80
02/16	02/18/2016	51721	12074	Comcast	Internet Service 2/7-3/6/16	602-1715-0000-310	245.80
Total 51721:							498.04
02/16	02/18/2016	51722	2556	Corner Clean Sweeping	Contracted street sweeping	305-3620-0000-336	6,435.00
Total 51722:							6,435.00
02/16	02/18/2016	51723	3031	Department of Justice/Acc	Fingerprinting for Jan 2016	100-2610-0000-350	187.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51723:							187.00
02/16	02/18/2016	51724	12831	DNN Corp	1 - Year Evoq Content Customer Cloud - Tier 1	602-1715-0000-302	11,988.00
Total 51724:							11,988.00
02/16	02/18/2016	51725	3451	Econo-Ag	Chain for the garage door at the yard	305-3620-0000-315	89.96
Total 51725:							89.96
02/16	02/18/2016	51726	3711	Farmers Hardware	Supplies for the Water Dept	205-7605-0000-320	4.64
02/16	02/18/2016	51726	3711	Farmers Hardware	Grinding wheel for the parks dept	100-6620-0000-320	7.42
02/16	02/18/2016	51726	3711	Farmers Hardware	Supplies for the Streets Dept	305-3620-0000-315	4.31
02/16	02/18/2016	51726	3711	Farmers Hardware	Gloves/ WWTP	215-5705-0000-302	17.27
Total 51726:							33.64
02/16	02/18/2016	51727	12212	Fastenal Company	Rain Gear for the parks dept	100-6620-0000-302	313.17
02/16	02/18/2016	51727	12212	Fastenal Company	Tools for the parks dept	100-6620-0000-320	70.51
02/16	02/18/2016	51727	12212	Fastenal Company	Supplies for the parks dept	100-6620-0000-302	70.75
Total 51727:							454.43
02/16	02/18/2016	51728	3966	Franklin Pet Cemetery	Animal Disposal	100-2805-0000-324	76.50
Total 51728:							76.50
02/16	02/18/2016	51729	4616	Grover Landscape Services Inc.	Open PO for 2015/16 budget year/ Landscape Services	100-6620-0000-336	2,535.00
Total 51729:							2,535.00
02/16	02/18/2016	51730	11444	H & H Engineering Construction Inc.	Rail spur track inspection	100-1705-0000-336	675.00
Total 51730:							675.00
02/16	02/18/2016	51731	12225	Home Depot Credit Services	Tools for the Parks dept	100-6620-0000-320	990.41

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51731:							990.41
02/16	02/18/2016	51732	5061	Horizon	Supplies for the Water Dept	205-7605-0000-317	117.85
02/16	02/18/2016	51732	5061	Horizon	Supplies for the Parks dept	100-6620-0000-301	162.68
Total 51732:							280.53
02/16	02/18/2016	51733	11469	Intellipay, Inc.	Credit Card Transactions Fees	205-1720-0000-302	55.00
Total 51733:							55.00
02/16	02/18/2016	51734	12818	Interwest Consulting Group	Development Agreement for Rancho Calera	701-0200-0000-042	3,375.00
Total 51734:							3,375.00
02/16	02/18/2016	51735	5431	Jim's A/C	Dispatch unit went out	100-2610-0000-315	692.41
Total 51735:							692.41
02/16	02/18/2016	51736	12832	JTAB LLC	deposit refund for 1305 Orange	205-0200-0000-043	150.00
Total 51736:							150.00
02/16	02/18/2016	51737	5911	LCC CVD	City Clerk Recruitment Advertisement	100-1610-0000-300	825.00
Total 51737:							825.00
02/16	02/18/2016	51738	12267	Madera Pump Inc.	Repairs to the storm drain pump at Robertson & Chowchilla Blvd	220-3650-0000-317	8,049.07
Total 51738:							8,049.07
02/16	02/18/2016	51739	12835	Mc Menamin, Rhys	deposit refund for 7610 Edinburgh	205-0200-0000-043	34.15
Total 51739:							34.15
02/16	02/18/2016	51740	6791	Merced Sun-Star	Public Hearing	100-4605-0000-337	120.16

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51740:							120.16
02/16	02/18/2016	51741	12282	Mid Valley Disposal Inc.	Disposal Services for Corp Yard bins	210-5605-0000-350	735.12
Total 51741:							735.12
02/16	02/18/2016	51742	6881	MidLand Tractor	Purchase Canopy and mower for WWTP tractor	215-5705-0000-640	2,649.38
Total 51742:							2,649.38
02/16	02/18/2016	51743	7256	National Emblem, Inc.	200 Police Uniform Patches	100-2610-0000-301	534.72
Total 51743:							534.72
02/16	02/18/2016	51744	12214	NR Cleaning Services	Open PO for 2015/16 budget year/ Janitorial Services	100-6620-0000-315	910.00
02/16	02/18/2016	51744	12214	NR Cleaning Services	Janitorial for Civic Center	100-1705-0000-315	1,550.00
Total 51744:							2,460.00
02/16	02/18/2016	51745	7516	Office Depot	Cleaning Supplies	100-2610-0000-315	61.71
02/16	02/18/2016	51745	7516	Office Depot	Cleaning Supplies	100-2610-0000-315	2.14
02/16	02/18/2016	51745	7516	Office Depot	Supplies for PD	100-2610-0000-350	116.63
02/16	02/18/2016	51745	7516	Office Depot	Office Supplies	100-2610-0000-300	3.23
02/16	02/18/2016	51745	7516	Office Depot	Zip Ties	100-2610-0000-350	31.04
02/16	02/18/2016	51745	7516	Office Depot	supplies for Admin	100-1710-0000-300	62.60
02/16	02/18/2016	51745	7516	Office Depot	Paper and Ink	100-2610-0000-300	119.25
Total 51745:							396.60
02/16	02/18/2016	51746	12330	Pacific Plan Review Inc	plan check for Oriole Homes perm# 16-0006	100-4805-0000-337	604.46
Total 51746:							604.46
02/16	02/18/2016	51747	7966	Platt Electrical Supply	Supplies for the garage	601-3615-0000-320	17.27
Total 51747:							17.27
02/16	02/18/2016	51748	11482	Price Paige & Company	2014/2015 Audit services through Jan 2016	956-9950-0000-302	6,000.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51748:							6,000.00
02/16	02/18/2016	51749	8241	Jeremy Rahn	Annual Fire Extinguisher Service- old City hall	100-1712-0000-315	313.60
02/16	02/18/2016	51749	8241	Jeremy Rahn	Annual Fire Extinguishers Service- WWTP	215-5705-0000-302	235.00
02/16	02/18/2016	51749	8241	Jeremy Rahn	Annual Fire Extinguishers Service - Parks	100-6620-0000-302	30.00
02/16	02/18/2016	51749	8241	Jeremy Rahn	Annual Fire Extinguishers Service - Parks	100-6620-0000-302	395.00
Total 51749:							973.60
02/16	02/18/2016	51750	8661	Ronnie Bass Welding Inc.	Repairs to Unit #116	215-5705-0000-320	495.00
Total 51750:							495.00
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	parts for Unit #164	305-3620-0000-320	28.08
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	supplies for Engine 6	100-2705-0000-320	9.95
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #121	215-5705-0000-320	3.29
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #121	215-5705-0000-320	29.65
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #46	100-2610-0000-320	8.70
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #97	305-3620-0000-301	11.08
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	parts for Unit #46	100-2610-0000-320	26.49
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	supplies for city garage	601-3615-0000-321	10.23
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Supplies for the water Dept	205-7605-0000-317	2.19
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #45	100-2610-0000-320	61.55
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	supplies for Engine 6	100-2705-0000-320	17.27
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	supplies for city garage	601-3615-0000-321	41.88
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for unit #31	100-2705-0000-320	12.63
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #342	100-6620-0000-301	2.69
02/16	02/18/2016	51751	8796	S & W Auto Parts Inc.	Parts for Unit #24	100-6620-0000-320	25.25
Total 51751:							290.93
02/16	02/18/2016	51752	8896	San Diego Police Equipment Co.	Fed .308 Ammo1500 rounds	100-2610-0000-301	966.72
Total 51752:							966.72
02/16	02/18/2016	51753	9206	Self Help Enterprises	Loan Portfolio Mgmt Services - RDA	956-9950-0000-336	1,744.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51753:							1,744.00
02/16	02/18/2016	51754	1136	Silva Ford Madera	repairs unit# 46	100-2610-0000-320	93.83
02/16	02/18/2016	51754	1136	Silva Ford Madera	Parts for bus #29	325-3705-0000-320	163.83
Total 51754:							257.66
02/16	02/18/2016	51755	9791	Steves Chevrolet of Chowchilla	vehicle repair	100-6620-0000-320	165.67
Total 51755:							165.67
02/16	02/18/2016	51756	10116	Tesei Petroleum Inc.	Propane for Unit #152	305-3620-0000-320	20.37
02/16	02/18/2016	51756	10116	Tesei Petroleum Inc.	Propane for Unit #152	305-3620-0000-301	56.16
02/16	02/18/2016	51756	10116	Tesei Petroleum Inc.	Fuel for City 1/21-1/31/16	325-3705-0000-320	1,917.99
02/16	02/18/2016	51756	10116	Tesei Petroleum Inc.	Fuel for City 2/1-2/10/16	325-3705-0000-320	1,731.00
Total 51756:							3,725.52
02/16	02/18/2016	51757	10176	The Presort Center	To Process Utility & Deliquent Notices February 2015	215-1720-0000-336	286.13
02/16	02/18/2016	51757	10176	The Presort Center	To Process Utility & newsletter Feb 2015	215-1720-0000-336	2,640.28
Total 51757:							2,926.41
02/16	02/18/2016	51758	11537	Toshiba Financial Services	Copier Lease from 2/15/16 to 3/14/16	602-1715-0000-408	588.01
02/16	02/18/2016	51758	11537	Toshiba Financial Services	Copier Lease from 2/1-2/29/16	602-1715-0000-408	885.60
Total 51758:							1,473.61
02/16	02/18/2016	51759	11640	TotalFunds By Hasler	funds for postage meter	100-0100-0000-020	500.00
Total 51759:							500.00
02/16	02/18/2016	51760	11391	Townsend Public Affairs, Inc.	Grant Consulting Services Dec 2015	215-5705-0000-336	3,500.00
02/16	02/18/2016	51760	11391	Townsend Public Affairs, Inc.	Grant Consulting Services Jan 2016	215-5705-0000-336	3,500.00
Total 51760:							7,000.00
02/16	02/18/2016	51761	10356	TransUnion LLC	Basic Service Charge 12/26/15-1/25/16	420-4810-0000-336	76.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51761:							76.00
02/16	02/18/2016	51762	12325	US Bank National Association	Redevelop Agency 2005 Tax allocation bonds	956-9950-0000-336	1,760.00
Total 51762:							1,760.00
02/16	02/18/2016	51763	11611	USPS Disbursing Officer	Postage Reads & Address Change	602-1715-0000-300	26.04
Total 51763:							26.04
02/16	02/18/2016	51764	10911	Vulcan Materials	Street Patching Materials/ Streets Dept	305-3620-4000-318	376.19
02/16	02/18/2016	51764	10911	Vulcan Materials	Street Patching Materials/ Streets Dept	305-3620-4000-318	790.04
02/16	02/18/2016	51764	10911	Vulcan Materials	Street Patching Materials/ Streets Dept	305-3620-4000-318	395.02
Total 51764:							1,561.25
02/16	02/18/2016	51765	11381	Zoom Imaging Solutions, Inc.	Monthly Copier Usage 12/16/15-1/15/16	602-1715-0000-301	16.61
Total 51765:							16.61
02/16	02/18/2016	51766	2136	Chowchilla Employees Assn.	Employee Contribution	702-0200-0000-040	45.00
Total 51766:							45.00
02/16	02/18/2016	51767	12408	Chowchilla Mid-Management	Employee Contributions	702-0200-0000-040	244.00
Total 51767:							244.00
02/16	02/18/2016	51768	2166	Chowchilla Office	Employee Contributions	702-0200-0000-040	156.00
Total 51768:							156.00
02/16	02/18/2016	51769	2171	Chowchilla Peace Officers	Employee Contribution	702-0200-0000-040	946.00
Total 51769:							946.00
02/16	02/18/2016	51770	3836	Fitness Peak	Employee Contribution	702-0200-0000-040	140.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51770:							140.00
02/16	02/18/2016	51771	11944	Madera County Records Office	Lien Release for Lien #2014004294	100-1600-0000-849	13.00
Total 51771:							13.00
02/16	02/18/2016	51772	7176	Myers Stevens & Toohey & Co In	PD Disability Insurance for March 2016	100-2610-0000-341	473.00
Total 51772:							473.00
02/16	02/18/2016	51773	7261	National Notary Association	Notary Membership for M. Fisher	100-1720-0000-307	59.00
02/16	02/18/2016	51773	7261	National Notary Association	Notary training and Insurance Renewal	100-1720-0000-305	590.85
Total 51773:							649.85
02/16	02/18/2016	51774	9601	Sandra Soto	CAPE Training Seminar	100-2610-0000-305	407.00
Total 51774:							407.00
02/16	02/18/2016	51775	12044	U.S. Bank (PARS)	Employee Contributions	702-0200-0000-040	194.62
Total 51775:							194.62
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Lab Supplies for the WWTP	215-5705-0000-350	326.03
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cleaning Supplies for PD	100-2610-0000-315	15.39
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	PTSC Class for Police Employees	100-2610-0000-305	1,046.00
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Parts for Unit Fire Engine 6	100-2705-0000-320	814.80
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Travel for Robin Roman	325-3705-0000-305	140.27
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Lunch with Cal Trans rep	305-3620-0000-307	22.81
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for the Streets dept	305-3620-0000-320	67.38
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Food & Coffee for Staff for Fire on 11th Street	100-2610-0000-351	167.70
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for the Parks Restrooms	100-6620-0000-315	379.27
02/16	02/18/2016	51776	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cell phone cases/ PW	215-5705-0000-310	1,284.81
Total 51776:							4,264.46
02/16	02/18/2016	51777	12733	Brian Haddix	LOCC City Managers Meeting	100-1710-0000-307	491.94

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 51777:							491.94
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 1/1-3/31/2015	100-4605-0000-871	14.70
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 1/1-3/31/2014	100-4605-0000-871	20.40
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 10/1-12/31/2015	100-4605-0000-871	22.50
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 10/1-12/31/2014	100-4605-0000-871	24.00
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 4/1-6/30/2014	100-4605-0000-871	38.40
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 4/1-6/30/2015	100-4605-0000-871	14.70
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 7/1-9/30/2014	100-4605-0000-871	138.60
02/16	02/29/2016	51778	3241	Division of State Architect	SB1186 for 7/1-9/30/2015	100-4605-0000-871	149.70
Total 51778:							423.00
Grand Totals:							334,831.84

Report Criteria:
 Report type: Invoice detail

MEMO

To: **City of Chowchilla**
Mayor and Council Members
Brian Haddix, City Administrator

From: **Townsend Public Affairs, Inc.**
Christopher Townsend, President
Richard Harmon, Director

Date: **February 29, 2016**

Subject: **Monthly Report—February 2016**

SUMMARY

This memo is an overview of activities undertaken by Townsend Public Affairs (TPA) over the last month, working on behalf of the City of Chowchilla (City), including the following subjects:

- **Onboarding Summary**
 - Parks and Recreation
 - Transit Services
 - Fire Department and Technology
 - Public Works
 - Police Department
 - Other City Priorities

- **Project Activity and Updates**
 - Storm Water
 - Active Transportation Program
 - TIGER Program

- **Upcoming Funding Opportunities**



ONBOARDING SUMMARY

Townsend Public Affairs uses the onboarding process to identify key legislative and funding priority areas for its clients. With new clients, the process is a way to meet staff members and understand issues and challenges facing the City of Chowchilla, and where our relationship can focus its efforts.

This summary is intended to be a working document for both the City and TPA—incorporating periodic updates and allowing us to gauge progress on various issue areas. In addition, we will continually provide the City with funding updates, allowing City staff to see a number of opportunities that might fit for projects they are working on.

Parks and Recreation

The City operates a number of parks, as well as programs, including senior services. Areas of focus for funding opportunities include:

- *Park Facility Needs*—funding for community playfields, such as baseball fields, basketball courts and soccer fields. There are several smaller grant programs that can assist with these types of needs, as well as the development of new park facilities (Land and Water Conservation Fund).
- *Senior Center*—the City’s senior center has a continued need for capital facilities improvements (Community Development Block Grants have been used), as well as the potential for funding of various senior programs and services, including nutrition classes.
- *City Wide Parks Master Plan & Needs Assessment*—there is a need for funding of a planning and needs assessment effort for the City’s park system. TPA will research potential opportunities, however, funds for planning purposes are sporadic at best and usually specific in scope.

TPA will look at a number of various funding sources for the projects listed above. These include traditional programs such as the Land and Water Conservation Fund and California Youth Soccer Grant Program from the California Department of Parks and Recreation, Community Facilities Grant Program from the U.S. Department of Agriculture, and private sources, including the Baseball Tomorrow Fund and Lowe’s Community Partnership Grant.

In addition, we have been working with Senate President Pro Tempore Kevin De León and a proposed ballot measure for 2016 that would fund park and recreation opportunities should it be approved by the voters in November.



Transit Services

The City provides transit service to the community through Chowchilla Area Transit (CATX) that operates two transit systems, including a local dial-a-ride and fixed-route service with a link to downtown Merced. The City utilizes several funding programs to continue its CATX service, including for the purchase of buses.

In addition to the traditional federal funds for transit services, TPA will work with City staff on the various cap and trade operations and capital funding programs that are available to further assist the City with the provision of these services.

Two of these programs, administered by the California State Transportation Agency (CalSTA) and California Department of Transportation (Caltrans) are the Low-Carbon Transit Operations Program (LCTOP) and the Transit and Intercity Rail Capital Program (TIRCP). The TIRCP funds projects that will have an impact on greenhouse gas emissions reduction and expand service, particularly in disadvantaged communities. The LCTOP is a formula-driven program, and it may be possible to work with the Madera County Transportation Commission on the funding they receive through the program.

In addition to the funds available through the transportation agencies, the California Air Resources Board (ARB) also administers funding for vehicles and related infrastructure, particularly zero emission technologies.

Fire Department and Technology

The Fire Department has approximately 13 volunteers that work to ensure the City provides fire services to the community. Pursuits that would directly benefit the department include funding for staffing and personnel, and equipment, including everything from personal safety equipment to fire engines.

Traditionally, the Federal Emergency Management Agency (FEMA) provides the significant portion of funding for fire-related purposes. This is accomplished through its two signature programs—the Assistance to Firefighters Grant (AFG) Program and Staffing for Adequate Fire & Emergency Response (SAFER) Grant Program. While the SAFER Program is currently open, the AFG Program—which could possibly fund vehicle needs—will begin its solicitation late in the year.

As mentioned above regarding transit services, the ARB may also have programs available to assist with vehicle needs of the Fire Department.

The City has also identified needs that include a back-up generator for City Hall. Not only would this emergency source of power help with the actual building needs during an outage, but it would provide protection for the City's servers. This is a priority we can explore with FEMA, as well as the Governor's Office of Emergency Services.



Public Works

City priorities include water storage and storm water infrastructure, transportation infrastructure including trails, bicycle lanes and sidewalks, and maintaining streets and alleyways that are safe and structurally sound, among other items. Below are several of the priority areas discussed:

- *Storm Water Infrastructure*—the State Water Resources Control Board (Water Board) is currently soliciting for its Storm Water Grant Program, and we have reached out to City staff to discuss the requirements. There may also be the possibility of funding from FEMA for flood protection for properties.
- *Water Storage*—a 200,000 gallon water storage tank would help with water pressure and reserve storage. A new cycle of funding through the Integrated Regional Water Management (IRWM) program is forthcoming, utilizing funds from Proposition 1. It will be critical to ensure this project, and any others, are included in the region’s IRWM Plan.
- *Nitrates*—the community of Fairmead has approximately 400 homes on septic systems, as well as nitrate problems. Potential funding for projects in this area may be available from the Water Board from Proposition 1.
- *CNG Refueling Stations and Infrastructure*—the City has needs related to its CNG infrastructure. In addition to resources from the ARB, funds may also be available through the San Joaquin Valley Air Pollution Control District.
- *Active Transportation*—the State’s ATP funds projects designed to encourage and enable people to walk and bicycle instead of relying on vehicles, including removing barriers to active transportation and people with disabilities. Sidewalks and school safety projects continue to be competitive projects under this program.
- *Airport Priorities*—the City has funds banked from the Federal Aviation Administration, but needs assistance accessing these funds to pay for necessary infrastructure improvements.

Police Department

The Chowchilla Police Department has approximately 19 positions and provides public safety services, including canine operations, animal control and school resources officers. Funding pursuits that would directly benefit the department include:

- *Equipment Needs*—routine equipment replacement often includes items such as bullet-proof vests and even body camera equipment. Sources of funding equipment can include:
 - The Bullet-Proof Vest Grant Program from the U.S. Department of Justice (U.S. DOJ)
 - The Byrne-JAG Program of formula funds from U.S. DOJ



- *Enforcement Programs*—these programs can include activities such as sobriety checkpoints and underage alcohol operations and are often funded through:
 - California Department of Alcoholic Beverages Control programs
 - California Office of Traffic Safety funding programs
- *Capital Needs*—the City has a need for capital infrastructure improvements that may be eligible for funding from the U.S. Department of Agriculture’s Community Facilities Program.
- *Personnel*—the City has utilized hiring programs from the U.S. DOJ in the past. TPA maintains very strong relations with the agency and will work with the Police Department on any needs that may arise related to staffing and officers.
- *California Police Chiefs Association Conference*—we will work with the City in advance of the April conference to arrange possible meetings with U.S. DOJ staff to discuss City needs and priorities.

Other City Priorities

The City of Chowchilla has numerous other priorities and TPA will continue to work with City staff to identify and work to seek solutions. Among the other priorities are creating a vibrant downtown, creating and retaining jobs for residents, and providing transportation options. Among these other priorities are:

- *Downtown*—the City is interested in opportunities for its downtown:
 - Revitalization and enhancement
 - Downtown business attraction and retention
 - Enhanced Infrastructure Financing District opportunities for infrastructure to assist with industrial development or other commercial development
 - Pursue additional economic incentives to replace Redevelopment Agency (RDA) funding.
- *Planning Grants*—in the past, the California Strategic Growth Council (SGC) offered grant programs targeted at planning and sustainable growth activities. TPA will continue its involvement with the SGC to advocate for similar programs to be made available.
- *Transportation Agency Assistance*—the City is interested in possible assistance with State agencies with considerable impact on the City and its residents. We can provide help with relationships at Caltrans and the California High-Speed Rail Authority to advance the City’s priorities and key issues.



PROJECT ACTIVITY AND UPDATES

Storm Water

Funding for storm water infrastructure needs may be available from a couple of sources. We have been working with City staff to determine whether the City will be eligible and competitive under FEMA's **Flood Mitigation Program**, which requires a majority of properties be insured under the National Flood Insurance Program.

The other opportunity that has been discussed is the **Storm Water Grant Program** funded from Proposition 1. This program requires a storm water plan be adopted and TPA is working with City staff to determine if our first application will be for funding to develop such a plan.

Active Transportation Program

The California Transportation Commission (CTC) is scheduled to approve guidelines for the 2016 **Active Transportation Program (ATP)** in March, and we have been participating in workshops to provide feedback and suggestions. We have provided information on next steps for this grant program to City staff and will follow up to discuss specific projects.

Applications are expected to be due on June 15.

TIGER Program

On February 23, U.S. Transportation Secretary Anthony Foxx announced \$500 million will be made available for transportation projects across the country under an eighth round of the **Transportation Investment Generating Economic Recovery (TIGER)** competitive grant program.

Like the first seven rounds, FY 2016 TIGER discretionary grants will fund capital investments in surface transportation infrastructure and will be awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area, or a region.

The 2016 TIGER grant program will continue to make transformative surface transportation investments by providing improvements over existing conditions. The grant program will focus on capital projects that generate economic development and improve access to reliable, safe and affordable transportation for communities, both urban and rural.

TIGER funding is provided in the Consolidated Appropriations Act, 2016, signed by President Obama on December 18, 2015. Applications are due April 29, 2016.

Townsend Public Affairs has started discussing this program with City staff and will follow up for a more detailed description. The TIGER program requires that a project has commitments for full funding (including the potential TIGER award) and is well along in the environmental process.



UPCOMING FUNDING OPPORTUNITIES

Townsend Public Affairs anticipates a very busy next few months as several grant programs open up for applications. Included below is a list of some of the grant programs and due dates:

- ***Affordable Housing and Sustainable Communities Program (March 16)***—The Strategic Growth Council's Affordable Housing and Sustainable Communities Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduces greenhouse gas ("GHG") emissions. These projects facilitate the reduction of the emissions of GHGs by improving mobility options and increasing infill development, which decrease vehicle miles traveled and associated greenhouse gas and other emissions, and by reducing land conversion, which would result in emissions of greenhouse gases.
- ***Storm Water Grant Program, Planning Applications (March 18)***—The planning grants will be available to eligible applicants that do not have a Storm Water Resource Plan or have a functionally equivalent plan. Storm Water Resource Plans are required of public agencies; however, non-public agency implementation project applicants must have their proposed project identified and prioritized within an applicable Storm Water Resource Plan. Priority consideration will be given to those applications that include large-scale or regional collaboration such as with IRWM regions. Planning grants may include tasks for assessments, monitoring, geotechnical/technical investigations, or studies needed to complete preparation of the Storm Water Resource Plan.
- ***FEMA Staffing for Adequate Fire & Emergency Response Grants (March 25)***—The Staffing for Adequate Fire and Emergency Response Grants (SAFER) was created to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" firefighters available in their communities. The goal of SAFER is to enhance the local fire departments' abilities to comply with staffing, response and operational standards established by the NFPA (NFPA 1710 and/or NFPA 1720).
- ***Transit and Intercity Rail Capital Program (April 5)***—The California State Transportation Agency is now accepting applications for the second round of Transit and Intercity Rail Capital Program grants. Approximately \$440 million is available from existing funds, and the Governor's Budget proposes to add almost \$900 million more, subject to funding availability. Competitive grants will be awarded to projects that make important climate investments in California's transportation system, or projects that modernize and integrate the state's transit and rail systems to increase ridership and reduce greenhouse gas emissions which lead to climate change.



- **Active Transportation Program (June 15)**—The Active Transportation Program was created to encourage increased use of active modes of transportation, such as biking and walking. Pursuant to statute, the goals of the Active Transportation Program are to:
 - Increase the proportion of trips accomplished by biking and walking.
 - Increase the safety and mobility of non-motorized users.
 - Advance the active transportation efforts of regional agencies to achieve greenhouse gas reduction goals as established pursuant to Senate Bill 375 and Senate Bill 391.
 - Enhance public health, including reduction of childhood obesity through the use of programs including, but not limited to, projects eligible for Safe Routes to School Program funding.
 - Ensure that disadvantaged communities fully share in the benefits of the program.
 - Provide a broad spectrum of projects to benefit many types of active transportation users.

- **FEMA Flood Grant Programs (June 15)**—FEMA has announced the application period for the Fiscal Year (FY) 2016 Pre-Disaster Mitigation (PDM) and Flood Mitigation Assistance (FMA) grant programs.
 - The PDM program provides funds on an annual basis for hazard mitigation planning and the implementation of mitigation projects for the purpose of reducing overall risk to the population and structures, while at the same time, also reducing reliance on federal funding from actual disaster declarations. FEMA is making \$90 million available for FY 2016 PDM grants.
 - The FMA grant program provides funds on an annual basis so that measures can be taken to reduce or eliminate risk of flood damage to buildings insured under the National Flood Insurance Program (NFIP). FEMA is making \$199 million available for FY 2016 FMA grants.

- **Storm Water Grant Program, Implementation Applications (July 8)**—Implementation grants will only be awarded to projects that are included and implemented in an adopted IRWMP, are included in a Storm Water Resource Plan, respond to climate change, contribute to regional water security, and contain a minimum of two benefits as listed in Section III.G.—Storm Water Management Benefits. In order to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change, the purposes of Prop 1, Chapter 7 are to:
 - Help water infrastructure systems adapt to climate change, including, but not limited to sea level rise.
 - Provide incentives for water agencies throughout each watershed to collaborate in managing the region’s water resources and setting regional priorities for water infrastructure.
 - Improve regional water self-reliance consistent with Water Code section 85021.





REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Presentation of the City's FY 2014-2015 Audit**

Prepared By: Rod Pruett, City Treasure/Finance Director

Approved By: Brian Haddix, City Administrator

RECCOMENDATION:

Accept the FY 2014/2015 audit as presented.

HISTORY / BACKGROUND:

Annually, the City has a financial statement audit performed which is presented to Council for acceptance.

DISCUSSION:

The FY 2014/2015 audit was performed by Price Paige & Company, Inc. Fausto Hinojosa, the Managing Partner of Price Paige & Company, will be presenting the audit to Council.

FINANCIAL IMPACT:

None

ATTACHMENTS:

Audit Committee Letter
Financial Statements



February 10, 2016

To the City Council
City of Chowchilla

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chowchilla (the City) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City adopted Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*, in fiscal year 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities of the government-wide financial statements and the Statement of Revenue, Expenditures, and Changes in Net Position of the Proprietary Fund financial statements. In addition, during the current fiscal year the City reported capital assets and related depreciation in the financial statements in accordance with generally accepted accounting principles. These capital assets were not reported by the City in previous fiscal years. Accordingly, beginning net position of governmental activities, business-type activities and enterprise funds have been restated. We noted no transactions entered into by City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on historical revenues and analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plan as to their use, and other factors that impact their economic value to the City. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability and related deferrals is based on actuarial valuations which include significant assumptions regarding discount rate, inflation, payroll growth, projected salary increases and investment rate of return. We evaluated the key factors and assumptions used to develop the liability and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The material misstatements detected (see attached schedule) as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 10, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison information and the schedule of funded progress, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of City Council and management of the City of Chowchilla and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Price Pauge & Company

**City of Chowchilla
Audit Journal Entries
June 30, 2015**

		<u>DEBIT</u>	<u>CREDIT</u>
AJE01	To reclass RPTTF revenue from unearned revenue account to revenue account.		
	7-956-0200-0000-0485-000 Unearned Revenue	345,861.03	-
	7-956-9950-0000-8008-000 RDA Supp Tax Increment	-	345,861.03
		<u>345,861.03</u>	<u>345,861.03</u>
AJE03	To adjust accumulated depreciation and PPA for Asset# 2014-1000 due to incorrect date.		
	5-215-0100-0000-0298-000 Accumulated Depreciation	56,067.94	-
	5-215-0300-0000-0601-009 Prior Period Adjustments	-	56,067.94
		<u>56,067.94</u>	<u>56,067.94</u>
AJE05	To correct asset#2014-009. Should have been storm drain but recorded to sewer as PPA.		
	5-215-0100-0000-0297-003 Fixed Assets - Building	-	43,000.00
	5-215-0300-0000-0601-009 Prior Period Adjustments	30,530.00	-
	5-215-0100-0000-0298-000 Accumulated Depreciation	12,470.00	-
	5-220-0100-0000-0297-003 Fixed Assets - Building	43,000.00	-
	5-220-0300-0000-0601-009 Prior Period Adjustments	-	30,530.00
	5-220-0100-0000-0298-000 Accumulated Depreciation	-	12,470.00
		<u>86,000.00</u>	<u>86,000.00</u>

**CITY OF CHOWCHILLA
CALIFORNIA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2015**

CITY OF CHOWCHILLA
JUNE 30, 2015

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CITY OF CHOWCHILLA
JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Chowchilla, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chowchilla, California (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chowchilla, California, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 9 in the financial statements, effective July 1, 2014, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Capital Assets

During the current fiscal year the City of Chowchilla reported capital assets and related depreciation in the financial statements in accordance with generally accepted accounting principles. These capital assets were not reported by the City in previous fiscal years. Accordingly, beginning net position of governmental activities, business-type activities and enterprise funds have been restated.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 62-64, schedule of the City's proportionate share of the net pension liability on page 65, and schedule of contributions on page 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2016, on our consideration of the City of Chowchilla, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
February 10, 2016

BASIC FINANCIAL STATEMENTS

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CITY OF CHOWCHILLA

**STATEMENT OF NET POSITION
JUNE 30, 2015**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 9,021,470	\$ 996,594	\$ 10,018,064
Restricted cash and investments	3,761,337	-	3,761,337
Accounts receivable, net	1,739,757	470,428	2,210,185
Notes receivable, net	21,188,654	-	21,188,654
Prepaid expenses	50,286	2,533	52,819
Land held for resale	104,000	-	104,000
Due from the Successor Agency	332,233	-	332,233
Internal balances	127,701	(127,701)	-
Capital assets:			
Nondepreciable	978,546	2,060,301	3,038,847
Depreciable, net of accumulated depreciation	<u>15,791,520</u>	<u>11,040,720</u>	<u>26,832,240</u>
Total assets	<u>53,095,504</u>	<u>14,442,875</u>	<u>67,538,379</u>
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	707,489	134,312	841,801
Deferred outflows of resources from pensions	<u>186,682</u>	<u>24,808</u>	<u>211,490</u>
Total deferred outflows of resources	<u>894,171</u>	<u>159,120</u>	<u>1,053,291</u>
LIABILITIES			
Accounts payable	588,478	121,531	710,009
Accrued payroll	116,727	-	116,727
Deposits	10,562	181,404	191,966
Accrued interest	1,270,198	11,375	1,281,573
Unearned revenues	-	9,854	9,854
Long-term liabilities:			
Due within one year	1,059,797	153,552	1,213,349
Due in more than one year	<u>29,136,874</u>	<u>1,653,199</u>	<u>30,790,073</u>
Total liabilities	<u>32,182,636</u>	<u>2,130,915</u>	<u>34,313,551</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources from pensions	<u>1,238,512</u>	<u>276,236</u>	<u>1,514,748</u>
Total deferred inflows of resources	<u>1,238,512</u>	<u>276,236</u>	<u>1,514,748</u>
NET POSITION			
Net investment in capital assets	5,299,923	12,447,469	17,747,392
Restricted for:			
Highway and streets	2,882,414	-	2,882,414
Community development	699,051	-	699,051
Capital maintenance	5,036,885	-	5,036,885
Unrestricted	<u>6,650,254</u>	<u>(252,625)</u>	<u>6,397,629</u>
Total net position	<u>\$ 20,568,527</u>	<u>\$ 12,194,844</u>	<u>\$ 32,763,371</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS:				
Governmental activities:				
General government	\$ 1,540,192	\$ 837,655	\$ 39,576	\$ -
Public safety	3,279,190	56,633	302,160	-
Highways and streets	1,791,644	448,112	1,312,027	240,000
Culture and recreation	352,653	1,635	4,974	-
Community development	250,526	9,032	319,031	-
Interest and fiscal charges	<u>945,080</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>8,159,285</u>	<u>1,353,067</u>	<u>1,977,768</u>	<u>240,000</u>
Business-type activities:				
Water	2,078,495	2,052,959	-	-
Solid waste	1,372,529	1,329,691	20,000	-
Sewer	1,598,929	1,343,776	-	-
Airport	39,008	30,342	10,000	-
Storm drain	<u>86,549</u>	<u>161,779</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,175,510</u>	<u>4,918,547</u>	<u>30,000</u>	<u>-</u>
Total	<u>\$ 13,334,795</u>	<u>\$ 6,271,614</u>	<u>\$ 2,007,768</u>	<u>\$ 240,000</u>

General revenues:

Taxes:

Property

Sales

Transient lodging

Franchises

Documentary stamp

Motor vehicle in lieu - unrestricted

Investment earnings

Rental income

Miscellaneous

Gain/loss on sale of capital assets

Transfers

Total general revenues, extraordinary item, and transfers

Change in net position

Net position, beginning of year

Prior period adjustments

Change in accounting principle

Net position, beginning of year, as restated

Net position, end of year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (662,961)	\$ -	\$ (662,961)
(2,920,397)	-	(2,920,397)
208,495	-	208,495
(346,044)	-	(346,044)
77,537	-	77,537
<u>(945,080)</u>	<u>-</u>	<u>(945,080)</u>
<u>(4,588,450)</u>	<u>-</u>	<u>(4,588,450)</u>
-	(25,536)	(25,536)
-	(22,838)	(22,838)
-	(255,153)	(255,153)
-	1,334	1,334
<u>-</u>	<u>75,230</u>	<u>75,230</u>
<u>-</u>	<u>(226,963)</u>	<u>(226,963)</u>
<u>(4,588,450)</u>	<u>(226,963)</u>	<u>(4,815,413)</u>
1,391,829	7,411	1,399,240
1,505,158	-	1,505,158
268,851	-	268,851
258,436	-	258,436
24,969	-	24,969
1,530,571	-	1,530,571
404,863	1,899	406,762
106,977	-	106,977
222,589	19,724	242,313
(5,884)	11,832	5,948
<u>(1,000)</u>	<u>1,000</u>	<u>-</u>
<u>5,707,359</u>	<u>41,866</u>	<u>5,749,225</u>
<u>1,118,909</u>	<u>(185,097)</u>	<u>933,812</u>
8,984,476	247,226	9,231,702
16,825,984	13,414,690	30,240,674
<u>(6,360,842)</u>	<u>(1,281,975)</u>	<u>(7,642,817)</u>
<u>19,449,618</u>	<u>12,379,941</u>	<u>31,829,559</u>
<u>\$ 20,568,527</u>	<u>\$ 12,194,844</u>	<u>\$ 32,763,371</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF CHOWCHILLA

**BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General	CDBG Grants Special Revenue	Community Facilities District Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ -	\$ 341,522	\$ 926,032	\$ 7,906,161	\$ 9,173,715
Restricted cash and investments	369,739	-	3,133,832	257,766	3,761,337
Accounts receivable	573,905	-	-	1,165,852	1,739,757
Notes receivable, net	-	19,362,196	-	1,826,458	21,188,654
Due from other funds	709,051	-	12,286	242,677	964,014
Due from the Successor Agency	332,233	-	-	-	332,233
Prepaid expenses	4,342	-	-	-	4,342
Land held for resale	-	-	-	104,000	104,000
Advances to other funds	557,442	-	-	-	557,442
Total assets	\$ 2,546,712	\$ 19,703,718	\$ 4,072,150	\$ 11,502,914	\$ 37,825,494
LIABILITIES					
Cash overdraft	\$ 210,980	\$ -	\$ -	\$ -	\$ 210,980
Accounts payable	162,676	2,704	1,262	407,631	574,273
Deposits	1,500	-	-	-	1,500
Unearned revenues	-	-	-	9,062	9,062
Due to other funds	-	-	-	838,944	838,944
Advances from other funds	-	-	-	557,442	557,442
Total liabilities	375,156	2,704	1,262	1,813,079	2,192,201
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	117,817	19,362,196	-	2,429,642	21,909,655
Total deferred inflows of resources	117,817	19,362,196	-	2,429,642	21,909,655
FUND BALANCES					
Nonspendable:					
Prepaid expenses	4,342	-	-	-	4,342
Land held for resale	-	-	-	104,000	104,000
Long-term receivable	557,442	-	-	-	557,442
Restricted for:					
Public safety	-	-	-	1,054	1,054
Highway and streets	-	-	-	2,882,414	2,882,414
Community development	-	338,818	-	360,233	699,051
Capital maintenance	-	-	-	5,036,885	5,036,885
Construction projects	-	-	2,551,657	-	2,551,657
Debt service	369,739	-	582,175	-	951,914
Committed to:					
Emergency contingency	910,223	-	-	-	910,223
Assigned to:					
Continuing appropriations	39,385	-	-	-	39,385
General government	2,415	-	-	-	2,415
Public safety	15,948	-	-	-	15,948
Culture and recreation	5,349	-	-	-	5,349
Unassigned	148,896	-	937,056	(1,124,393)	(38,441)
Total fund balances	2,053,739	338,818	4,070,888	7,260,193	13,723,638
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,546,712	\$ 19,703,718	\$ 4,072,150	\$ 11,502,914	\$ 37,825,494

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 13,723,638
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	16,753,936
Pension related deferrals:	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the statement of net position	659,539
Deferred outflows of resources	182,947
Deferred inflows of resources	(1,140,050)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:	
Bonds payable	(13,391,798)
Loans payable	(10,543,200)
Net pension liability	(5,676,639)
Interest payable on long-term debt does not require the use of current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(1,270,198)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	21,909,655
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>(639,303)</u>
Net position of governmental activities	<u>\$ 20,568,527</u>

CITY OF CHOWCHILLA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>CDBG Grants Special Revenue</u>	<u>Community Facilities District Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 2,891,533	\$ -	\$ 591,618	\$ -	\$ 3,483,151
Licenses and permits	563,876	-	-	1,220	565,096
Fines and penalties	69,196	-	-	-	69,196
Intergovernmental revenues	1,728,191	15,313	-	1,789,248	3,532,752
Use of money and property	85,663	375	30,651	13,091	129,780
Charges for services	143,086	13,032	-	571,767	727,885
Loan repayments	-	-	-	49,899	49,899
Miscellaneous	<u>217,813</u>	<u>-</u>	<u>-</u>	<u>10,214</u>	<u>228,027</u>
 Total revenues	 <u>5,699,358</u>	 <u>28,720</u>	 <u>622,269</u>	 <u>2,435,439</u>	 <u>8,785,786</u>
EXPENDITURES					
Current:					
General government	1,402,203	-	31,502	2,802	1,436,507
Public safety	3,120,128	-	-	-	3,120,128
Highways and streets	188,529	-	-	1,109,708	1,298,237
Culture and recreation	307,900	-	-	-	307,900
Community Development	-	25,633	-	365,312	390,945
Capital outlay	209,712	-	-	521,331	731,043
Debt service:					
Principal	-	-	180,000	416,024	596,024
Interest	<u>-</u>	<u>-</u>	<u>377,091</u>	<u>278,231</u>	<u>655,322</u>
 Total expenditures	 <u>5,228,472</u>	 <u>25,633</u>	 <u>588,593</u>	 <u>2,693,408</u>	 <u>8,536,106</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>470,886</u>	 <u>3,087</u>	 <u>33,676</u>	 <u>(257,969)</u>	 <u>249,680</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	704,910	71,336	-	2,125,805	2,902,051
Transfers out	(988,721)	-	-	(1,914,330)	(2,903,051)
Proceeds from promissory note	<u>-</u>	<u>22,236</u>	<u>-</u>	<u>-</u>	<u>22,236</u>
 Total other financing sources (uses)	 <u>(283,811)</u>	 <u>93,572</u>	 <u>-</u>	 <u>211,475</u>	 <u>21,236</u>
 Net change in fund balances	 <u>187,075</u>	 <u>96,659</u>	 <u>33,676</u>	 <u>(46,494)</u>	 <u>270,916</u>
 Fund balances, beginning of year	 1,929,778	 242,159	 4,037,212	 7,275,497	 13,484,646
 Prior period adjustments	 <u>(63,114)</u>	 <u>-</u>	 <u>-</u>	 <u>31,190</u>	 <u>(31,924)</u>
 Fund balances, beginning of year, restated	 <u>1,866,664</u>	 <u>242,159</u>	 <u>4,037,212</u>	 <u>7,306,687</u>	 <u>13,452,722</u>
 Fund balances, end of year	 <u>\$ 2,053,739</u>	 <u>\$ 338,818</u>	 <u>\$ 4,070,888</u>	 <u>\$ 7,260,193</u>	 <u>\$ 13,723,638</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	270,916
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:</p>		
Capital outlay		632,847
Depreciation expense		(709,800)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.</p>		
		(18,438)
<p>Contributions to the pension plan in the current fiscal year are not included on the statement of activities.</p>		
		659,539
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Repayment of the principal of long-term debt		596,024
Amortization on bond discounts		(7,322)
<p>Accrued interest payable on long-term debt is reported in the government-wide statement of activities, but does not require the use of current financial resources. This amount represents the change in accrued interest payable not reported in governmental funds.</p>		
Increase in accrued interest payable		(289,758)
<p>Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		(662,763)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		635,176
<p>The net revenue of certain activities of the internal service funds is reported with governmental activities.</p>		
		<u>12,488</u>
Change in net position of governmental activities	<u>\$</u>	<u>1,118,909</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Solid Waste	Sewer	Other Enterprise Funds	Internal Service Funds
Operating revenues:					
Charges for services	\$ 1,965,772	\$ 1,326,476	\$ 1,325,341	\$ 192,121	\$ 4,809,710
Miscellaneous	<u>106,792</u>	<u>3,215</u>	<u>18,435</u>	<u>120</u>	<u>128,562</u>
Total operating revenues	<u>2,072,564</u>	<u>1,329,691</u>	<u>1,343,776</u>	<u>192,241</u>	<u>4,938,272</u>
Operating expenses:					
Personnel services	572,261	43,627	518,953	49,699	1,184,540
Materials, supplies and services	1,237,805	1,328,900	921,161	54,829	3,542,695
Depreciation	<u>249,364</u>	<u>-</u>	<u>149,980</u>	<u>21,032</u>	<u>420,376</u>
Total operating expenses	<u>2,059,430</u>	<u>1,372,527</u>	<u>1,590,094</u>	<u>125,560</u>	<u>5,147,611</u>
Operating income (loss)	<u>13,134</u>	<u>(42,836)</u>	<u>(246,318)</u>	<u>66,681</u>	<u>(209,339)</u>
Nonoperating revenues (expenses):					
Interest income	630	469	706	94	1,899
Taxes	-	-	-	7,411	7,411
Grants	-	-	20,000	10,000	30,000
Interest expense	<u>(20,584)</u>	<u>-</u>	<u>(10,331)</u>	<u>-</u>	<u>(30,915)</u>
Total nonoperating revenues (expenses)	<u>(19,954)</u>	<u>469</u>	<u>10,375</u>	<u>17,505</u>	<u>8,395</u>
Income (loss) before transfers	<u>(6,820)</u>	<u>(42,367)</u>	<u>(235,943)</u>	<u>84,186</u>	<u>(200,944)</u>
Other financing sources (uses):					
Gain (loss) on sale of assets	8,696	-	3,134	-	11,830
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total other financing sources (uses)	<u>8,696</u>	<u>-</u>	<u>3,134</u>	<u>1,000</u>	<u>12,830</u>
Change in net position	<u>1,876</u>	<u>(42,367)</u>	<u>(232,809)</u>	<u>85,186</u>	<u>(188,114)</u>
Net position (deficit), beginning of year	(337,969)	193,841	498,574	(38,808)	(330,337)
Prior period adjustments	6,681,751	-	5,779,231	953,708	-
Change in accounting principle	<u>(628,542)</u>	<u>(24,865)</u>	<u>(563,877)</u>	<u>(64,691)</u>	<u>(389,863)</u>
Net position, beginning of year, restated	<u>5,715,240</u>	<u>168,976</u>	<u>5,713,928</u>	<u>850,209</u>	<u>(720,200)</u>
Net position (deficit), end of year	<u>\$ 5,717,116</u>	<u>\$ 126,609</u>	<u>\$ 5,481,119</u>	<u>\$ 935,395</u>	<u>\$ (704,696)</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>3,017</u>	
Changes in net position of business-type activities				<u>\$ (185,097)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Solid Waste	Sewer	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,071,385	\$ 1,337,651	\$ 1,366,707	\$ 189,715	\$ 4,965,458	\$ 520,113
Payments to suppliers	(1,249,710)	(1,330,894)	(919,194)	(55,538)	(3,555,336)	(185,666)
Payments to employees	(579,106)	(44,628)	(523,176)	(49,290)	(1,196,200)	(306,523)
Net cash provided by (used in) operating activities	<u>242,569</u>	<u>(37,871)</u>	<u>(75,663)</u>	<u>84,887</u>	<u>213,922</u>	<u>27,924</u>
Cash flows from noncapital financing activities:						
Grants received	-	-	-	10,000	10,000	-
Transfer from other funds	-	-	-	1,000	1,000	-
Loan from other funds	-	-	-	-	-	49,824
Loan repayment to other funds	-	-	-	(14,048)	(14,048)	(14,106)
Taxes received	-	-	-	7,408	7,408	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,360</u>	<u>4,360</u>	<u>35,718</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(4,756)	-	(101,950)	-	(106,706)	(16,754)
Proceeds from the sale of capital assets	8,696	-	3,134	-	11,830	-
Principal paid	(60,000)	-	(89,520)	-	(149,520)	-
Interest paid	(21,656)	-	(12,265)	-	(33,921)	-
Grants received	-	-	20,000	-	20,000	-
Net cash provided by (used in) capital and related financing activities	<u>(77,716)</u>	<u>-</u>	<u>(180,601)</u>	<u>-</u>	<u>(258,317)</u>	<u>(16,754)</u>
Cash flows from investing activities:						
Interest received	<u>630</u>	<u>469</u>	<u>706</u>	<u>94</u>	<u>1,899</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>630</u>	<u>469</u>	<u>706</u>	<u>94</u>	<u>1,899</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	165,483	(37,402)	(255,558)	89,341	(38,136)	46,888
Cash and cash equivalents, beginning of year	<u>237,011</u>	<u>148,980</u>	<u>638,799</u>	<u>9,940</u>	<u>1,034,730</u>	<u>11,847</u>
Cash and cash equivalents, end of year	<u>\$ 402,494</u>	<u>\$ 111,578</u>	<u>\$ 383,241</u>	<u>\$ 99,281</u>	<u>\$ 996,594</u>	<u>\$ 58,735</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds					Governmental
	Water	Solid Waste	Sewer	Other Enterprise Funds	Total	Internal
						Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 13,134	\$ (42,836)	\$ (246,318)	\$ 66,681	\$ (209,339)	\$ 15,504
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	249,364	-	149,980	21,032	420,376	624
(Increase) decrease in:						
Accounts receivable	(17,096)	7,960	22,931	(2,526)	11,269	-
Prepaid expenses	-	-	-	(200)	(200)	15,729
Deferred outflows of resources from pensions	(78,870)	(4,243)	(68,925)	(7,082)	(159,120)	(51,685)
Increase (decrease) in:						
Accounts payable	(11,905)	(1,994)	1,967	(509)	(12,441)	3,272
Accrued payroll	-	-	-	-	-	30,492
Deposits	15,158	-	-	-	15,158	-
Compensated absences	-	-	-	-	-	(30,504)
Unearned revenue	759	-	-	-	759	-
Net pension liability	(67,218)	(5,524)	(54,366)	(1,668)	(128,776)	(53,970)
Deferred inflows of resources from pensions	139,243	8,766	119,068	9,159	276,236	98,462
Net cash provided by (used in) operating activities	<u>\$ 242,569</u>	<u>\$ (37,871)</u>	<u>\$ (75,663)</u>	<u>\$ 84,887</u>	<u>\$ 213,922</u>	<u>\$ 27,924</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2015**

	<u>Agency Funds</u>	<u>Successor Agency Trust Funds</u>
ASSETS		
Cash and investments (in City investment pool)	\$ 852,457	\$ 312,572
Restricted cash and investments (held by bond trustee)	465,268	549,650
Accounts receivable (net)	12,000	134,327
Prepaid expenses	-	33,335
Land held for resale	-	338,000
Capital assets:		
Nondepreciable	-	272,029
Depreciable, net of accumulated depreciation	<u>-</u>	<u>1,418,558</u>
 Total assets	 <u>\$ 1,329,725</u>	 <u>\$ 3,058,471</u>
LIABILITIES		
Accounts payable	\$ -	2,941
Due to the General Fund	-	332,233
Accrued interest	-	140,484
Long-term debt due within one year	-	180,000
Long-term debt due in more than one year	-	6,770,620
Agency obligations	<u>1,329,725</u>	<u>-</u>
 Total liabilities	 <u>\$ 1,329,725</u>	 <u>7,426,278</u>
NET POSITION		
Held in trust for Successor Agency activities		<u>\$ (4,367,807)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CHOWCHILLA

**STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Successor Agency Trust Fund
	<u> </u>
ADDITIONS	
Taxes	\$ 927,193
Use of money and property	<u>80</u>
Total additions	<u>927,273</u>
DEDUCTIONS	
Administrative expenses	305,574
Interest	340,058
Depreciation	29,002
Amortization	<u>1,875</u>
Total deductions	<u>676,509</u>
Change in net position	<u>250,764</u>
Net position, beginning of year	(6,338,160)
Prior period adjustment	<u>1,719,589</u>
Net position, beginning of year, restated	<u>(4,618,571)</u>
Net position, ending of year	<u>\$ (4,367,807)</u>

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CHOWCHILLA

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Chowchilla (City) was incorporated on February 7, 1923, as a municipal corporation under the General Laws of the State of California. The City operates as a self-governing local government unit within the State of California. A five-member City Council appoints a City Administrator who administers the daily affairs under the policy guidance of the City Council. The City has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a City Council that passes laws and determines broad policies. The City Council also oversees the operations of the City and approves all budgets, fund transfers, and fund balance reserves. Services provided by the City include public safety, streets and roads, water, sanitation, public improvements, culture and recreation, parks, building inspections, planning and zoning, redevelopment, and general administration.

A primary government is financially accountable, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. Based upon the application of these criteria, the following is a brief description of each component unit included within the City's reporting entity. All such component units have been "blended" as though they are part of the primary government because the component unit's governing body is substantially the same as the City's primary government and there is a financial benefit or burden relationship between the City and the component unit, management of the City has operational responsibilities for the component unit, and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it, or the City is entirely or almost entirely responsible for the repayment of the debt of the component unit.

Blended Component Units

The following is a brief overview of the component units included in the City's accompanying financial statements. Financial information for these component units can be obtained from the City's Administrative Services Department and from the City's website at <http://ci.chowchilla.ca.us>.

The **Public Financing Authority** (Authority) of the City of Chowchilla was formed on August 14, 1989, for the purpose of assisting the City in the financing of the acquisition, construction and installation of public capital improvements for the use, benefit and enjoyment of the citizens served by the City. The City Council serves as the governing board of the Authority and, therefore, is financially accountable for the operations of the Authority.

The **Chowchilla Housing Authority** (Housing Authority) was established on January 24, 2012. The Housing Authority was activated pursuant to State Law Section 34240 of the California Health and Safety Code, which allows for every City to establish a housing authority. The Housing Authority is designed to protect local housing funds and programs, provide new revenue opportunities for affordable housing programs, serve the public interest, promote public safety and welfare, and ensure decent, safe sanitary and affordable housing accommodations to persons of low income.

Since the City Council serves as the governing body of these entities, they are considered blended component units. As a result, the financial activities of these entities are integrally related to those of the City and are "blended" with those of the City.

CITY OF CHOWCHILLA

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The *Statement of Activities* presents a comparison between direct expense and program revenues for each different identifiable activity of the City's *business-type activities* and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function and, therefore, are included in the program expense reported for individual function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include: 1) fines, fees, and charges paid by the recipients of goods and services offered by the programs; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated: due to/due from other funds, interfund note receivable/interfund long-term debt, and transfers in/transfers out.

Fund Financial Statements – The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in funds and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the City except for those required to be accounted for in another fund.

The **Community Development Block Grant Special Revenue Fund** accounts for the revenues received by the various CDBG grants, the uses of those funds (i.e., grants and loans for housing rehabilitation projects), as well as the receipt and re-use of program income generated by the repayment of CDBG loans.

The **Community Facilities District Capital Projects Fund** accounts for the capital projects of the City's Community Facilities District that was formed for the purpose of providing essential public facilities, such as wastewater treatment facilities and related pipelines; streets and bridges; signalization; water wells and related pipelines; and storm drainage facilities and related pipelines.

Enterprise fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows for each major enterprise fund and non-major fund.

The City has five enterprise funds – water, solid waste, sewer, storm drain and airport. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. In an enterprise fund, the intent of the City Council is that the costs (expenses, including depreciation) of providing services to the general public, on a continuing basis, be financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

The **Water Enterprise Fund** accounts for the provision of water to the residents of the City. All activities to provide such services are accounted for in this fund, including, but not limited to, administration, operations, distribution, maintenance, and debt service.

The **Solid Waste Enterprise Fund** accounts for the revenues and expenses for operation and maintenance of the solid waste system.

The **Sewer Enterprise Fund** accounts for the provision of wastewater collection and treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and debt service.

Additionally, the government reports the following fund types:

Internal Service Funds:

The **Fleet Management Internal Service Fund** accounts for the costs associated with maintaining the citywide fleet of vehicles and rolling stock heavy equipment. Charges are assessed to each department on the basis of time/materials necessary to maintain their equipment.

The **Information Technology Internal Service Fund** accounts for the costs of providing computer and information services. User charges are recovered from other City departments that utilized the services provided.

The **Employee Benefits Internal Service Fund** accounts for compensated absences and other employee benefits that are provided by the City.

CITY OF CHOWCHILLA

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fiduciary Funds:

The **Agency Fund** accounts for assets held by the City as a trustee or as an agent for special districts.

The **Successor Agency of the Redevelopment Agency** accounts for assets and liabilities of the former redevelopment agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.

Measurement Focus, Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and compensated absences, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating revenues*, such as charges for services, result from exchange transactions associated with the principal activity of each fund. *Nonoperating revenues*, such as interest income, state and federal grants and subsidies, result from nonexchange transactions or ancillary activities. *Operating expenses* include costs for providing services and delivering goods such as administrative expenses and depreciation on capital assets. All other expenses not meeting this definition are reported as *nonoperating expenses*.

Cash and Cash Equivalents

For purposes of reporting cash flow, the City considers all highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents.

Cash and Investments

The City maintains a cash and investment pool that is available for all funds. Each fund-type balance in the pool is reflected on the combined balance sheet as cash and investments. The City apportions interest earnings to all funds based on their quarterly cash balances.

CITY OF CHOWCHILLA

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

Cash and Investments (Continued)

The City pools cash and investments with the City Treasurer except for investments managed by fiscal agents under bonded debt agreements. Interest from bank accounts and investments are allocated quarterly to the various funds based on the fund's contribution to the pool. The City has stated required investments at fair value in the statement of net position and balance sheet. The fair value of investments is based on published market prices and quotations from major investment brokers.

Cash and investments with fiscal agent represents funds held by various trustees from proceeds of the issuance of bonds in order to establish required reserve funds and to pay bond issuance costs per the respective trust agreements.

Credit Risk: The City's investment policy limits certain types of investments to various ratings.

Custodial Credit Risk—Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial risk that requires collateralization on certificates of deposit and repurchase (and reverse) agreements. In addition, the City maintains custodial agreements with certain independent third parties.

Concentration of Credit Risk: The City places no limit on the amount the City may invest in any one issuer.

Interest Rate Risk: Reserve funds may be invested in securities exceeding 10 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Restricted Assets

Certain proceeds of the general obligation debt and enterprise debt are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. "Restricted cash and investments" is used to report resources set aside for potential deficiencies in the repayment ability of the debt service fund and for payment of construction projects undertaken by the City.

Land Held for Resale

Land held for resale is recorded in the Low and Moderate Housing Asset Special Revenue Fund. Land held for resale is valued at the lower of cost or estimated net realizable value.

Internal Balances

Interfund transactions are reflected as loans, services provided or used, or reimbursements or transfers. Loans reported as receivables and payables, as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the fund financial statements, and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

Notes Receivable

The City engages in programs designed to encourage construction or improvement of housing for persons with low- to moderate-income and also to encourage business development. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. For financial statement purposes, the City has established an estimated allowance for potentially uncollectible loans. The balance of notes receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

Capital Assets

Capital assets, which include public domain (infrastructure) capital assets consisting of certain improvements, including streets (pavements, medians, curbs/gutters, sidewalks, traffic signals, monument signs and bridges), storm drains and water/sewer systems and improvements, are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Generally, capital asset acquisitions in excess of \$5,000 (general capital assets) and \$30,000 (infrastructure) are capitalized if they have an expected useful life of one year or more. Acquisitions of capital assets (including infrastructure) are recorded at historical cost at the time of purchase. Donated capital assets are recorded at their fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	20-50 years
Buildings and Improvements	20-50 years
Machinery, Equipment, and Vehicles	6-10 years
Infrastructure	20-100 years

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused leave time. Permanent employees earn from 12 to 30 vacation days per year depending upon their length of employment. Accumulated vacation days can be carried forward up to 2 years. Each year, by September 30, certain employees may request to receive a cash payment for the value of all or a portion of their accumulated vacation leave. Upon termination or retirement, employees are compensated for the value of accrued vacation leave.

For full-time employees, sick leave is accumulated at the rate of 12 days per year up to a maximum of 250 days. Employees may convert 25% of unused sick leave to vacation time during a fiscal year up to the limit of the employee's maximum vacation accrual level. Upon retirement, employees may also convert a portion of their unused sick leave into service credit through the California Public Employees Retirement System.

The vacation and sick leave balances, along with compensatory leave and holiday hours are reflected in the Employee Benefits Internal Service Fund in the Statement of Net Position.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are expensed immediately.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting (see Note 9 and the RSI section immediately following the notes to financial statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the City's fiscal year-end or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as a liability when incurred and is not recognized in the governmental funds financial statements.

Unearned Revenue

Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

Transfers

In the fund financial statements, interfund transfers are recorded as transfers in (out) except for transactions that are described below:

Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of the fiscal year.

Reimbursements for expenditures, initially made by one fund that is properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as other revenue in the fund that is reimbursed. Reimbursements are eliminated for purposes of government-wide reporting.

Net Position

The government-wide and enterprise fund financial statements utilize a net position presentation. Net position is capitalized as net investment in capital assets, restricted and unrestricted.

- ♦ *Net investment in capital assets* – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the net position balance. The City has not maintained records of capital assets in its general ledger.
- ♦ *Restricted* – represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ♦ *Unrestricted* – represents net position of the City, not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted first, and then unrestricted resources as they are needed.

Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in governmental fund financial statements are as follows:

Nonspendable Fund Balance

Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

Restricted Fund Balance

Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

Fund Balances (Continued)

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment. The City's committed fund balance includes:

General Fund Emergency Contingency:

The City's General Fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed in the resolution.

Assigned Fund Balance

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned Fund Balance

These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances in all other funds.

In circumstances when expenditures are made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Risk Management

The City participates with other public entities in a joint venture under a joint powers agreement which established the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

Property Tax Calendar

Madera County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocations factor calculated by the County under the provisions of Proposition 13 plus a percentage of the increase in market value in specific areas. The City's property tax is liened based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax assessed is prorated.

Secured property taxes are levied on October 1 and are due in two installments on November 1 and February 1. The tax becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is levied on July 1, due on July 31, and becomes delinquent after August 31.

Pronouncements

a. New Accounting Pronouncements Adopted

Governmental Accounting Standards Board Statement No. 68

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. The requirements of this statement are effective for the City's fiscal year ending June 30, 2015.

As of July 1, 2014, the City adopted the provisions of GASB Statement No. 68 and restated the beginning net position of the City's governmental activities, business-type activities, enterprise funds, internal service funds, and the private purpose trust fund to record the net pension liability (see Note 15). The implementation of GASB Statement No. 68 enhanced the City's pension disclosures as described in Note 9 and required supplementary information.

Governmental Accounting Standards Board Statement No. 69

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The requirements of this statement were considered but had no effect on the City for the current fiscal year.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements (Continued)

a. New Accounting Pronouncements Adopted (Continued)

Governmental Accounting Standards Board Statement No. 71

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this statement are effective for the City's fiscal year ending June 30, 2015.

As of July 1, 2014, the City adopted the provisions of GASB Statement No. 71 and restated the beginning net position of the City's governmental activities, business-type activities, enterprise funds, internal service funds, and the private purpose trust fund to record the beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability (see Note 15).

b. New Accounting Pronouncements Not Yet Adopted

Governmental Accounting Standards Board Statement No. 72

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements for this provision are effective for the City's fiscal year ending June 30, 2016.

Governmental Accounting Standards Board Statement No. 73

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and accessing accountability. This statement results from comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements (Continued)

b. New Accounting Pronouncements Not Yet Adopted (Continued)

Governmental Accounting Standards Board Statement No. 74

On June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

Governmental Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the City's fiscal year ending June 30, 2018.

Governmental Accounting Standards Board Statement No. 76

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements for this statement are effective for the City's fiscal year ending June 30, 2016.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements (Continued)

b. New Accounting Pronouncements Not Yet Adopted (Continued)

Governmental Accounting Standards Board Statement No. 77

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Application of Statement No. 77 is effective for the City's fiscal year ending June 30, 2017.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 10,018,064
Restricted cash and investments	3,761,337
Statement of Fiduciary Net Position:	
Cash and investments	1,165,029
Restricted cash and investments	<u>1,014,918</u>
Total cash and investments	<u>\$ 15,959,348</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 3,200
Deposits with financial institutions	2,190,208
Investments	<u>13,765,940</u>
Total cash and investments	<u>\$ 15,959,348</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Deposits

The carrying amount of the City's cash deposits was \$2,190,209 at June 30, 2015. Bank balances were \$2,368,771, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments Authorized by the California Government Code and the City's Investment Policy

In accordance with Section 53601 of the California Government Code and the City's investment policy, the City is authorized to invest in Certificates of Deposit, the California Local Agency Investment Fund (LAIF), U.S. Treasury Obligations, U.S. Government Agencies, Medium-Term Notes, Bankers' Acceptances, and Commercial Paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investor Services, Inc. or Standards and Poor's Corporation. In accordance with the City's investment policy, the City will not invest in repurchase agreements, reverse repurchase agreements, or any other type of investments prohibited by California Government Code Section 53601.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

<u>Investment Type</u>	<u>Total</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
State investment pool	\$ 8,989,682	\$ 8,989,682	\$ -	\$ -	\$ -
Held by bond trustee:					
Treasury Obligation Fund	<u>4,776,258</u>	<u>4,776,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,765,940</u>	<u>\$ 13,765,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosure Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type:

Concentration of Credit Risk

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

Investment Type	Total	Exempt from Disclosure	Ratings as of Year-End		
			A-1+	AAAm	Not Rated
State investment pool	\$ 8,989,682	\$ -	\$ -	\$ -	\$ 8,989,682
Held by bond trustee:					
Treasury Obligation Fund	<u>4,776,258</u>	<u>-</u>	<u>-</u>	<u>4,776,258</u>	<u>-</u>
Total	<u>\$ 13,765,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,776,258</u>	<u>\$ 8,989,682</u>

Investments in any one issuer that represent 5% or more of total investments by reporting unit (primary government, government activities, major funds, nonmajor funds in aggregate, etc.) are as follows:

\$369,739 of cash and investments (including amounts held by bond trustee) reported in the General Fund are held in the form of the above-described Treasury Obligation Fund.

\$257,769 of cash and investments (including amounts held by bond trustee) reported in the Debt Service Fund are held in the form of the above-described Treasury Obligation Fund.

\$3,133,832 of cash and investments (including amounts held by bond trustee) reported in the Community Facilities District Capital Projects Fund are held in the form of the above-described Treasury Obligation Fund.

\$549,650 of cash and investments (including amounts held by bond trustee) reported in the Successor Agency Trust Funds are held in the form of the above-described Treasury Obligation Fund.

\$465,268 of cash and investments (including amounts held by bond trustee) reported in the Greenhills Agency Fund are held in the form of the above-described Treasury Obligation Fund.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based in the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment in State Investment Pool (Continued)

Although the City did not participate in any securities lending transactions or enter into any reverse repurchase agreements during the year, the City does have an investment in LAIF in the amount of \$8,989,682. The total amount invested by all public agencies in LAIF at June 30, 2015, was \$21,495,234,784. LAIF is part of the State of California Pooled Money Investment Account (PMIA) whose balance at June 30, 2014, was \$69,606,487,716. PMIA is not SEC-registered, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool.

NOTE 3 – RECEIVABLES

Receivables as of year-end for the City's individual major funds and aggregate nonmajor, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>CDBG Grants Special Revenue</u>	<u>Community Facilities District Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:					
Accounts receivable	\$ 573,905	\$ -	\$ -	\$ 1,165,852	\$ 1,739,757
Notes receivable	-	19,362,196	-	1,968,651	21,330,847
Less: allowance for for uncollectibles	-	-	-	(142,193)	(142,193)
Net receivables	<u>\$ 573,905</u>	<u>\$ 19,362,196</u>	<u>\$ -</u>	<u>\$ 2,992,310</u>	<u>\$ 22,928,411</u>

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Airport</u>	<u>Total</u>
Receivables:						
Accounts receivable	\$ 228,412	\$ 117,213	\$ 138,956	\$ 11,990	\$ 28,360	\$ 524,931
Less: allowance for for uncollectibles	(30,003)	(11,000)	(12,000)	(1,500)	-	(54,503)
Net receivables	<u>\$ 198,409</u>	<u>\$ 106,213</u>	<u>\$ 126,956</u>	<u>\$ 10,490</u>	<u>\$ 28,360</u>	<u>\$ 470,428</u>

Receivables are presented on the Statement of Net Position as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts receivable, net	\$ 1,739,757	\$ 470,428	\$ 2,210,185
Notes receivable, net	21,188,654	-	21,188,654
	<u>\$ 22,928,411</u>	<u>\$ 470,428</u>	<u>\$ 23,398,839</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 – RECEIVABLES (Continued)

Receivables in governmental funds which are not expected to be collected in one year are as follows:

Notes receivable in CDBG Grants Special Revenue Fund	\$ 19,362,196
Notes receivable in Home Investment Program Grants Special Revenue Fund	1,514,966
Notes receivable in EDBG Grants Special Revenue Fund	234,058
Notes receivable in Low and Moderate Income Housing Asset Special Revenue Fund	<u>77,434</u>
Total	<u>\$ 21,746,096</u>

NOTE 4 – INTERNAL BALANCES

Due to and due from balances at June 30, 2015 are as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 709,051	\$ -
Community Facilities District Capital Projects Fund	12,286	-
Nonmajor Funds:		
Streets & Road (LTF) Special Revenue Fund	-	242,677
Measure T Special Revenue Fund	242,677	-
Transit System Special Revenue Fund	-	217,700
Public Safety Grants Special Revenue Fund	-	48,946
HOME Grants Special Revenue Fund	-	4,144
Low and Moderate Low Income Housing Asset Fund	-	45,559
Debt Service Fund	-	267,632
Park Grants Capital Projects Fund	-	11,746
PFA Street Improvements - Capital Projects Fund	-	540
Information Technology Internal Service Fund	-	62,764
Enterprise Funds:		
Nonmajor Funds:		
Airport	<u>-</u>	<u>62,306</u>
Total	<u>\$ 964,014</u>	<u>\$ 964,014</u>

The “due from” balances of \$1,521,456 in the funds listed above represents loans made to other funds to cover operating cash deficit.

Advances to and due from balances at June 30, 2015 are as follows:

	<u>Advances To</u>	<u>Advances From</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 557,442	\$ -
Nonmajor Funds:		
Public Building Impact Fees	<u>-</u>	<u>557,442</u>
Total	<u>\$ 557,442</u>	<u>\$ 557,442</u>

The balance of \$557,442 for advances from other funds in the Public Building Impact Fees capital projects fund consist of cash advances from the General Fund and will be pay back with future impact fees. The City has indicated that there no plans to collect on the advance within the next year.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 – TRANSFERS

Transfers for the year ended June 30, 2015 are summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 704,910 (2)	\$ 988,721 (1)(2)
CDBG Grants Special Revenue Fund	71,336	-
Nonmajor Funds:		
State Gas Tax Special Revenue Fund	573,519 (2)	1,015,409 (2)(4)
Street and Road Fund (LTF) Special Revenue Fund	1,015,409 (2)(4)	725,409 (2)(3)
Public Safety Grants Special Revenue Fund	-	100,000
EDBG Grant Special Revenue Fund	-	71,336
Ash Slough Arundo Removal Special Revenue Fund	-	5
Debt Service Funds	382,816 (1)	-
1994 PFA Street Improvements Capital Projects Fund	151,890 (3)	-
Enterprise Funds:		
Nonmajor Funds:		
Airport Enterprise Fund	<u>1,000</u>	<u>-</u>
 Total	 <u>\$ 2,900,880</u>	 <u>\$ 2,900,880</u>

- (1) The General Fund transferred \$363,258 to the Debt Service Fund for the Civic Center debt service payments.
- (2) General fund transferred \$573,519 to the State Gas Tax Fund for PFA debt service payments. Then the Gas Tax Fund transferred \$573,519 to the Street and Road (LTF) Fund. Finally Street and Road (LTF) Fund transferred \$573,519 back to the General Fund.
- (3) Street and Road (LTF) Fund transferred \$151,890 to the 1994 PFA Street Improvements Capital Project Fund for debt service payments.
- (4) Street maintenance is being recorded in the Local Transportation Fund (LTF). The State Gas Tax Fund transferred \$441,890 for that purpose.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 was as follows:

Governmental Activities:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 563,098	\$ -	\$ -	\$ 563,098
Construction in progress	667,396	301,315	(553,263)	415,448
Total capital assets, not being depreciated	<u>1,230,494</u>	<u>301,315</u>	<u>(553,263)</u>	<u>978,546</u>
Capital assets, being depreciated:				
Land improvements	1,355,230	-	-	1,355,230
Buildings and improvements	6,853,476	-	-	6,853,476
Machinery, equipment, and vehicles	3,580,897	348,286	(915,471)	3,013,712
Infrastructure	15,236,554	553,264	-	15,789,818
Total capital assets, being depreciated	<u>27,026,157</u>	<u>901,550</u>	<u>(915,471)</u>	<u>27,012,236</u>
Less accumulated depreciation for:				
Land improvements	(772,807)	(33,535)	-	(806,342)
Buildings and improvements	(2,003,390)	(134,498)	-	(2,137,888)
Machinery, equipment, and vehicles	(2,598,193)	(214,812)	897,034	(1,915,971)
Infrastructure	(6,032,935)	(327,580)	-	(6,360,515)
Total accumulated depreciation	<u>(11,407,325)</u>	<u>(710,425)</u>	<u>897,034</u>	<u>(11,220,716)</u>
Total capital assets being depreciated, net	<u>15,618,832</u>	<u>191,125</u>	<u>(18,437)</u>	<u>15,791,520</u>
Governmental activities capital assets, net	<u>\$ 16,849,326</u>	<u>\$ 492,440</u>	<u>\$ (571,700)</u>	<u>\$ 16,770,066</u>

Business-Type Activities:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 1,947,728	\$ -	\$ -	\$ 1,947,728
Construction in progress	1,453,845	108,831	(1,450,103)	112,573
Total capital assets, not being depreciated	<u>3,401,573</u>	<u>108,831</u>	<u>(1,450,103)</u>	<u>2,060,301</u>
Capital assets, being depreciated:				
Land improvements	1,253,761	-	-	1,253,761
Buildings and improvements	2,646,600	-	-	2,646,600
Machinery, equipment, and vehicles	586,619	101,949	(105,800)	582,768
Infrastructure	14,421,235	-	-	14,421,235
Total capital assets, being depreciated	<u>18,908,215</u>	<u>101,949</u>	<u>(105,800)</u>	<u>18,904,364</u>
Less accumulated depreciation for:				
Land improvements	(549,395)	(43,261)	-	(592,656)
Buildings and improvements	(1,200,881)	(51,804)	-	(1,252,685)
Machinery, equipment, and vehicles	(363,849)	(34,835)	105,800	(292,884)
Infrastructure	(5,434,944)	(290,475)	-	(5,725,419)
Total accumulated depreciation	<u>(7,549,069)</u>	<u>(420,375)</u>	<u>105,800</u>	<u>(7,863,644)</u>
Total capital assets being depreciated, net	<u>11,359,146</u>	<u>(318,426)</u>	<u>-</u>	<u>11,040,720</u>
Governmental activities capital assets, net	<u>\$ 14,760,719</u>	<u>\$ (209,595)</u>	<u>\$ (1,450,103)</u>	<u>\$ 13,101,021</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions/programs of the governmental activities and business-type activities of the primary government as follows:

Governmental Activities:

General government	\$ 95,473
Public safety	155,546
Highways and streets	406,030
Culture and recreation	52,752
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets	<u>624</u>
Total depreciation expense - governmental activities	<u>\$ 710,425</u>

Business-Type Activities:

Water	\$ 249,364
Sewer	149,979
Airport	14,683
Storm drain	<u>6,349</u>
Total depreciation expense - business-type activities	<u>\$ 420,375</u>

NOTE 7 – LONG-TERM DEBT

The following is a summary of debt transactions of the City for the year ended June 30, 2015:

	June 30, 2014	Additions	Reductions	June 30, 2015	Amounts Due Within One Year
Governmental Activities:					
2000 Refunding of 1994 PFA Revenue Bonds	\$ 1,066,892	\$ -	\$ (113,524)	\$ 953,368	\$ 313,156
2005 Civic Center Bond	5,110,000	-	(145,000)	4,965,000	150,000
2007 CFD Series Special Tax Bond	7,805,000	-	(180,000)	7,625,000	190,000
Measure T Interprogram Loan	787,500	-	(157,500)	630,000	157,500
State of California NSP Loan	9,913,215	-	-	9,913,215	-
Less: Discounts	(158,907)	-	7,322	(151,585)	-
Compensated absences	279,645	-	(30,504)	249,141	249,141
Net pension liability	<u>7,164,526</u>	<u>1,168,979</u>	<u>(2,320,973)</u>	<u>6,012,532</u>	<u>-</u>
Total Governmental Activities Long-Term Debt	<u>\$ 31,967,871</u>	<u>\$ 1,168,979</u>	<u>\$ (2,940,179)</u>	<u>\$ 30,196,671</u>	<u>\$ 1,059,797</u>
Business-Type Activities:					
2000 Refunding of 1994 PFA Revenue Bonds	\$ 153,072	\$ -	\$ (74,520)	\$ 78,552	\$ 78,552
2001 USDA Sewer Bond	125,000	-	(15,000)	110,000	15,000
2001 Water Certificates of Participation	525,000	-	(60,000)	465,000	60,000
Net pension liability	<u>1,398,686</u>	<u>286,131</u>	<u>(531,618)</u>	<u>1,153,199</u>	<u>-</u>
Total Business-Type Activities Long-Term Debt	<u>\$ 2,201,758</u>	<u>\$ 286,131</u>	<u>\$ (681,138)</u>	<u>\$ 1,806,751</u>	<u>\$ 153,552</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – LONG-TERM DEBT (Continued)

Long-term debt payable at June 30, 2015 is comprised of the following individual issues:

2000 Refunding of 1994 Public Financing Authority (PFA) Revenue Bonds

In 1994, the City issued Revenue Bonds in the aggregate principal amount of \$3,670,000 to finance the acquisition and construction of three projects: (1) capital improvements to the City Hall (the Land Acquisition/Facilities Rehabilitation Project) in the amount of \$495,000; (2) Street/Road Improvement Project in the amount of \$1,890,000; and (3) Wastewater Improvement Project in the amount of \$920,000. The original amount of the note (\$3,670,000) was secured by each project's pledged sources of revenue, including the Street/Road Improvement Project's pledge of the City's net revenues from the state gas tax, and Measure A Funds; the Wastewater Plant Improvement Project's net revenues from user fees collected by the Sewer Enterprise Fund; and General Fund revenues pledged for the Land Acquisition Project in the amount of \$3,106,000, to take advantage of lower interest rates and reduce the total future debt service payments. Semiannual payments range from \$4,433 to \$288,668 and are payable each March 15 and September 15 through 2021.

Annual debt service requirements to maturity of the 2000 Refunding of 1994 PFA Revenue Bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 313,156	\$ 46,854	\$ 78,552	\$ 2,416
2017	113,754	35,876	-	-
2018	118,978	28,720	-	-
2019	129,146	21,090	-	-
2020	<u>278,334</u>	<u>17,425</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 953,368</u>	<u>\$ 149,965</u>	<u>\$ 78,552</u>	<u>\$ 2,416</u>

2005 Civic Center Bond

In 2005, the City issued Revenue Bonds in the aggregate principal amount of \$5,890,000 to refund the 2002 \$1,900,000 Civic Center Project Private Placement Financing and to finance certain public improvements. The original amount of the note (\$5,890,000) was secured by revenues of the Public Financing Authority consisting primarily of lease payments to be received by the Authority from the City under a lease agreement dated July 1, 2005, by and between the Authority and the City which are payable from the City's general fund for lease by the City of certain real property and public facilities located in the City and then constituting the Civic Center Project. Semiannual payments range from \$7,875 to \$362,953 and are payable each January 1 and July 1 through 2035.

Annual debt service requirements to maturity of the 2005 Civic Center Bond are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2016	\$ 150,000	\$ 212,538
2017	160,000	206,338
2018	165,000	199,838
2019	170,000	193,138
2020	180,000	186,138
2021-2025	1,005,000	810,241
2026-2030	1,245,000	566,016
2031-2035	1,540,000	258,075
2036	<u>350,000</u>	<u>7,875</u>
Total	<u>\$ 4,965,000</u>	<u>\$ 2,640,197</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – LONG-TERM DEBT (Continued)

2007 Community Facilities District (CFD) Special Tax Bond

In 2007, the City issued Community Facilities District No. 2006-1 Improvement Area 1 Special Tax Bonds in the aggregate principal amount of \$8,615,000 to finance certain capital expenses of the District, to pay costs of issuance of the Bonds, and to fund two years' capitalized interest on the Bonds. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. The Bonds (\$8,615,000) are secured under the Trust indenture by a pledge and lien upon Net Taxes levied on parcels within the District and all moneys in the Special Tax Fund. The Bonds were issued for the purpose of financing the acquisition, construction, expansion, improvement, or rehabilitation of facilities to serve the area within the District and its neighboring areas. Semiannual payments range from \$13,375 to \$560,486 and are payable each March 1 and September 1 through 2037.

Annual debt service payments to maturity of the CFD Special Tax Bond are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2016	\$ 190,000	\$ 369,041
2017	200,000	360,361
2018	210,000	351,136
2019	215,000	341,574
2020	225,000	331,674
2021-2025	1,295,000	1,486,827
2026-2030	1,655,000	1,123,625
2031-2035	2,105,000	656,125
2036-2038	<u>1,530,000</u>	<u>117,250</u>
Total	<u>\$ 7,625,000</u>	<u>\$ 5,137,613</u>

Measure T Interprogram Loan

The City entered into a loan agreement in 2009, with the Madera County Transportation Commission to receive an advance of Measure T revenues. The loan will be a lien of the City's portion of the Regional Rehabilitation/Reconstruction/Maintenance Program and Safe Routes to School and Job Program which is 4.71% of the total Measure T Sales Tax Revenues. Principal is payable annually on June 30 in the amount of \$157,500, with interest payment calculated as the total principal outstanding times the average LAIF rate for the prior calendar year, and matures on June 30, 2019.

Annual debt service requirements to maturity of the Measure T Interprogram loan are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2016	\$ 157,500	\$ -
2017	157,500	-
2018	157,500	-
2019	<u>157,500</u>	<u>-</u>
Total	<u>\$ 630,000</u>	<u>\$ -</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – LONG-TERM DEBT (Continued)

State of California Neighborhood Stabilization Program (NSP) Loan

In fiscal year 2010-11, the City entered into a loan agreement with the Department of Housing and Community Development. The City could borrow up to \$10,000,000 to assist Olivero Ranch, LLC, in financing construction of 31 multi-family units, of which 30 units will be restricted to households at or below 50% of the AMI households in the City. Interest is accrued on the outstanding principal balance at the annual rate of 3% compounded annually. The entire outstanding principal balance plus all accrued but unpaid interest is due in full on the 55th anniversary of the date of the Project's receipt of certificates of occupancy. The loan will be secured on the property on which the Project is located. The outstanding loan balance as of June 30, 2015 was \$9,913,215. All loan payments will be generated by the operation of the housing development by the private developer which will pass through the City and back to the State.

2001 USDA Sewer Bond

The City entered into a loan agreement in 2001 for \$268,325, with the United States Department of Agriculture-Rural Development (USDA-RD) for the purpose of constructing capital improvements for the City's wastewater system. Principal is payable annually on October 1 in amounts from \$10,000 to \$20,000, with interest due semi-annually at 4.375%, and matures on September 1, 2020.

Annual debt service requirements to maturity of the 2001 USDA Sewer Bond are as follows:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2016	\$ 15,000	\$ 4,484
2017	15,000	3,828
2018	20,000	3,063
2019	20,000	2,188
2020	20,000	1,313
2021	20,000	438
Total	<u>\$ 110,000</u>	<u>\$ 15,314</u>

2001 Water Certificate of Participation

Certificates of Participation (2000 Water System Improvement Project) in the amount of \$1,114,558 were issued on August 30, 2001, for the purpose of financing the acquisition and construction of certain modifications, improvements and additions to the City's water treatment storage and distribution facilities systems. Loan proceeds are utilized for the construction period only and are repaid with a United States Department of Agriculture Rural Development (USDA-RD) Bond Anticipation Note when the project is complete. The amount of the note is secured by the pledge of user fees collected by the Water Enterprise Fund. Principal is payable annually on August 1 in amounts from \$50,000 to \$70,000 with final payment due August 1, 2021.

Annual debt service requirements to maturity for certificates of participation are as follows:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2016	\$ 60,000	\$ 19,031
2017	65,000	16,297
2018	65,000	13,453
2019	65,000	10,609
2020	70,000	7,656
2021-2022	140,000	6,125
Total	<u>\$ 465,000</u>	<u>\$ 73,171</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – LONG-TERM DEBT (Continued)

Special Assessment District Debt

On August 26, 2003, the City issued \$6,595,000 of 2003-1 Limited Obligation Refunding Bonds (the “2003 Local Obligations”) pursuant to the provisions of the Improvement Bond Act of 1915 to refund the outstanding 1994-1 Local Obligations Series A and B (collectively, the “1994-1 Local Obligations”), for the purpose of creating annual debt savings. The 2003 Local Obligations are secured by assessments levied against private property owners in the Greenhills Assessment District No. 2003-1. The Authority will receive the reserve fund upon final maturity. The City acts as agent for the property owners in collecting assessment installments of principal and interest and forwarding collections to the bond trustee. The City’s liability in the event of delinquent assessments shall not exceed the balance of the established Reserve Fund. The outstanding balance as of June 30, 2015 is \$4,050,000.

On April 30, 2014, the City issued \$3,962,800 of 2013-1 Limited Obligation Refunding Bonds (the “2013 Local Obligations”) pursuant to the provisions of the Improvement Bond Act of 1915 to refund the outstanding 2002-1 Local Obligations Improvement Bonds (the “2002-1 Local Obligations”), for the purpose of creating annual debt savings. The 2013 Local Obligations are fully secured by the unpaid special assessments levied on privately owned properties within the District. These 2013 Local Obligations have no governmental commitment. The 2013 Local Obligations are not secured by the general taxing power of the City, the State of California, or any political subdivision of the State. The City acts as agent for the property owners in collecting assessment installments of principal and interest and forwarding collections to the bond trustee. The City’s liability in the event of delinquent assessments shall not exceed the balance of the established Reserve Fund. The amount outstanding as of June 30, 2015 is \$3,949,600.

Since the City is not obligated in any manner for special assessment debt, the debt is not recorded in these financial statements.

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in detail in Note 9.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category and they are unavailable revenues and pension deferrals.

- Unavailable revenues arise only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	CDBG Grants Special Revenue	Street & Road (LTF) Special Revenue	Measure T Fund	Transit System	HOME Investment Grant	EDBG Grant	Low and Moderate Income Housing Asset Fund	Total
Intergovernmental Notes	\$ 117,817	\$ -	\$ 225,573	\$ 91,106	\$ 286,505	\$ -	\$ -	\$ -	\$ 721,001
	-	19,362,196	-	-	-	1,514,966	234,058	77,434	21,188,654
Total	\$ 117,817	\$ 19,362,196	\$ 225,573	\$ 91,106	\$ 286,505	\$ 1,514,966	\$ 234,058	\$ 77,434	\$ 21,909,655

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

- The City has pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in detail in Note 9.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Public Employees’ Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous and Safety Police “Classic” plans are closed to new entrants as of January 1, 2013.

The Plans’ provisions and benefits in effect at June 30, 2015 are summarized as follows:

	<u>Miscellaneous 1st Tier</u>	<u>Miscellaneous 2nd Tier</u>	<u>Miscellaneous PEPRA</u>
Hire date		January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 55	50 to 63	52 to 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	19.349%	8.005%	6.25%

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

	<u>Safety (Police) 1st Tier</u>	<u>Safety (Police) 2nd Tier</u>	<u>Safety (Police) PEPRA</u>
		January 1, 2011 thru	
Hire date	Prior to January 1, 2011	December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 55	2% @ 55	2.0% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 to 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	1.426 % to 2.0%	1.426% to 2.0%
Required employee contribution rates	9.00%	7.00%	9.50%
Required employer contribution rates	37.953%	15.370%	9.50%
	<u>Safety (Fire) 1st Tier</u>	<u>Safety (Fire) 2nd Tier</u>	<u>Safety (Fire) PEPRA</u>
		January 1, 2011 thru	
Hire date	Prior to January 1, 2011	December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 55	2% @ 55	2.0% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 to 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	1.426 % to 2.0%	1.426% to 2.0%
Required employee contribution rates	9.00%	7.00%	9.50%
Required employer contribution rates	37.730%	15.358%	9.50%

Contributions – Section 20814c of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 362,956	\$ 203,337
Contributions - employee (paid by employer)	59,868	45,083

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net position liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>	
Miscellaneous	\$	3,774,208
Safety		<u>3,391,523</u>
 Total Net Pension Liability	\$	<u><u>7,165,731</u></u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2013	0.14%	0.08%
Proportion - June 30, 2014	0.15%	0.09%
Change - Increase (Decrease)	0.01%	0.01%

For the year ended June 30, 2015, the City recognized pension expense of \$826,171. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 841,801	\$ -
Net differences between actual and allocated employer contributions	184,019	(435)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	27,471	(97,464)
Net differences between projected and actual earnings on plan investments	-	(1,416,849)
Total	<u>\$ 1,053,291</u>	<u>\$ (1,514,748)</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$841,801 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (313,642)
2017	(313,642)
2018	(321,756)
2019	(354,216)
2020	-
Thereafter	-

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.30% to 14.20% (1)	3.30% to 14.20% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	Derived using CalPERS' Membership data for all Funds (3)	Derived using CalPERS' Membership data for all Funds (3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experiences Study can be found on the CalPERS website.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

D. Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

D. Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.5%	6.5%
Net Pension Liability	\$ 6,055,518	\$ 4,807,844
Current Discount Rate	7.5%	7.5%
Net Pension Liability	\$ 3,774,208	\$ 3,391,523
1% Increase	8.5%	8.5%
Net Pension Liability	\$ 1,880,936	\$ 2,224,536

E. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

F. Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$53,198 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 – POST-RETIREMENT HEALTH CARE BENEFITS

The City provides no post-employment benefits for its employees. However, former employees may be maintained on the City's health insurance programs through the City's Consolidated Omnibus Budget Reconciliation Act (COBRA) insurance continuation plan.

NOTE 11 – RISK MANAGEMENT

The City is a member, along with fifty-eight other public entities, of Central San Joaquin Valley Risk Management Authority (the Authority) organized under a joint powers agreement pursuant to the California Government Code for the purpose of operating and maintaining a cooperative program of self-insurance and risk management which benefits its member cities through cost reductions, insurance coverage stability, and loss control techniques. The Authority is governed by a Board of Directors, consisting of one member appointed by each member city. The Authority maintains pooled coverage programs for its member cities for workers' compensation, liability, auto-physical damage, property, employment practices liability, and errors and omissions coverage. For workers' compensation and liability programs, each program and program year is accounted for and administered as a separate operation.

Under the pooled liability program, expected claims are actuarially determined as are required deposits to cover those claims along with all estimated operating costs. Each year is retrospectively adjusted five years following its conclusion and any funds remaining are returned to the member city. Likewise, funds paid out in excess of their original deposits are collected from the member city.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers' compensation claim through the Authority. The City has the right to receive refunds or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$1,000,000 and workers' compensation losses under \$500,000. The Authority is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for the purpose of providing excess coverage. Any claims of \$500,000 up to \$150,000,000 are covered under a purchased policy through the membership with the LAWCX. The Authority is a member of the California Affiliated Risk Management Authorities (CARMA) for the purpose of providing excess coverage in a risk sharing pool. The CARMA program provided coverage in excess of the Authority's retained limit up to \$19,000,000.

The financial position results of operations of the Authority are as follows for June 30, 2015:

Total assets	\$ 86,630,360
Total liabilities	<u>73,673,710</u>
Total net position	<u>\$ 12,956,650</u>
Revenues	\$ 38,130,606
Expenses	<u>40,427,807</u>
Change in net position	<u>\$ (2,297,201)</u>

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with its governing documents.

The City has established the following retained limits for the coverages shown: \$25,000 for liability; \$100,000 for worker's compensation; \$1,000 for property damage; \$500 deductible on vehicles.

CITY OF CHOWCHILLA

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 12 – DEFICIT IN FUND EQUITY

Nonmajor Governmental Funds

Street & Road (LTF) Special Revenue Fund – A deficit in fund balance at June 30, 2015, in the amount of \$237,673, is due solely to the fact that revenues were recorded but not received within 60 days from the end of the year and, therefore, were treated as deferred revenue in the financial statements.

Transit System Special Revenue Fund – A deficit in fund balance at June 30, 2015, in the amount of \$222,980, is due solely to the fact that revenues were recorded but not received within 60 days from the end of the year and, therefore, were treated as deferred revenue in the financial statements.

HOME Grants Special Revenue Fund – A deficit in fund balance at June 30, 2015, in the amount of \$2,500, is due to the fact that all of the City's receivables are currently unavailable to be collected. The repayment of these loans will eliminate the deficit.

Debt Service Fund – A deficit in fund balance at June 30, 2015, in the amount of \$9,866, is due primarily to the fact that debt service payments during the 2014-15 fiscal year exceeded funds transferred into the fund for said payments. Additional transfers will be required in the future to permanently eliminate the deficit.

Park Grants – A deficit in fund balance at June 30, 2015, in the amount of \$47,833, is due to the fact that fiscal year 2014-15 capital outlay expenditures exceeded available funds. A transfer from the General Fund may be required in the future to permanently eliminate the deficit.

Public Building Impact Fees Fund Capital Project Fund – A deficit in fund balance at June 30, 2015, in the amount of \$557,442, in the fund is primarily due to the fact that prior management overspent the account in order to construct the new Civic Center complex. Future deposits received from developer fee payments will eliminate the deficit over a period of several years.

1994 PFA Streets Improvement Capital Projects Fund – A deficit in fund balance at June 30, 2015, in the amount of \$540, is due primarily to the fact that debt service payments during the 2014-15 fiscal year exceeded funds transferred into the fund for said payments. Additional transfers will be required in the future to permanently eliminate the deficit.

Internal Service Funds

Fleet Maintenance Internal Service Fund – A deficit in net position at June 30, 2015, in the amount of \$134,761, in the fund is primarily due to the net pension liability of \$119,867 recorded by the City at June 30, 2015. The remaining deficit exists because current and prior year expenses required to maintain the City's fleet exceeded the amount allocated to pay for the expenses. Either reduced future costs or additional allocations from other funds will be required to eliminate the deficit.

Information Technology Internal Service Fund – A deficit in net position at June 30, 2015, in the amount of \$308,082, in the fund is primarily due to the net pension liability of \$216,026 recorded by the City at June 30, 2015. The remaining deficit exists because current and prior year expenses required to service the City's information technology employees and maintenance exceeded the amount allocated to pay for the expenses. Either reduced future costs or additional allocations from other funds will be required to eliminate the deficit.

Employee Benefits Internal Service Fund – A deficit in net position at June 30, 2015, in the amount of \$261,853, exists because the fund was established on a pay-as-you go basis for the purpose of funding the annual accrued leave liability. As employees are paid for their accumulated leave in the future, the home program of the employee makes a transfer to the Employee Benefit Fund to offset the expense.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Federal Awards and Grants

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2015, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:		
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ -	\$ 23,712
Aggregate Non-Major Funds	318,956	-	-

NOTE 14 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 (“the Bill”) that dissolved all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Chowchilla that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution Number 5-12.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments.)

In future years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

(Continued)

The Bill directs the State Controller of the State of California to renew the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure of encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable uncertainty regarding this issue. It is reasonable possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Cash and Investments

A reconciliation of the Successor Agency Trust Fund's cash and investment balances as of June 30, 2015 is as follows:

Cash on hand	\$	312,572
Cash with fiscal agent		<u>549,650</u>
Total cash	\$	<u>862,222</u>

Capital Assets

Capital assets reported in the Successor Agency Trust Fund at June 30, 2015 were comprised of the following:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 272,029	\$ -	\$ -	\$ 272,029
Total capital assets, not being depreciated	<u>272,029</u>	<u>-</u>	<u>-</u>	<u>272,029</u>
Capital assets, being depreciated:				
Buildings and improvements	1,450,103	-	-	1,450,103
Total capital assets, being depreciated	<u>1,450,103</u>	<u>-</u>	<u>-</u>	<u>1,450,103</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,543)	(29,002)	-	(31,545)
Total accumulated depreciation	<u>(2,543)</u>	<u>(29,002)</u>	<u>-</u>	<u>(31,545)</u>
Total capital assets being depreciated, net	<u>1,447,560</u>	<u>(29,002)</u>	<u>-</u>	<u>1,418,558</u>
Governmental activities capital assets, net	<u>\$ 1,719,589</u>	<u>\$ (29,002)</u>	<u>\$ -</u>	<u>\$ 1,690,587</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)

Long-Term Debt

Long-term debt reported in the Successor Agency Trust Fund at June 30, 2015 was comprised of the following:

	June 30, 2014	Additions	Reductions	June 30, 2015	Amounts Due Within One Year
2005 RDA Bond	\$ 7,160,000	\$ -	\$ (170,000)	\$ 6,990,000	\$ 180,000
County of Madera RDA Loan	25,000	-	(25,000)	-	-
Less: Discounts	<u>(41,255)</u>	-	<u>1,875</u>	<u>(39,380)</u>	-
Total	<u>\$ 7,143,745</u>	<u>\$ -</u>	<u>\$ (193,125)</u>	<u>\$ 6,950,620</u>	<u>\$ 180,000</u>

2005 RDA Bond

In 2005, the City issued Tax Allocation Bonds in the aggregate principal amount of \$7,945,000 to finance the acquisition and construction of public capital improvements within the Redevelopment Project Area. The original amount of the note (\$7,945,000) was secured by a pledge of tax revenues consisting of tax increment payments to be received by the RDA. Semiannual payments range from \$12,000 to \$492,000 and are payable each February 1 and August 1 through 2037. As a result of the dissolution of the Redevelopment Agency of the City of Chowchilla as of February 1, 2012, the 2005 RDA Bond of the former redevelopment agency was transferred to the Successor Agency of the Redevelopment Agency of the City of Chowchilla. After the date of dissolution, the bond and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Annual debt service requirements to maturity for the 2005 RDA Bond are as follows:

Fiscal Years Ending	2005 RDA Bond		
	Principal	Interest	Total
2016	\$ 180,000	\$ 335,525	\$ 515,525
2017	185,000	327,600	512,600
2018	195,000	319,169	514,169
2019	205,000	310,144	515,144
2020	210,000	300,713	510,713
2021-2025	1,210,000	1,343,550	2,553,550
2026-2030	1,530,000	1,016,550	2,546,550
2031-2035	1,905,000	588,125	2,493,125
2036-2038	<u>1,370,000</u>	<u>105,000</u>	<u>1,475,000</u>
Total	<u>\$ 6,990,000</u>	<u>\$ 4,646,376</u>	<u>\$ 11,636,376</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

(Continued)

County of Madera RDA Loan

The City entered into a loan agreement in 2008, with the County of Madera for the purpose of obtaining real property for redevelopment purposes. Principal is payable annually on September 1 in the amount \$25,000, with no interest due, and matures on September 1, 2015. As a result of the dissolution of the Redevelopment Agency of the City of Chowchilla as of February 1, 2012, the County of Madera RDA Loan of the former redevelopment agency was transferred to the Successor Agency of the Redevelopment Agency of the City of Chowchilla. After the date of dissolution, the bond and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The Successor Agency has paid off the loan in fiscal year 2014-15.

Insurance

The Successor Agency is covered under the City of Chowchilla's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage can be found in Note 11.

NOTE 15 – RESTATEMENTS OF BEGINNING NET POSITIONS/FUND BALANCE

Prior Period Adjustments

Governmental Activities

Beginning net positions of the Governmental Activities and Business-Type Activities in the Government-Wide Statement of Activities have been restated to record prior period adjustments to correct prior year errors principally related to capital assets.

Fund Financial Statements

The City has determined that certain transactions were recorded incorrectly in the prior year. The beginning fund balance of the funds has been restated on the fund basis financial statements to correct prior year errors principally related to capital assets.

Change in Accounting Principle

The City implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, in the fiscal year ending June 30, 2015. The implementation of these statements required the City to record beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014).

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 – RESTATEMENTS OF BEGINNING NET POSITIONS/FUND BALANCE (Continued)

Reconciliations of the prior period ending net position to the current year beginning net position for the Governmental Activities and Business-Type Activities in the Government-Wide Statement of Activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning net position	\$ 8,984,476	\$ 247,226	\$ 9,231,702
Prior Period Adjustments:			
Overstatement of accounts receivable	(31,923)	-	(31,923)
Understatement of revenue	8,581	-	8,581
Understatement of capital assets	<u>16,849,326</u>	<u>13,414,690</u>	<u>30,264,016</u>
Total prior period adjustments	<u>16,825,984</u>	<u>13,414,690</u>	<u>30,240,674</u>
Change in Accounting Principle:			
Record the beginning deferred pension contributions and net pension liability	<u>(6,360,842)</u>	<u>(1,281,975)</u>	<u>(7,642,817)</u>
Total change in accounting principle	<u>(6,360,842)</u>	<u>(1,281,975)</u>	<u>(7,642,817)</u>
Beginning net position, as restated	<u>\$ 19,449,618</u>	<u>\$ 12,379,941</u>	<u>\$ 31,829,559</u>

A reconciliation of the prior period ending fund balance to the current year beginning fund balance in the fund financial statements is as follows:

<u>Description</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>				
		<u>Park Improvements Soccer Field</u>	<u>Park Improvements Miscellaneous</u>	<u>Park Development (IF)</u>	<u>Park Grants</u>	<u>Storm Drain Capital</u>
Beginning fund balance	\$ 1,929,778	\$ (2,177)	\$ (229,985)	\$ 47,658	\$ 161,451	\$ 1,702,536
Prior period adjustments:						
Reclassify park capital project fund balace	(63,114)	6	229,985	(47,973)	(118,905)	-
Overstatement of accounts receivable	-	-	-	-	-	(31,923)
Understatement of capital assets	-	-	-	-	-	-
Total prior period adjustments	<u>(63,114)</u>	<u>6</u>	<u>229,985</u>	<u>(47,973)</u>	<u>(118,905)</u>	<u>(31,923)</u>
Beginning fund balance, as restated	<u>\$ 1,866,664</u>	<u>\$ (2,171)</u>	<u>\$ -</u>	<u>\$ (315)</u>	<u>\$ 42,546</u>	<u>\$ 1,670,613</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 – RESTATEMENTS OF BEGINNING NET POSITIONS/FUND BALANCE (Continued)

A reconciliation of the prior period ending net position to the current year beginning net position in the fund financial statements is as follows:

Description	Water Fund	Solid Waste Fund	Sewer Fund	Nonmajor Funds		Fleet Maint. Internal Service Fund	Info. Tech. Internal Service Fund	Successor Agency Trust Fund
				Storm Drain O&M Fund	Airport Fund			
Beginning fund balance	\$ (337,969)	\$ 193,841	\$ 498,574	\$ 26,363	\$ (65,171)	\$ (18,020)	\$ (19,959)	\$ (6,338,160)
Prior period adjustments:								
Understatement of capital assets	<u>6,681,751</u>	<u>-</u>	<u>5,779,231</u>	<u>276,848</u>	<u>676,860</u>	<u>-</u>	<u>-</u>	<u>1,719,589</u>
Total prior period adjustments	<u>6,681,751</u>	<u>-</u>	<u>5,779,231</u>	<u>276,848</u>	<u>676,860</u>	<u>-</u>	<u>-</u>	<u>1,719,589</u>
Change in accounting principle:								
Record the beginning deferred pension contributions and net pension liability	<u>(628,542)</u>	<u>(24,865)</u>	<u>(563,877)</u>	<u>(43,540)</u>	<u>(21,151)</u>	<u>(136,784)</u>	<u>(253,079)</u>	<u>-</u>
Total change in accounting principle	<u>(628,542)</u>	<u>(24,865)</u>	<u>(563,877)</u>	<u>(43,540)</u>	<u>(21,151)</u>	<u>(136,784)</u>	<u>(253,079)</u>	<u>-</u>
Beginning fund balance, as restated	<u>\$ 5,715,240</u>	<u>\$ 168,976</u>	<u>\$ 5,713,928</u>	<u>\$ 259,671</u>	<u>\$ 590,538</u>	<u>\$ (154,804)</u>	<u>\$ (273,038)</u>	<u>\$ (4,618,571)</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHOWCHILLA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Taxes	\$ 2,513,411	\$ 2,513,411	\$ 2,891,533	\$ 378,122
Licenses and permits	535,335	535,335	563,876	28,541
Fines and penalties	54,300	54,300	69,196	14,896
Intergovernmental	2,049,835	2,044,435	1,728,191	(316,244)
Use of money and property	77,500	77,500	85,663	8,163
Charges for services	79,010	83,870	143,086	59,216
Miscellaneous	<u>162,980</u>	<u>162,980</u>	<u>217,813</u>	<u>54,833</u>
 Total revenues	 <u>5,472,371</u>	 <u>5,471,831</u>	 <u>5,699,358</u>	 <u>227,527</u>
 EXPENDITURES				
Current:				
General government	906,911	884,387	1,402,203	(517,816)
Public safety	3,202,715	3,255,051	3,120,128	134,923
Highways and streets	252,901	191,557	188,529	3,028
Culture and recreation	355,318	338,850	307,900	30,950
Capital outlay	<u>600,185</u>	<u>662,613</u>	<u>209,712</u>	<u>452,901</u>
 Total expenditures	 <u>5,318,030</u>	 <u>5,332,458</u>	 <u>5,228,472</u>	 <u>103,986</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>154,341</u>	 <u>139,373</u>	 <u>470,886</u>	 <u>331,513</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	503,000	1,076,519	704,910	(371,609)
Transfers out	(583,816)	(1,157,336)	(988,721)	168,615
Proceeds from sale of capital assets	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
 Total other financing sources (uses)	 <u>(70,816)</u>	 <u>(70,817)</u>	 <u>(283,811)</u>	 <u>(212,994)</u>
 Net change in fund balance	 <u>\$ 83,525</u>	 <u>\$ 68,556</u>	 <u>187,075</u>	 <u>\$ 118,519</u>
 Fund balances, beginning			1,929,778	
 Prior period adjustments			<u>(63,114)</u>	
 Fund balances, beginning of year, restated			<u>1,866,664</u>	
 Fund balances, ending			<u>\$ 2,053,739</u>	

CITY OF CHOWCHILLA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
CDBG GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 122,500	\$ 122,500	\$ 15,313	\$ (107,187)
Use of money and property	300	300	375	75
Charges for services	<u>-</u>	<u>-</u>	<u>13,032</u>	<u>13,032</u>
Total revenues	<u>122,800</u>	<u>122,800</u>	<u>28,720</u>	<u>(94,080)</u>
EXPENDITURES				
Current:				
Community development	<u>86,100</u>	<u>86,100</u>	<u>25,633</u>	<u>60,467</u>
Total expenditures	<u>86,100</u>	<u>86,100</u>	<u>25,633</u>	<u>60,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,700</u>	<u>36,700</u>	<u>3,087</u>	<u>(33,613)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	71,336	71,336
Proceeds from promissory note	<u>9,350</u>	<u>9,350</u>	<u>22,236</u>	<u>12,886</u>
Total other financing sources (uses)	<u>9,350</u>	<u>9,350</u>	<u>93,572</u>	<u>84,222</u>
Net change in fund balance	<u>\$ 46,050</u>	<u>\$ 46,050</u>	96,659	<u>\$ 50,609</u>
Fund balances, beginning			<u>242,159</u>	
Fund balances, ending			<u>\$ 338,818</u>	

CITY OF CHOWCHILLA

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City establishes annual budgets for the General, Special Revenue Funds, and Capital Projects Funds. Except for encumbrances and long-term projects in progress, which are carried forward to the following year, all appropriations remaining will lapse at year-end. The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) The department heads prepare a budget request based upon the previous year's expenditures.
- 2) A meeting is held between the department heads, Finance Director and the City Administrator for the purpose of reviewing and prioritizing the budget requests.
- 3) The City Administrator submits the proposed City Budget to the City Council, who makes decisions regarding department budgets.
- 4) The approved budget is placed in the City accounting system and monitored by the Finance Department as well as by the department heads.

Department heads may, with the City Administrator's authorization, transfer amounts between line items which do not change the original operational budget appropriation limit of the department. The transfers between departments and funds require approval of the City Council.

- 5) Budgets are adopted on the modified accrual basis. Revenues are budgeted in the year receipt is expected, and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. Budgeted amounts are maintained as originally adopted and as further amended by the City Council. The level of control (level at which expenditures may not exceed budget) is at fund level for the General Fund, fund level for the Special Revenue Funds, and project level for the Capital Projects Funds.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2015:

General Fund	
Current:	
General government	\$ 517,816

CITY OF CHOWCHILLA

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF THE CITY'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS*
AS OF JUNE 30, 2015**

	2015	
	<u>Miscellaneous</u>	<u>Safety</u>
Proportion of the net pension liability	0.06066%	0.05450%
Proportionate share of the net pension liability	\$ 3,774,208	\$ 3,391,523
Covered - employee payroll	\$ 2,320,316	\$ 1,190,472
Proportionate share of the net pension liability as percentage of covered-employee payroll	162.66%	284.89%
Plan's fiduciary net position	\$ 13,402,134	\$ 358,309
Plan fiduciary net position as a percentage of the total pension liability	78.05%	67.92%

Notes to Schedule:

Benefit changes. There were no changes in benefits.

Change in assumptions. There were no changes in assumptions.

* Schedule is intended to show information for 10 years commencing with the fiscal year ended June 30, 2015. Additional years will be displayed as they occur.

CITY OF CHOWCHILLA

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS*
AS OF JUNE 30, 2015**

	2015	
	<u>Miscellaneous</u>	<u>Safety</u>
Actuarially determined contribution	\$ 446,355	\$ 385,600
Contributions in relation to the actuarially determined contributions	(446,355)	(385,600)
Contribution deficiency (excess)	\$ -	\$ -
 Covered - employee payroll	 \$ 2,320,316	 \$ 1,190,472
Contributions as a percentage of covered-employee payroll	19.24%	32.39%

Notes to Schedule:

	<u>Miscellaneous</u>	<u>Safety</u>
	<u>6/30/2012</u>	<u>6/30/2012</u>
Valuation date:		
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll	Level percentage of payroll
Remaining amortization period	7 Years as of the Valuation Date	13 Years as of the Valuation Date
Asset valuation method	15-year smoothed market	15-year smoothed market
Inflation	2.75%	2.75%
Salary increases	3.30% to 14.20% Depending on age, service, and type of employment	
Payroll growth	3.00%	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses; includes inflation.	
 Retirement age	 62 years	 57 years
Mortality	Derived using CalPERS' Membership data for all Funds. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.	

* Schedule is intended to show information for 10 years commencing with the fiscal year ended June 30, 2015. Additional years will be displayed as they occur.

OTHER SUPPLEMENTARY INFORMATION

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments	\$ 2,876,244	\$ -	\$ 5,029,917	\$ 7,906,161
Restricted cash and investments	-	257,766	-	257,766
Accounts receivable	1,155,900	-	9,952	1,165,852
Notes receivable, net	1,826,458	-	-	1,826,458
Due from other funds	242,677	-	-	242,677
Land held for resale	<u>104,000</u>	<u>-</u>	<u>-</u>	<u>104,000</u>
 Total assets	 <u>\$ 6,205,279</u>	 <u>\$ 257,766</u>	 <u>\$ 5,039,869</u>	 <u>\$ 11,502,914</u>
LIABILITIES				
Accounts payable	\$ 368,560	\$ -	\$ 39,071	\$ 407,631
Unearned revenues	9,062	-	-	9,062
Due to other funds	559,026	267,632	12,286	838,944
Advances to other funds	<u>-</u>	<u>-</u>	<u>557,442</u>	<u>557,442</u>
 Total liabilities	 <u>936,648</u>	 <u>267,632</u>	 <u>608,799</u>	 <u>1,813,079</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>2,429,642</u>	<u>-</u>	<u>-</u>	<u>2,429,642</u>
 Total deferred inflows of resources	 <u>2,429,642</u>	 <u>-</u>	 <u>-</u>	 <u>2,429,642</u>
FUND BALANCES (DEFICIT)				
Nonspendable	104,000	-	-	104,000
Restricted for:				
Public safety	1,054	-	-	1,054
Highway and streets	2,882,414	-	-	2,882,414
Community development	360,233	-	-	360,233
Capital maintenance	-	-	5,036,885	5,036,885
Unassigned	<u>(508,712)</u>	<u>(9,866)</u>	<u>(605,815)</u>	<u>(1,124,393)</u>
 Total fund balances (deficit)	 <u>2,838,989</u>	 <u>(9,866)</u>	 <u>4,431,070</u>	 <u>7,260,193</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 6,205,279</u>	 <u>\$ 257,766</u>	 <u>\$ 5,039,869</u>	 <u>\$ 11,502,914</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Licenses and permits	\$ 1,220	\$ -	\$ -	\$ 1,220
Intergovernmental	1,789,248	-	-	1,789,248
Use of money and property	5,478	-	7,613	13,091
Charges for services	426,078	-	145,689	571,767
Loan repayments	49,899	-	-	49,899
Miscellaneous	<u>7,162</u>	<u>-</u>	<u>3,052</u>	<u>10,214</u>
Total revenues	<u>2,279,085</u>	<u>-</u>	<u>156,354</u>	<u>2,435,439</u>
EXPENDITURES				
Current:				
General government	-	1,831	971	2,802
Highway and streets	1,109,257	-	451	1,109,708
Community development	365,312	-	-	365,312
Capital outlay	268,491	-	252,840	521,331
Debt service:				
Principal	157,500	156,116	102,408	416,024
Interest	<u>2,048</u>	<u>226,701</u>	<u>49,482</u>	<u>278,231</u>
Total expenditures	<u>1,902,608</u>	<u>384,648</u>	<u>406,152</u>	<u>2,693,408</u>
Excess (deficiency) of revenues over (under) expenditures	<u>376,477</u>	<u>(384,648)</u>	<u>(249,798)</u>	<u>(257,969)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,588,928	382,816	154,061	2,125,805
Transfers out	<u>(1,912,159)</u>	<u>-</u>	<u>(2,171)</u>	<u>(1,914,330)</u>
Total other financing sources (uses)	<u>(323,231)</u>	<u>382,816</u>	<u>151,890</u>	<u>211,475</u>
Net changes in fund balances	<u>53,246</u>	<u>(1,832)</u>	<u>(97,908)</u>	<u>(46,494)</u>
Fund balances (deficit), beginning of year	2,785,743	(8,034)	4,497,788	7,275,497
Prior period adjustments	<u>-</u>	<u>-</u>	<u>31,190</u>	<u>31,190</u>
Fund balances (deficit), beginning of year, restated	<u>2,785,743</u>	<u>(8,034)</u>	<u>4,528,978</u>	<u>7,306,687</u>
Fund balances (deficit), end of year	<u>\$ 2,838,989</u>	<u>\$ (9,866)</u>	<u>\$ 4,431,070</u>	<u>\$ 7,260,193</u>

CITY OF CHOWCHILLA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	State Gas Tax	RSTP	Street & Road (LTF)	Measure T Fund	Maintenance Assessment District	Transit System
ASSETS						
Cash and investments	\$ 271,712	\$ 198,756	\$ -	\$ 1,038,525	\$ 999,601	\$ -
Accounts receivable	-	-	241,655	91,106	149,756	327,142
Notes receivable, net	-	-	-	-	-	-
Due from other funds	-	-	-	242,677	-	-
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 271,712</u>	<u>\$ 198,756</u>	<u>\$ 241,655</u>	<u>\$ 1,372,308</u>	<u>\$ 1,149,357</u>	<u>\$ 327,142</u>
LIABILITIES						
Accounts payable	\$ 14,750	\$ -	\$ 11,078	\$ -	\$ 3,863	\$ 36,855
Deposits	-	-	-	-	-	9,062
Due to other funds	-	-	242,677	-	-	217,700
Total liabilities	<u>14,750</u>	<u>-</u>	<u>253,755</u>	<u>-</u>	<u>3,863</u>	<u>263,617</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	225,573	91,106	-	286,505
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>225,573</u>	<u>91,106</u>	<u>-</u>	<u>286,505</u>
FUND BALANCES (DEFICIT)						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Public safety	-	-	-	-	-	-
Highway and streets	256,962	198,756	-	1,281,202	1,145,494	-
Community development	-	-	-	-	-	-
Unassigned	-	-	(237,673)	-	-	(222,980)
Total fund balances (deficit)	<u>256,962</u>	<u>198,756</u>	<u>(237,673)</u>	<u>1,281,202</u>	<u>1,145,494</u>	<u>(222,980)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 271,712</u>	<u>\$ 198,756</u>	<u>\$ 241,655</u>	<u>\$ 1,372,308</u>	<u>\$ 1,149,357</u>	<u>\$ 327,142</u>

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Public Safety Grants	HOME Grants	Home Investments Program Grants	EDBG Grants	Ash Slough Arundo Removal	Low and Moderate Income Housing Asset Fund	Total
ASSETS							
Cash and investments	\$ -	\$ -	\$ 3,011	\$ 364,639	\$ -	\$ -	\$ 2,876,244
Accounts receivable	50,000	296,241	-	-	-	-	1,155,900
Notes receivable, net	-	-	1,514,966	234,058	-	77,434	1,826,458
Due from other funds	-	-	-	-	-	-	242,677
Land held for resale	-	-	-	-	-	104,000	104,000
Total assets	<u>\$ 50,000</u>	<u>\$ 296,241</u>	<u>\$ 1,517,977</u>	<u>\$ 598,697</u>	<u>\$ -</u>	<u>\$ 181,434</u>	<u>\$ 6,205,279</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ -	\$ 294,597	824	\$ 6,593	\$ -	\$ -	\$ 368,560
Unearned revenues	-	-	-	-	-	-	9,062
Due to other funds	48,946	4,144	-	-	-	45,559	559,026
Total liabilities	<u>48,946</u>	<u>298,741</u>	<u>824</u>	<u>6,593</u>	<u>-</u>	<u>45,559</u>	<u>936,648</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	-	-	1,514,966	234,058	-	77,434	2,429,642
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,514,966</u>	<u>234,058</u>	<u>-</u>	<u>77,434</u>	<u>2,429,642</u>
FUND BALANCES (DEFICIT)							
Nonspendable	-	-	-	-	-	104,000	104,000
Restricted for:							
Public safety	1,054	-	-	-	-	-	1,054
Highway and streets	-	-	-	-	-	-	2,882,414
Community development	-	-	2,187	358,046	-	-	360,233
Unassigned	-	(2,500)	-	-	-	(45,559)	(508,712)
Total fund balances (deficit)	<u>1,054</u>	<u>(2,500)</u>	<u>2,187</u>	<u>358,046</u>	<u>-</u>	<u>58,441</u>	<u>2,838,989</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,000</u>	<u>\$ 296,241</u>	<u>\$ 1,517,977</u>	<u>\$ 598,697</u>	<u>\$ -</u>	<u>\$ 181,434</u>	<u>\$ 6,205,279</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	State Gas Tax	RSTP	Street & Road (LTF)	Measure T Fund	Maintenance Assessment District	Transit System
REVENUES						
Licenses and permits	\$ -	\$ -	\$ 1,220	\$ -	\$ -	\$ -
Intergovernmental	397,259	-	369,434	284,533	-	271,114
Use of money and property	934	326	423	1,820	1,366	-
Charges for services	-	-	-	-	402,569	23,509
Loan repayments	-	-	-	-	-	-
Miscellaneous	-	-	4,605	-	-	2,557
Total revenues	<u>398,193</u>	<u>326</u>	<u>375,682</u>	<u>286,353</u>	<u>403,935</u>	<u>297,180</u>
EXPENDITURES						
Current:						
Highway and streets	-	-	493,937	-	213,070	402,250
Community Development	-	-	-	-	-	-
Capital outlay	-	28,382	144,594	77,962	15,980	594
Debt service:						
Principal	-	-	-	157,500	-	-
Interest	-	-	-	2,048	-	-
Total expenditures	<u>-</u>	<u>28,382</u>	<u>638,531</u>	<u>237,510</u>	<u>229,050</u>	<u>402,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>398,193</u>	<u>(28,056)</u>	<u>(262,849)</u>	<u>48,843</u>	<u>174,885</u>	<u>(105,664)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	573,519	-	1,015,409	-	-	-
Transfers out	<u>(1,015,409)</u>	<u>-</u>	<u>(725,409)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(441,890)</u>	<u>-</u>	<u>290,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(43,697)	(28,056)	27,151	48,843	174,885	(105,664)
Fund balances (deficit), beginning of year	<u>300,659</u>	<u>226,812</u>	<u>(264,824)</u>	<u>1,232,359</u>	<u>970,609</u>	<u>(117,316)</u>
Fund balances (deficit), end of year	<u>\$ 256,962</u>	<u>\$ 198,756</u>	<u>\$ (237,673)</u>	<u>\$ 1,281,202</u>	<u>\$ 1,145,494</u>	<u>\$ (222,980)</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Public Safety Grants	HOME Grants	Home Investments Program Grants	EDBG Grants	Ash Slough Arundo Removal	Low and Moderate Income Housing Asset Fund	Total
REVENUES							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,220
Intergovernmental	126,572	300,616	39,720	-	-	-	1,789,248
Use of money and property	1	1	-	607	-	-	5,478
Charges for services	-	-	-	-	-	-	426,078
Loan repayments	-	-	-	49,899	-	-	49,899
Miscellaneous	-	-	-	-	-	-	7,162
Total revenues	126,573	300,617	39,720	50,506	-	-	2,279,085
EXPENDITURES							
Current:							
Highway and streets	-	-	-	-	-	-	1,109,257
Community Development	-	301,106	37,533	26,673	-	-	365,312
Capital outlay	979	-	-	-	-	-	268,491
Debt service:							
Principal	-	-	-	-	-	-	157,500
Interest	-	-	-	-	-	-	2,048
Total expenditures	979	301,106	37,533	26,673	-	-	1,902,608
Excess (deficiency) of revenues over (under) expenditures	125,594	(489)	2,187	23,833	-	-	376,477
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	1,588,928
Transfers out	(100,000)	-	-	(71,336)	(5)	-	(1,912,159)
Total other financing sources (uses)	(100,000)	-	-	(71,336)	(5)	-	(323,231)
Net change in fund balances	25,594	(489)	2,187	(47,503)	(5)	-	53,246
Fund balances (deficit), beginning of year	(24,540)	(2,011)	-	405,549	5	58,441	2,785,743
Fund balances (deficit), end of year	\$ 1,054	\$ (2,500)	\$ 2,187	\$ 358,046	\$ -	\$ 58,441	\$ 2,838,989

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUND
JUNE 30, 2015**

	<u>Debt Service Fund</u>
ASSETS	
Restricted cash and investments	\$ <u>257,766</u>
Total assets	\$ <u>257,766</u>
LIABILITIES	
Due to other funds	\$ <u>267,632</u>
Total liabilities	<u>267,632</u>
FUND BALANCE (DEFICIT)	
Unassigned	<u>(9,866)</u>
Total fund balance (deficit)	<u>(9,866)</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ <u><u>257,766</u></u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Debt Service Fund</u>
REVENUES	
Use of money and property	\$ -
Total revenues	<u>-</u>
EXPENDITURES	
Current:	
General government	1,831
Debt service:	
Principal	156,116
Interest	<u>226,701</u>
Total expenditures	<u>384,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(384,648)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>382,816</u>
Total other financing sources (uses)	<u>382,816</u>
Net change in fund balance	(1,832)
Fund balance (deficit), beginning of year	<u>(8,034)</u>
Fund balance (deficit), end of year	<u>\$ (9,866)</u>

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015**

	<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>	<u>SR99/Ave 26 Interchange</u>	<u>SR99/Road 17 Interchange</u>	<u>Road Improvement</u>
ASSETS					
Pooled cash and investments	\$ 373,013	\$ 533,160	\$ 15,011	\$ 313,323	\$ 760,453
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 373,013</u>	<u>\$ 533,160</u>	<u>\$ 15,011</u>	<u>\$ 313,323</u>	<u>\$ 760,453</u>
LIABILITIES					
Accounts payable	\$ 1,494	\$ 1,490	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,494</u>	<u>1,490</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Capital maintenance	371,519	531,670	15,011	313,323	760,453
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>371,519</u>	<u>531,670</u>	<u>15,011</u>	<u>313,323</u>	<u>760,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 373,013</u>	<u>\$ 533,160</u>	<u>\$ 15,011</u>	<u>\$ 313,323</u>	<u>\$ 760,453</u>

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015**

	<u>Signalization Impact Fees</u>	<u>Waste Water System Capital</u>	<u>Park Improvements Soccer Field</u>	<u>Park Improvements Miscellaneous</u>	<u>Park Development (IF)</u>	<u>Park Grants</u>
ASSETS						
Pooled cash and investments	\$ 378,766	\$ 683,122	\$ -	\$ -	\$ -	\$ -
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 378,766</u></u>	<u><u>\$ 683,122</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,087
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,746</u>
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,833</u>
FUND BALANCES (DEFICIT)						
Restricted for:						
Capital maintenance	378,766	683,122	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,833)</u>
Total fund balances (deficit)	<u>378,766</u>	<u>683,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,833)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 378,766</u></u>	<u><u>\$ 683,122</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015**

	Water Systems Capital	Storm Drain Capital	Public Building Impact Fees	1994 PFA Streets Improvements	Total
ASSETS					
Pooled cash and investments	\$ 192,675	\$ 1,780,394	\$ -	\$ -	\$ 5,029,917
Accounts receivable	<u>-</u>	<u>9,952</u>	<u>-</u>	<u>-</u>	<u>9,952</u>
Total assets	<u>\$ 192,675</u>	<u>\$ 1,790,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,039,869</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 39,071
Due to other funds	-	-	-	540	12,286
Advances from other funds	<u>-</u>	<u>-</u>	<u>557,442</u>	<u>-</u>	<u>557,442</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>557,442</u>	<u>540</u>	<u>608,799</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Capital maintenance	192,675	1,790,346		-	5,036,885
Unassigned	<u>-</u>	<u>-</u>	<u>(557,442)</u>	<u>(540)</u>	<u>(605,815)</u>
Total fund balances (deficit)	<u>192,675</u>	<u>1,790,346</u>	<u>(557,442)</u>	<u>(540)</u>	<u>4,431,070</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 192,675</u>	<u>\$ 1,790,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,039,869</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>	<u>SR99/Ave 26 Interchange</u>	<u>SR99/Road 17 Interchange</u>	<u>Road Improvement</u>
REVENUES					
Use of money and property	\$ 715	\$ 771	\$ 20	\$ 453	\$ 1,101
Charges for services	3,386	2,382	1,807	1,145	1,058
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,101</u>	<u>3,153</u>	<u>1,827</u>	<u>1,598</u>	<u>2,159</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Highway and streets	-	-	-	-	-
Capital outlay	159,477	2,801	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>159,477</u>	<u>2,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(155,376)</u>	<u>352</u>	<u>1,827</u>	<u>1,598</u>	<u>2,159</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(155,376)</u>	<u>352</u>	<u>1,827</u>	<u>1,598</u>	<u>2,159</u>
Fund balances (deficit), beginning of year	526,895	531,318	13,184	311,725	758,294
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, restated	<u>526,895</u>	<u>531,318</u>	<u>13,184</u>	<u>311,725</u>	<u>758,294</u>
Fund balances (deficit), end of year	<u>\$ 371,519</u>	<u>\$ 531,670</u>	<u>\$ 15,011</u>	<u>\$ 313,323</u>	<u>\$ 760,453</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Signalization Impact Fees	Waste Water System Capital	Park Improvements Soccer Field	Park Improvements Miscellaneous	Park Development (IF)	Park Grants
REVENUES						
Use of money and property	\$ 546	\$ 983	\$ -	\$ -	\$ 70	\$ 183
Charges for services	2,346	7,148	-	-	-	-
Miscellaneous	-	-	-	-	2,867	-
Total revenues	<u>2,892</u>	<u>8,131</u>	<u>-</u>	<u>-</u>	<u>2,937</u>	<u>183</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Highway and streets	-	-	-	-	451	-
Capital outlay	-	-	-	-	-	90,562
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451</u>	<u>90,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,892</u>	<u>8,131</u>	<u>-</u>	<u>-</u>	<u>2,486</u>	<u>(90,379)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	2,171	-	-	-
Transfers out	-	-	-	-	(2,171)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,171</u>	<u>-</u>	<u>(2,171)</u>	<u>-</u>
Net change in fund balance	<u>2,892</u>	<u>8,131</u>	<u>2,171</u>	<u>-</u>	<u>315</u>	<u>(90,379)</u>
Fund balances (deficit), beginning of year	375,874	674,991	(2,177)	(229,985)	47,658	161,451
Prior period adjustments	-	-	6	229,985	(47,973)	(118,905)
Fund balances, beginning of year, restated	<u>375,874</u>	<u>674,991</u>	<u>(2,171)</u>	<u>-</u>	<u>(315)</u>	<u>42,546</u>
Fund balances (deficit), end of year	<u>\$ 378,766</u>	<u>\$ 683,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,833)</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Water Systems Capital</u>	<u>Storm Drain Capital</u>	<u>Public Building Impact Fees</u>	<u>1994 PFA Streets Improvements</u>	<u>Total</u>
REVENUES					
Use of money and property	\$ 272	\$ 2,499	\$ -	\$ -	\$ 7,613
Charges for services	6,934	118,020	1,463	-	145,689
Miscellaneous	<u>-</u>	<u>185</u>	<u>-</u>	<u>-</u>	<u>3,052</u>
Total revenues	<u>7,206</u>	<u>120,704</u>	<u>1,463</u>	<u>-</u>	<u>156,354</u>
EXPENDITURES					
Current:					
General government	-	971	-	-	971
Highway and streets	-	-	-	-	451
Capital outlay	-	-	-	-	252,840
Debt service:					
Principal	-	-	-	102,408	102,408
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,482</u>	<u>49,482</u>
Total expenditures	<u>-</u>	<u>971</u>	<u>-</u>	<u>151,890</u>	<u>406,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,206</u>	<u>119,733</u>	<u>1,463</u>	<u>(151,890)</u>	<u>(249,798)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	151,890	154,061
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,171)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,890</u>	<u>151,890</u>
Net change in fund balances	<u>7,206</u>	<u>119,733</u>	<u>1,463</u>	<u>-</u>	<u>(97,908)</u>
Fund balances (deficit), beginning of year	185,469	1,702,536	(558,905)	(540)	4,497,788
Prior period adjustments	<u>-</u>	<u>(31,923)</u>	<u>-</u>	<u>-</u>	<u>31,190</u>
Fund balances, beginning of year, restated	<u>185,469</u>	<u>1,670,613</u>	<u>(558,905)</u>	<u>(540)</u>	<u>4,528,978</u>
Fund balances (deficit), end of year	<u>\$ 192,675</u>	<u>\$ 1,790,346</u>	<u>\$ (557,442)</u>	<u>\$ (540)</u>	<u>\$ 4,431,070</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2015**

	<u>Storm Drain</u>	<u>Airport</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 99,281	\$ -	\$ 99,281
Accounts receivable, net	10,490	28,360	38,850
Prepaid items	<u>-</u>	<u>2,533</u>	<u>2,533</u>
Total current assets	<u>109,771</u>	<u>30,893</u>	<u>140,664</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	154,208	452,951	607,159
Depreciable, net of accumulated depreciation	<u>116,291</u>	<u>209,227</u>	<u>325,518</u>
Total noncurrent assets	<u>270,499</u>	<u>662,178</u>	<u>932,677</u>
Total assets	<u>380,270</u>	<u>693,071</u>	<u>1,073,341</u>
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to pension plan in current fiscal year	3,248	1,212	4,460
Deferred outflows of resources from pensions	<u>1,578</u>	<u>1,044</u>	<u>2,622</u>
Total deferred outflows of resources	<u>4,826</u>	<u>2,256</u>	<u>7,082</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,410	35	1,445
Due to other funds	-	62,306	62,306
Unearned revenue	<u>-</u>	<u>9,095</u>	<u>9,095</u>
Total current liabilities	<u>1,410</u>	<u>71,436</u>	<u>72,846</u>
Noncurrent liabilities:			
Net pension liability	<u>41,904</u>	<u>21,119</u>	<u>63,023</u>
Total noncurrent liabilities	<u>41,904</u>	<u>21,119</u>	<u>63,023</u>
Total liabilities	<u>43,314</u>	<u>92,555</u>	<u>135,869</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources from pensions	<u>6,670</u>	<u>2,489</u>	<u>9,159</u>
Total deferred outflows of resources	<u>6,670</u>	<u>2,489</u>	<u>9,159</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	270,499	662,178	932,677
Unrestricted	<u>64,613</u>	<u>(61,895)</u>	<u>2,718</u>
Total net position (deficit)	<u>\$ 335,112</u>	<u>\$ 600,283</u>	<u>\$ 935,395</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Storm Drain</u>	<u>Airport</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 161,779	\$ 30,342	\$ 192,121
Miscellaneous	<u>120</u>	<u>-</u>	<u>120</u>
Total operating revenues	<u>161,899</u>	<u>30,342</u>	<u>192,241</u>
Operating expenses:			
Personnel services	38,878	10,821	49,699
Materials, supplies and services	41,325	13,504	54,829
Depreciation	<u>6,349</u>	<u>14,683</u>	<u>21,032</u>
Total operating expenses	<u>86,552</u>	<u>39,008</u>	<u>125,560</u>
Operating income (loss)	<u>75,347</u>	<u>(8,666)</u>	<u>66,681</u>
Nonoperating revenues (expenses):			
Interest income	94	-	94
Taxes	-	7,411	7,411
Grants	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total nonoperating revenues (expenses)	<u>94</u>	<u>17,411</u>	<u>17,505</u>
Income (loss) before transfers	<u>75,441</u>	<u>8,745</u>	<u>84,186</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total other financing sources (uses)	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Change in net position	<u>75,441</u>	<u>9,745</u>	<u>85,186</u>
Net position (deficit), beginning of year	26,363	(65,171)	(38,808)
Prior period adjustments	276,848	676,860	953,708
Change in accounting principle	<u>(43,540)</u>	<u>(21,151)</u>	<u>(64,691)</u>
Net assets, beginning of year, restated	<u>259,671</u>	<u>590,538</u>	<u>850,209</u>
Net position (deficit), end of year	<u>\$ 335,112</u>	<u>\$ 600,283</u>	<u>\$ 935,395</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Storm Drain	Airport	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 169,786	\$ 19,929	\$ 189,715
Payments to suppliers	(41,869)	(13,669)	(55,538)
Payments to employees	(38,670)	(10,620)	(49,290)
Net cash provided by (used in) operating activities	89,247	(4,360)	84,887
Cash flows from noncapital financing activities:			
Grants received	-	10,000	10,000
Transfer from other funds	-	1,000	1,000
Loans to other funds	-	(14,048)	(14,048)
Taxes received	-	7,408	7,408
Net cash provided by (used in) noncapital financing activities	-	4,360	4,360
Cash flows from investing activities:			
Interest received	94	-	94
Net cash provided by (used in) investing activities	94	-	94
Net increase (decrease) in cash and cash equivalents	89,341	-	89,341
Cash and cash equivalents, beginning of year	9,940	-	9,940
Cash and cash equivalents, end of year	\$ 99,281	\$ -	\$ 99,281

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Storm Drain</u>	<u>Airport</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 75,347	\$ (8,666)	\$ 66,681
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	6,349	14,683	21,032
(Increase) decrease in:			
Accounts receivable	7,887	(10,413)	(2,526)
Prepaid expenses	-	(200)	(200)
Deferred outflows of resources from pensions	(4,826)	(2,256)	(7,082)
Increase (decrease) in:			
Accounts payable	(544)	35	(509)
Net pension liability	(1,636)	(32)	(1,668)
Deferred inflows of resources from pension	6,670	2,489	9,159
Net cash provided by (used in) operating activities	<u>\$ 89,247</u>	<u>\$ (4,360)</u>	<u>\$ 84,887</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 640	\$ -	\$ 58,095	\$ 58,735
Prepaid expenses	<u>-</u>	<u>-</u>	<u>45,944</u>	<u>45,944</u>
Total current assets	<u>640</u>	<u>-</u>	<u>104,039</u>	<u>104,679</u>
Noncurrent assets:				
Capital assets:				
Depreciable, net of accumulated depreciation	<u>-</u>	<u>16,130</u>	<u>-</u>	<u>16,130</u>
Total noncurrent assets	<u>-</u>	<u>16,130</u>	<u>-</u>	<u>16,130</u>
Total assets	<u>640</u>	<u>16,130</u>	<u>104,039</u>	<u>120,809</u>
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to pension plan in current fiscal year	15,855	32,095	-	47,950
Deferred outflows of resources from pensions	<u>1,643</u>	<u>2,092</u>	<u>-</u>	<u>3,735</u>
Total deferred outflows of resources	<u>17,498</u>	<u>34,187</u>	<u>-</u>	<u>51,685</u>
LIABILITIES				
Current liabilities:				
Accounts payable	475	13,704	26	14,205
Accrued payroll	-	-	116,725	116,725
Due to other funds	-	62,764	-	62,764
Compensated absences	<u>-</u>	<u>-</u>	<u>249,141</u>	<u>249,141</u>
Total current liabilities	<u>475</u>	<u>76,468</u>	<u>365,892</u>	<u>442,835</u>
Noncurrent liabilities:				
Net pension liability	<u>119,867</u>	<u>216,026</u>	<u>-</u>	<u>335,893</u>
Total noncurrent liabilities	<u>119,867</u>	<u>216,026</u>	<u>-</u>	<u>335,893</u>
Total liabilities	<u>120,342</u>	<u>292,494</u>	<u>365,892</u>	<u>778,728</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources from pensions	<u>32,557</u>	<u>65,905</u>	<u>-</u>	<u>98,462</u>
Total deferred inflows of resources	<u>32,557</u>	<u>65,905</u>	<u>-</u>	<u>98,462</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	-	16,130	-	16,130
Unrestricted (deficit)	<u>(134,761)</u>	<u>(324,212)</u>	<u>(261,853)</u>	<u>(720,826)</u>
Total net position (deficit)	<u>\$ (134,761)</u>	<u>\$ (308,082)</u>	<u>\$ (261,853)</u>	<u>\$ (704,696)</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 185,549	\$ 334,564	\$ -	\$ 520,113
Total operating revenues	<u>185,549</u>	<u>334,564</u>	<u>-</u>	<u>520,113</u>
Operating expenses:				
Personnel services	111,670	218,153	(30,505)	299,318
Materials, supplies and services	53,836	150,831	-	204,667
Depreciation	<u>-</u>	<u>624</u>	<u>-</u>	<u>624</u>
Total operating expenses	<u>165,506</u>	<u>369,608</u>	<u>(30,505)</u>	<u>504,609</u>
Change in net position	<u>20,043</u>	<u>(35,044)</u>	<u>30,505</u>	<u>15,504</u>
Net position (deficit), beginning of year	(18,020)	(19,959)	(292,358)	(330,337)
Prior period adjustments	-	-	-	-
Change in accounting principle	<u>(136,784)</u>	<u>(253,079)</u>	<u>-</u>	<u>(389,863)</u>
Net position, beginning of year, restated	<u>(154,804)</u>	<u>(273,038)</u>	<u>(292,358)</u>	<u>(720,200)</u>
Net position (deficit), end of year	<u>\$ (134,761)</u>	<u>\$ (308,082)</u>	<u>\$ (261,853)</u>	<u>\$ (704,696)</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 185,549	\$ 334,564	\$ -	\$ 520,113
Payments to suppliers	(57,275)	(144,146)	15,755	(185,666)
Payments to employees	<u>(113,528)</u>	<u>(223,488)</u>	<u>30,493</u>	<u>(306,523)</u>
Net cash provided by (used in) operating activities	<u>14,746</u>	<u>(33,070)</u>	<u>46,248</u>	<u>27,924</u>
Cash flows from noncapital financing activities:				
Loan from other funds	-	49,824	-	49,824
Loan repayment to other funds	<u>(14,106)</u>	<u>-</u>	<u>-</u>	<u>(14,106)</u>
Net cash provided by (used in) noncapital financing activities	<u>(14,106)</u>	<u>49,824</u>	<u>-</u>	<u>35,718</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	<u>-</u>	<u>(16,754)</u>	<u>-</u>	<u>(16,754)</u>
Net cash provided by (used in) related financing activities	<u>-</u>	<u>(16,754)</u>	<u>-</u>	<u>(16,754)</u>
Net increase (decrease) in cash and cash equivalents	640	-	46,248	46,888
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>11,847</u>	<u>11,847</u>
Cash and cash equivalents, end of year	<u>\$ 640</u>	<u>\$ -</u>	<u>\$ 58,095</u>	<u>\$ 58,735</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 20,043	\$ (35,044)	\$ 30,505	\$ 15,504
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	624	-	624
(Increase) decrease in:				
Prepaid expenses	-	-	15,729	15,729
Deferred outflows of resources from pensions	(17,498)	(34,187)	-	(51,685)
Increase (decrease) in:				
Accounts payable	(3,439)	6,685	26	3,272
Accrued payroll	-	-	30,492	30,492
Compensated absences	-	-	(30,504)	(30,504)
Net pension liability	(16,917)	(37,053)	-	(53,970)
Deferred inflows of resources from pensions	<u>32,557</u>	<u>65,905</u>	<u>-</u>	<u>98,462</u>
Net cash provided by (used in) operating activities	<u>\$ 14,746</u>	<u>\$ (33,070)</u>	<u>\$ 46,248</u>	<u>\$ 27,924</u>

CITY OF CHOWCHILLA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015**

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
<u>Greenhills Assessment District</u>				
ASSETS				
Cash and investments	\$ 579,891	\$ 1,426,402	\$ (1,336,999)	\$ 669,294
Accounts receivable	<u>9,855</u>	<u>40,945</u>	<u>(38,800)</u>	<u>12,000</u>
Total assets	<u>\$ 589,746</u>	<u>\$ 1,467,347</u>	<u>\$ (1,375,799)</u>	<u>\$ 681,294</u>
LIABILITIES				
Agency obligations	<u>\$ 589,746</u>	<u>\$ 1,467,347</u>	<u>\$ (1,375,799)</u>	<u>\$ 681,294</u>
<u>Pheasant Run Assessment District</u>				
ASSETS				
Cash and investments	\$ 320,093	\$ 800,250	\$ (510,648)	\$ 609,695
Accounts receivable	<u>11,063</u>	<u>6,662</u>	<u>(17,725)</u>	<u>-</u>
Total assets	<u>\$ 331,156</u>	<u>\$ 806,912</u>	<u>\$ (528,373)</u>	<u>\$ 609,695</u>
LIABILITIES				
Agency obligations	<u>\$ 331,156</u>	<u>\$ 806,912</u>	<u>\$ (528,373)</u>	<u>\$ 609,695</u>
<u>Developer Deposits</u>				
ASSETS				
Cash and investments	\$ 20,976	\$ 62,550	\$ (44,790)	\$ 38,736
Accounts receivable	<u>-</u>	<u>13,647</u>	<u>(13,647)</u>	<u>-</u>
Total assets	<u>\$ 20,976</u>	<u>\$ 76,197</u>	<u>\$ (58,437)</u>	<u>\$ 38,736</u>
LIABILITIES				
Agency obligations	<u>\$ 20,976</u>	<u>\$ 76,197</u>	<u>\$ (58,437)</u>	<u>\$ 38,736</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 920,960	\$ 2,289,202	\$ (1,892,437)	\$ 1,317,725
Accounts receivable	<u>20,918</u>	<u>61,254</u>	<u>(70,172)</u>	<u>12,000</u>
Total assets	<u>\$ 941,878</u>	<u>\$ 2,350,456</u>	<u>\$ (1,962,609)</u>	<u>\$ 1,329,725</u>
LIABILITIES				
Agency obligations	<u>\$ 941,878</u>	<u>\$ 2,350,456</u>	<u>\$ (1,962,609)</u>	<u>\$ 1,329,725</u>

OTHER INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and City Council
City of Chowchilla, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 10, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
February 10, 2016

FINDINGS AND QUESTIONED COSTS

**CITY OF CHOWCHILLA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

**CITY OF CHOWCHILLA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT FINDINGS

Finding 2014-001

Condition: The City has not complied with the GAAP requirement to record capital assets in the enterprise funds, business-type activities, or for governmental activities.

Criteria: GAAP requires the reporting of capital assets in the enterprise funds, business-type activities, or for governmental activities. The annual cost of using such assets must be charged as an operating expense through depreciation charges.

Cause: The City does not have a system to record and maintain their capital assets for financial statement reporting purposes.

Effect: Capital assets and the related depreciation are not reported in the government-wide and enterprise funds financial statements.

Recommendation: We recommend the City make it a priority to create a system to record and maintain their capital assets for financial statement reporting purposes.

Management Response: The City Council has secured the services of a Consultant, American Appraisal, to assist with the preparation of the capital asset inventory and establish the required templates that will be used to ensure the on-going management of this information, to assure its accuracy and completeness. It is anticipated that this system will be fully in place by the end of fiscal year 2014-15.

Status: Implemented



REPORT TO THE CITY COUNCIL

Council Meeting of March 9, 2016

Agenda Section: New Business

SUBJECT: **Approval of a Resolution Authorizing the City Administrator to Execute a Lease Agreement with Cleargas Inc. for tenancy and easements to allow provision of airplane fuel and a pilot lounge at the Chowchilla Airport**

Prepared By: Craig Locke, City Engineer/Public Works Director;
David G. Ritchie, City Attorney

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

That the City Council approve a resolution authorizing the City Administrator to execute a lease agreement with Cleargas Inc., a California corporation that will allow airplane fuel to be provided at the Chowchilla Airport. The lease will also provide for space for a pilot's lounge at the airport.

SITUATION / ANALYSIS:

The City of Chowchilla has been engaged in efforts to improve airport facilities. Part of that effort has involved providing services needed by aviators, and that will encourage aviators to use the airport and airport facilities. Two key components encouraging pilots to use the airport are the ability to rest, briefly, and to obtain fuel

Currently, there are no fueling facilities present at the airport for providing fuel to members of the public. This Agreement provides for siting of fuel pumps on airport property and an easement from adjacent leased premises where fuel will be stored. The negotiated terms of the lease agreement have been fully reviewed by the FAA and all FAA requested changes have been agreed to by the City and by Cleargas and incorporated in their entirety into the agreement. In addition, the lease has been presented to the County and is ready to be presented to this Council for approval.

FINANCIAL IMPACT:

The lease agreement provides for \$700 to be paid to the City each year for use of the leased premises, and an additional \$1300 to be paid to the City each year for use of the easement property. In addition, the tenant shall pay a per-gallon fuel flowage fee to the City pursuant to a fee schedule for all fuel pumped at the airport above 5000 gallons per year.

ATTACHMENTS:

Resolution
Lease Agreement with Cleargas Inc.

COUNCIL RESOLUTION # - 16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA,
AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A LEASE AGREEMENT WITH
CLEARGAS INC. FOR TENANCY AND EASEMENTS TO ALLOW PROVISION OF AIRPLANE
FUEL AND A PILOT LOUNGE AT THE CHOWCHILLA AIRPORT**

WHEREAS, the City is the owner of certain real property located in the City of Chowchilla, County of Madera, and State of California, which is being used for airport purposes ("Airport Property"); and,

WHEREAS, Cleargas Inc. desires to lease portions of the airport property for the purpose of providing a pilot lounge and refueling facilities at the Chowchilla Airport; and,

WHEREAS, the City and Cleargas have jointly presented the negotiated terms of the lease agreement to the Federal Aviation Administration (FAA), later incorporating the requested FAA changes into said lease agreement; and,

WHEREAS, the City Council approves of the continued improvement of airport facilities including provision of fuel and lounge facilities for aviators.

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 the City Administrator may execute the lease agreement with Cleargas.
3. This resolution is effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Chowchilla this 9th day of March 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Waseem Ahmed, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk

**CITY OF CHOWCHILLA
CHOWCHILLA MUNICIPAL AIRPORT
AIRPORT FIXED BASE OPERATION “FBO” LAND LEASE AND EASEMENT
AGREEMENT (“AGREEMENT”)**

The City of Chowchilla, a municipal corporation in the County of Madera, State of California (“CITY”), hereby leases to Clear Gas, Inc., a California corporation with its principal place of business located at 815 South Third Street, in the City of Chowchilla (“TENANT”), (collectively, the “PARTIES”), that certain portion of property located at the Chowchilla Municipal Airport which is more particularly described in the Legal Property Description in Exhibit A (Attached) (“LEASED PROPERTY”), pursuant to the following terms and conditions the CITY further grants TENANT an easement for access from certain contiguous property onto portions of the Chowchilla Municipal Airport, as more particularly described in Exhibit B (“EASEMENT PROPERTY”). The LEASED PROPERTY and EASEMENT PROPERTY are collectively referred to herein as the “PROPERTY.”

1. **FAA APPROVAL.** This AGREEMENT is subject to the approval of the Federal Aviation Administration (“FAA”).
2. **COMPLIANCE WITH SPONSOR’S ASSURANCES.** To the extent applicable, TENANT shall comply with all FAA assurances as shown in Exhibit C, attached hereto and 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.
3. **TERM OF AGREEMENT.** This AGREEMENT shall terminate upon the passing of five (5) years commencing the first day of the month immediately following the day this AGREEMENT is signed by all parties to this agreement as listed above; or, upon termination of this AGREEMENT by either party to this agreement as listed above pursuant to the terms of this AGREEMENT or applicable law. This AGREEMENT may be renewed seven (7) times in five (5) year increments, through a written AGREEMENT entered into between the Parties to this agreement prior to this AGREEMENT’S expiration.
 - 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.
4. **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.
- a. **USE FEE.** TENANT shall pay to CITY without deduction or offset on or before the 1st day of each year, an annual fee of seven hundred dollars (\$700) for use of the LEASED PROPERTY. The CITY retains the right to increase the annual fee, at each option period, with any fee increase not to exceed the Consumer Price Index (CPI) for California’s Central Valley Region and becoming effective January 1st of each year. The CITY will notify the TENANT in writing of any increase in the annual fee on or before November 1st. All fee payments shall be made at City Hall, 130 South Second Street, Civic Center Plaza, Chowchilla, California.
- b. **EASEMENT PROPERTY FEE.** TENANT shall pay to CITY without deduction or offset on or before the 1st day of each year, an annual fee of one thousand three hundred dollars (\$1,300) in exchange for the use of the EASEMENT PROPERTY. The CITY retains the right to increase the annual fee, at each option period, with any fee increase not to exceed the Consumer Price Index (CPI) for California’s Central Valley Region and becoming effective January 1st of each year. The CITY will notify the TENANT in writing of any increase in the annual fee on or before November 1st. All fee payments shall be made at City Hall, 130 South Second Street, Civic Center Plaza, Chowchilla, California.
- c. **FUEL FLOWAGE FEE.** TENANT shall pay to CITY without deduction or offset on or before January 31st of each calendar year, following the prior calendar year, a per gallon fee of fuel pumped by TENANT on the Airport surface. The CITY retains the right to increase the fee, at each option period, with any fee increase not to exceed the Consumer Price Index (CPI) for California’s Central Valley Region and becoming effective January 1st of each year. The CITY will notify the TENANT in writing of any increase in the fee on or before November 1st. All fee payments shall be made at City Hall, 130 South Second Street, Civic Center Plaza, Chowchilla, California.

Fuel Flowage Fees Per Gallon

0 – 5,000 = \$0.00

5,001 – 10,000 = \$0.03

10,001 – 20,000 = \$0.04

20,001 – 30,000 = \$0.05

30,001 – 40,000 = \$0.06

40,001 – Unlimited = \$0.07

- d. **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.
- e. **INTEREST.** Any monetary payment due to CITY hereunder, other than late charges, not received by CITY, when due shall bear interest from the 31st 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.
5. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the TENANT.
6. **USE OF PROPERTY.** The EASEMENT PROPERTY shall be used for the sole purpose of selling FUEL from a fueling island with dispensing equipment adequate for fueling aircraft. Any necessary electrical, water, air, fuel, and data will be delivered to the EASEMENT PROPERTY from TENANT adjacent property and shall comply with all federal, state and local governing authorities. The LEASED PROPERTY shall be used for the sole purpose of providing a lounge catering primarily to pilots and their guests utilizing the Chowchilla Municipal Airport.
- a. TENANT shall not use or permit said property or any portion thereof to be used for any purpose other than the purposes than those provided for in this AGREEMENT. All uses must be within any restrictions placed by the Federal Aviation Authority ("FAA").

- 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. TENANT shall, prior to commencement of any FUEL sales, install ground facilities capable of containing any chemical or substances, including FUEL, per CITY, State and federal standards. TENANT shall store all unused FUEL at a location other than the PROPERTY. TENANT shall provide a fenced enclosure of sufficient size to contain the equipment needed to dispense FUEL at the EASEMENT PROPERTY to ensure its safety when TENANT's representatives are not present. Said enclosure must be locked whenever TENANT's representatives are not personally present at the EASEMENT PROPERTY. During the term of this AGREEMENT, TENANT shall own all improvements constructed and equipment located on the EASEMENT PROPERTY and LEASED PROPERTY by TENANT until expiration of this AGREEMENT or until earlier termination as hereinafter provided, at which time such improvements and equipment shall become the CITY's property. TENANT shall not remove any improvements or equipment from the PROPERTY, or waste, destroy or modify any improvements except as permitted by this AGREEMENT. The location of all improvements and equipment TENANT installs on or at the PROPERTY must be approved by the CITY prior to installation or construction. **The installation and construction of improvements shall be provided by a licensed contractor. All installations shall be inspected, approved and accepted by the CITY.** TENANT shall maintain ownership of all personal property located at the PROPERTY but not affixed to the PROPERTY following termination of this AGREEMENT. Tenant shall not affix any item to the LEASED PROPERTY without the CITY's prior approval.
- c. TENANT shall not provide or serve alcohol by any means anywhere at the Chowchilla Municipal Airport. TENANT shall also take all reasonable steps to ensure guests and/or customers using the PROPERTY do not consume alcohol while at the PROPERTY.
- d. TENANT shall be solely responsible for janitorial servicing of the restrooms located near the LEASED PROPERTY, including clean-up of any graffiti. TENANT shall maintain the restrooms in a neat and clean manner and shall ensure the restrooms remain stocked with items appropriate for a public restroom. CITY shall be responsible only for repairing and maintaining equipment in the restroom such as the toilets, faucets, plumbing, mirrors, and locks.
7. **UTILITIES.** TENANT shall pay for all utility services, including electric and water, supplied to the EASEMENT 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.
8. **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 EASEMENT PROPERTY prior to TENANT taking possession of the EASEMENT PROPERTY. TENANT shall, at its sole cost and expense, keep and maintain the PROPERTY, improvements and all portions thereof, including the EASEMENT 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 EASEMENT 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. If TENANT does not procure or maintain such service contracts, 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, TENANT shall provide CITY with reasonable notice of such release to the CITY's Airport Manager, or if unavailable, the CITY's City Administrator. TENANT shall provide notice of such release by completing and submitting a "Spill Incident Report Form" a copy of which is attached hereto as Exhibit "__" or in another writing that provides substantially the same information as is required by said Spill Incident Report Form. Reasonable notice shall never be more than twenty-four (24) hours after the release. TENANT's notice that a hazardous substance release has occurred shall include a proposed plan for remediation. CITY shall either consent to TENANT's proposed remediation plan, or CITY may choose to conduct the remediation at TENANT's cost.
 - 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.
9. **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.

10. **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 the 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 EASEMENT 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.
11. **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.
12. **USE OF AIRPORT FACILITIES.** TENANT, by virtue of this AGREEMENT, shall not have use of any improvement or facility located at the Chowchilla Municipal Airport other than what is located on the PROPERTY and expressed by this agreement. TENANT shall be allowed to bring a fuel truck and/or trailer on to the Airport property from TENANTS adjacent property for the purpose of fueling aircraft. TENANT shall fuel aircraft on all Airport properties except runways, taxiways or restricted surfaces. TENANT shall not make, or suffer to be made any soil contaminations and spillage from hazardous materials used in fixed base operations TENANT agrees to pay for any clean-up, remediation and/or cost incurred during clean-up or remediation until soil testing is approved and contamination is no longer present in the EASEMENT PROPERTY.
13. **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 there over, 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.

14. **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.

15. **ENVIRONMENTAL INDEMNIFICATION.** TENANT agrees to indemnify, defend by separate counsel appointed by mutual agreement of the TENANT and 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.

16. **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.

17. **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 or should TENANT fail to operate its business at the PROPERTY for more than seven (7) calendar day.

18. **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.

19. **INSURANCE.**

a. **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 Five Million Dollars (\$5,000,000).

b. **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 \$10,000 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.

c. **ENVIRONMENTAL INSURANCE.** At all times, TENANT shall also carry environmental insurance which shall provide coverage for any pollution or contamination that may arise from activities occurring at the PROPERTY. The policy limits of TENANT's environmental insurance policy shall be not less than Five Million Dollars (\$5,000,000.00).

d. **INSURANCE DURING CONSTRUCTION.** TENANT shall, in addition to the insurance above required, provide similar liability insurance covering CITY, its officers and employees, during the construction of any and all improvements

made by TENANT upon the PROPERTY and/or pursuant to this AGREEMENT. Said policy shall remain in full force and effect until the completion of all of said improvements and the acceptance thereof by CITY.

- e. **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 holding at least an A Financial Strength Rating from A.M. Best Company. 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.

20. 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 LEASED 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.

21. 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 formed; 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 year's worth of fees due under this AGREEMENT, 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.
22. **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.
23. **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.
24. **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:

Clear Gas, Inc.
Attn: Adam DeBard
815 South Third St.
Chowchilla, CA 93610
Fax: (559) 427-5710

With copy to:

Crabtree Schmidt
Attn: Robert W. Crabtree
1100 14th Street, Suite E
Modesto, CA 95354
Fax: (209) 526-5231

If to CITY:

City of Chowchilla
Attn: Airport Manager
130 S. Second Street
Chowchilla, CA 93610
Fax: (559) 665-2569

With copy to:

Cota Cole LLP
Attn: Chowchilla City Attorney
2261 Lava Ridge Court
Roseville, CA 95661
Fax: (916) 780-9050

- 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.
25. **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.
26. **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.
27. **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.
28. **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.
29. **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.
30. **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
31. **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.)

32. **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 without notice for the purpose of showing the same to prospective purchasers, lenders, tenants or governmental agencies, inspecting the PROPERTY, 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. Inspections of the PROPERTY 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.
33. **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.
34. **AMENDMENTS.** This AGREEMENT may be modified only in writing, signed by the parties in interest at the time of the modification.
35. **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.
36. **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 _____, 2016.

EXHIBIT A – LEGAL PROPERTY DESCRIPTION

EXHIBIT B – EASEMENT PROPERTY DESCRIPTION

EXHIBIT C – AIRPORT SPONSORS ASSURANCES



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Approval of Authorization of Service #1 under the Master Service Agreement with Tartaglia Engineering to produce an Updated Airport Layout Plan and Pavement Management and Maintenance Plan**

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

Authorized By: Craig Locke, City Engineer/Public Works Director

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Staff recommends that City Council to approve the attached Authorization of Service #1 (AOS1) in the amount of \$84,000 to update the existing Chowchilla Airport Layout Plan and Narrative and to develop a Pavement Management Plan for same.

HISTORY / BACKGROUND:

City of Chowchilla released a Request for qualifications for Airport Consulting services in May of 2011. A careful review of the Submissions of Qualification led to the selection of Tartaglia Engineering. On July 5, 2012 a Master Services Agreement (MSA) was executed with Tartaglia Engineering to provide services for the City of Chowchilla Airport under Authorization of Service agreements .

Since that time Tartaglia has provided uncompensated assistance in a variety of issues confronting the airport. It is only this year that adequate budget has been appropriated for the local match allowing the City to progress with improvements at the airport.

A current Airport Layout Plan (ALP) and Narrative are fundamental requirements for securing FAA entitlement grants for additional improvement on the Airport. Each year \$150,000 is allocated to airports under FAA jurisdiction and a 10% local match is required. Last year staff failed to meet the deadlines for the Chowchilla Airport funding, and those funds were transferred to the City of Palo Alto Airport.

This year the City is on track to utilize these funds. The first step is an update to the ALP. Additionally, the FAA has recommended that the City develop a Pavement Maintenance and Management Plan for the airport. These are both planning documents and as such do not require environmental clearance and review. Subsequent projects, electrical and pavement upgrades for example, will require this analysis and the ALP is an important tool in this process.

FINANCIAL IMPACT:

The \$84,000 authorized in AOS1 is a not to exceed amount. A Notice to Proceed will not be released until after the funds have been awarded by the FAA. The 10% local match will be

partially offset by CalTrans Division of Aeronautics grants of up to 5% of the Federal Grant. In the unlikely event that no State funds are available, the maximum liability for the City is \$8,400.

ATTACHMENTS:

Resolution

AOS1

MSA (July 5, 2012)

COUNCIL RESOLUTION # -16

APPROVAL OF AUTHORIZATION OF SERVICE #1 UNDER THE MASTER SERVICE AGREEMENT WITH TARTAGLIA ENGINEERING TO PRODUCE AN UPDATED AIRPORT LAYOUT PLAN AND PAVEMENT MANAGEMENT AND MAINTENANCE PLAN

WHEREAS, the City owns and operates the improved real property know and referred to as Chowchilla Municipal Airport, which is located in the City of Chowchilla, County of Madera, State of California; and

WHEREAS, the City submitted a Request for Qualifications in May 2011, seeking responses from firms experienced in providing variety of professional airport services needed for projects within the airport environs; and

WHEREAS, after reviewing the responses including the request for additional information, Staff and the Airport Advisory Committee determined that Tartaglia Engineering is experienced and qualified to provide the professional airport services needed by the City for projects for the Chowchilla Municipal Airport for up to a five year period; and

WHEREAS, on July 5, 2012 the City of Chowchilla entered into a Master Services agreement with Tartaglia Engineering to provide design and consulting services to the Chowchilla Municipal Airport; and

WHEREAS, the City is now committed to providing infrastructure upgrades to the existing facility and developing the planning documents that will guide these projects.

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

1. The recitals above are true and correct.
2. The City Administrator is hereby authorized enter into Authorization of Service #1 with Tartaglia Engineering in the amount of \$84,000 and issue a Notice to Proceed upon award of the FAA Grant funds.
3. This Resolution is effective immediately upon adoption.

PASSED AND ADOPTED by City Council of the City of Chowchilla this 8th day of March 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Waseem Ahmed, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk

CHOWCHILLA MUNICIPAL AIRPORT IMPROVEMENTS

Work Authorization Number: _____ Date: _____

Project Title: Airport Layout Plan with Narrative and PMMP .

Project Description: Professional services related to preparation of an Airport Layout Plan with Narrative and preparation of a Pavement Maintenance Management Plan (PMMP) .

THIS AOS, entered into this day ____, of _____, 20__ by and between City of Chowchilla, hereinafter referred to as the "City," and Tartaglia Engineering, hereinafter referred to as the "Engineer." It is understood that performance of this AOS is subject to the terms and conditions of the above reference Agreement.

WHEREAS, the City currently holds a Master Service Agreement (MSA) with the Engineer; and

WHEREAS, the MSA allows the City to contract work with the Engineer through the use of individual, project or scope-specific, Authorizations of Service (AOS); and

WHEREAS, this AOS Number: 1 of the MSA:

I. SCOPE OF AIRPORT PROJECT

The scope of the project is detailed in **Exhibit "A"** of this AOS.

II. SCOPE OF SERVICES

Tartaglia Engineering shall prepare a comprehensive and detailed written Scope of Services to be provided herein detailed in **Exhibit "B"** of this AOS.

III. COMPENSATION

This section shall set forth the compensation for performances of the work and services set forth in this AOS in the manner allowed pursuant to the Agreement (either hourly rate or lump sum). In the event compensation is based on an hourly rate, Tartaglia Engineering shall attached to the AOS a detailed work sheet showing personnel to be involved in performance of the work and services, by classification, with the hourly rates for each and shall list the estimated number of hours by each to perform the work and services including the cost or expenses for subcontracted work and service further identified in **Exhibit "C"**.

IV. FEE SCHEDULE:

Work performed on this Project shall be in accordance with the rates and fees identified in **Exhibit "D"** of this AOS.

V. SCHEDULE/TIME OF PERFORMANCE:

Time of the essence with the work of this AOS. Engineer shall proceed diligently with all tasks included in this AOS. The duration of the assignment and a termination date for the AOS shall be indicated. In addition, Tartaglia Engineering shall set forth a detailed schedule for performance of the professional airport services detailed in **Exhibit "E"** of this AOS.

Failure to perform all services in accordance with the schedule could result in harm or damage to the City. In the event harm or damage occurs, the City may elect to withhold, as compensation for said damage, \$100.00 per day for each and every day the Engineer fails to perform in accordance with the schedule.

VI. SUB CONSULTANTS

Proposed sub consultants to be employed by Tartaglia Engineering in the completion of the work of this AOS are identified in **Exhibit "F"**.

VII. EXTENT OF AOS

This AOS, together with **Exhibits "A", "B", "C", "D", "E", "F" and "G"** attached hereto constitute the entire AOS No. 1 within the MSA between the City and the Engineer (Tartaglia Engineering, and supersedes all prior written or oral understanding. This AOS and said attachments may be amended, supplemented, modified or cancelled only by a duly written instrument.

VIII. ADDITIONAL TERMS AND CONDITIONS

The parties shall include any additional terms and conditions related to performance of the professional airport services or items not covered under the general terms of the Agreement of this AOS identified in **Exhibit "G"**.

IN WITNESS WHEREOF, this Authorization of Services "AOS" between the PARTIES
THIS _____ DAY OF _____, 20 ____.

John A. Smith dba
TARTAGLIA ENGINEERING

CITY OF CHOWCHILLA

By: _____
(Authorized Signature)

(City Administrator/Airport Manger)

Name and Title

Note: C.I.P. Projects must be approved
by Resolution of City Council of the City
of Chowchilla

Resolution No. _____

AUTHORIZATION OF SERVICES (AOS)

**EXHIBIT A
SCOPE OF PROJECT**

**EXHIBIT B
SCOPE OF SERVICES**

**EXHIBIT C
COMPENSATION**

**EXHIBIT D
FEE SCHEDULE**

**EXHIBIT E
SCHEDULE/TIME FOR PERFORMANCE**

**EXHIBIT F
SUB CONSULTANT SCHEDULE**

**EXHIBIT G
ADDITIONAL TERMS AND CONDITIONS**

Scope of Project:

The scope of the project focus on the following:

1. Preparation of an Airport Layout Plan (ALP) set of drawings including an ALP Airport Configuration Drawing, an Airspace Drawing, and an Exhibit "A" Property Map, at a minimum. Preparation of a Narrative Report as supporting document to the ALP. All work shall comply with ARP Standard Operating Procedure (SOP) No. 2.00, effective October 1, 2013.
2. Create a Pavement Maintenance Management Plan (PMMP) in conformance with FAA Advisory Circular 150/5380-7B: Airport Pavement Management Program. The effort will start with research into existing pavement construction and maintenance activities, include a walking field analysis, and conclude with an evaluation, assignment of Pavement Condition Index (PCI) for all airfield pavement segments and features, and generation of construction cost estimates for recommended rehabilitation strategies.

Scope of Services:

The scope of services includes the following:

Preliminary:

1. Hold a project / professional services kick-off meeting and site visit. Confirm the scope and intent of the overall undertaking. Secure existing records including reports, as-built drawings of record, studies and other pertinent documents. Perform a detailed site visit, photo documenting existing facilities and features.
2. Generate an aerial topo of the airport to be used in preparation of the Airport Layout Plan, the airfield electrical analysis, and the Pavement Maintenance Management Plan.

Airport Layout Plan and Narrative:

1. Using the aerial topographic survey data as a base, create an Airport Layout Plan drawing set, to include the following:
 - A. Title Sheet
 - B. Airport Data Sheet
 - C. Airport Layout Plan Drawing
 - D. Airport Airspace Drawing – R12
 - E. Airport Airspace Drawing – R30
 - F. Inner Portion of the Approach Surface Drawing – R12
 - G. Inner Portion of the Approach Surface Drawing – R30
 - H. Runway Centerline Profile
 - I. Exhibit “A” Airport Property Map

The Airport Configuration Drawing will document existing facilities and identify proposed improvements and developments. A new wind rose will be generated and displayed.

2. Perform a title search and acquire current Title Reports for all parcels that comprise the airport, and any parcels of interest in proximity. Material gained from these Title Reports, including easements, will be included on the Exhibit “A”.
3. Generate a Narrative Report documenting all appropriate aspects of the airport and proposed features, developments, etc. The effort will include a Capital Improvement Program to include Short Term, Intermediate Term, and Long Term maintenance, rehabilitation, and development activities. The Narrative will also include forecast information and conceptual development plans for under developed areas of the airport.

4. Prepare draft documents. Present to the Owner for review. Revise based on input received. Present to the Airport Advisory Committee for input / comment. Submit to FAA for review. Revise as necessary to gain approval. Submit FAA approved documents to Caltrans Division of Aeronautics for their file.

Pavement Maintenance Management Plan (PMMP):

1. Using data acquired during the initial site visit and kick-off so-as to group and cluster pavements of similar construction / integrity / age, with the aerial topographic survey as a base, generate an overall airport existing pavement plan (drawing) with all pavement areas split into features, elements, and sample areas. Generate dimensions of each element, feature, and sample area.
2. Perform a more in-depth field visit / inspection, documenting the overall condition of all pavements, with specific review of identified sample areas. Photo document the condition of all pavements.
3. Review the historical data provided by the owner to gain an understanding of the structural section and historical use of each element and feature.
4. Generate a Pavement Condition Index (PCI) for all features of the airport.
5. Generate a plan (text) that identifies proposed maintenance and rehabilitation strategies, and priorities those efforts based on condition and traffic.
6. Group rehabilitation efforts based on need & type of work to gain economical advantage.
7. Review Tartaglia Engineering recent past bidding documentation and gather probable unit pricing for work at Chowchilla by engaging local contractors. Review availability of materials for this locale. Summarize construction costs in a schedule specific to the Chowchilla geographical area.
8. Create an overall rehabilitation plan with immediate, near-term, and long-term efforts and associated probable costs for construction of each effort. Consider and discuss issues and factors that could impact rehabilitation efforts:
 - A. Availability of materials.
 - B. Grouping of similar efforts.
 - C. Airfield access and phasing of efforts.
 - D. Construction scheduling, time of day and season.
 - E. Temperature sensitive materials and activities.
9. Establish a re-inspection schedule.
10. Submit the PMMP to the Owner and FAA.

**City of Chowchilla
Chowchilla Municipal Airport**

**AOS 1
Exhibit C: Compensation**

Item	Description	Prof. Eng.	Land Survey	Civil Eng.	Eng. Tech.	Draft.	Eng. Aide	Clerical	Survey 1-Man	Survey 2-Man	Per Diem	Mileage	Inspect ST.	Inspect OT	Total
		\$121.00	\$113.00	\$109.00	\$87.00	\$78.00	\$57.00	\$46.00	\$155.00	\$182.00	\$130.00	\$0.55	\$98.00	\$112.00	
Preliminary															
1	Project kick-off. Research.	12.0			16.0	2.0	4.0					320.0			\$3,404.00
2	Ground control - runway ends	1.5	25.0		11.0				18.0		1.0	330.0			\$7,065.00
3	Aerial topo	Central Coast Aerial Mapping, Inc.													\$11,975.00
	Postage / materials														\$200.00
Preliminary Subtotal															\$22,644.00
Airport Layout Plan and Narrative															
1	Generate ALP drawing set	27.0	5.0	56.0	58.0	63.0	19.0	3.0				320.0			\$21,293.00
2	Title Reports	1.0		2.0		12.0									\$1,275.00
3	Narrative Report	28.0		77.0	19.0			12.0							\$13,986.00
4	Present to Owner & FAA	4.0		4.0				9.0				320.0			\$1,510.00
5	Revise - Final Submission	5.0		23.0		17.0		4.0							\$4,622.00
	Postage, material, title reports														\$3,500.00
Airport Layout Plan and Narrative Subtotal															\$46,186.00
Pavement Maintenance Management Plan															
1	Generate base w/ sample areas	2.0		8.0	8.0			3.0				660.0			\$2,311.00
2	Pavement sampling / inspection	12.0		12.0							2.0	320.0			\$3,196.00
3	Review historical data			6.0	4.0										\$1,002.00
4	Generate PCI's for segments	3.0		18.0											\$2,325.00
5,6,8	Generate PMMP	5.0		5.0	32.0			2.0							\$4,026.00
7	Estimates	4.0			4.0										\$832.00
9 / 10	Establish re-inspection, submit			2.0	2.0			1.0							\$438.00
	Postage / materials														\$700.00
Pavement Maintenance Management Plan Subtotal															\$14,830.00
Professional Services Total														\$83,660.00	
PROFESSIONAL SERVICES CONTRACT AMOUNT (T&M, Not to Exceed):														\$84,000.00	

Tartaglia Engineering Fee Schedule

PO Box 1930
Atascadero, CA 93423

Professional Engineer	\$121.00 per hour
Licensed Land Surveyor	\$113.00 per hour
Civil Engineer	\$109.00 per hour
Project Manager	\$87.00 per hour
Engineer Technician	\$87.00 per hour
Environmental Coordinator	\$85.00 per hour
Draftsman.....	\$78.00 per hour
Inspector:	
Day, Straight Time.....	\$98.00 per hour
Day, Overtime.....	\$112.00 per hour
Night, Straight Time	\$100.00 per hour
Night, Overtime	\$115.00 per hour
(Minimum night shift = 4 hours)	
Engineering Aide	\$57.00 per hour
Clerical	\$46.00 per hour
Survey Party:	
One Man (with robotic)	\$155.00 per hour
Two Man.....	\$182.00 per hour
Three Man.....	\$210.00 per hour

*Compensation to surveyors and construction inspectors
shall be in accordance with Prevailing Wage requirements.*

Direct expenses shall be reimbursed as follows:

Mileage	\$0.55 per mile
Per diem	\$130.00 per man-day
Reproduction, postage, express mail shipping, advertising.....	Cost + 10%
Sub-consultant services.....	Cost + 5%
Permit, plan check, and agency inspection fees.....	At Cost

Fee Schedule effective through December 31, 2017

Time for Performance:

Work on the items and elements of this AOS will begin immediately upon receipt of a written Notice To Proceed, according to the following:

Item	Description	Timing
1	Kick-off, initial site visit, receive documents and reports	Within 2 weeks of NTP
2	Ground control & aerial topography	6 weeks after NTP
3	Title search / reports	4 weeks after NTP
4	Draft Airport Layout Plans	20 weeks after receipt of aerial topo
5	Draft Narrative	8 weeks after first submission of ALP to owner
6	Present draft ALP and Narrative to owner	20 weeks after receipt of aerial topo
7	Revise and submit ALP and narrative to FAA	4 weeks after receipt of owner comments
8	Revise ALP & Narrative based on FAA comments. Re-submit for final approval.	Within 3 weeks of receipt of FAA comments
9	Draft PMMP	Within 4 months after field inspection
10	Final submission to Owner	12 months after NTP

Subconsultant Schedule:

Tartaglia Engineering will be supported by the following professional subconsultants in the areas indicated:

1. Aerial topography / photography: Central Coast Aerial Mapping, Inc.
San Luis Obispo, CA

The one-page fee proposal from Central Coast Aerial Mapping follows.

Additional Terms and Conditions:

The following apply to this project:

1. To the greatest extent possible in the completion of the work of this AOS, communication shall be between the following single point contacts:
Owner: Craig Locke
Engineer: John Smith
2. The Owner shall facilitate unrestricted access to all airport records and to the physical airport itself.
3. The Owner shall provide all available documentation regarding airport operations.

MASTER SERVICE AGREEMENT (MSA)
CHOWCHILLA MUNICIPAL AIRPORT IMPROVEMENTS

THIS AGREEMENT, entered into this 5th day of July, 2012, by and between the **City of Chowchilla**, hereinafter referred to as "City," and **Tartaglia Engineering**, hereinafter referred to as "Engineer."

WITNESSETH

WHEREAS, City is authorized and empowered to employ engineering consultants and specialists in the performance of its duties and functions; and

WHEREAS, based on the successful completion of the Consultant Selection Process in accordance with FAA requirements and guidelines, City is authorized to employ an engineering consultant for a period of up to five years from the date of this agreement; and

WHEREAS, City, through this MSA, has the desire to secure one firm for the duration of this agreement through multiple Authorizations of Service (AOS), with each AOS being project specific; and

WHEREAS, Engineer represents it is qualified and willing to provide such services pursuant to terms and conditions of this Agreement:

NOW, THEREFORE, BE IT AGREED, by and between City and Engineer as follows:

I. **AUTHORIZATION OF SERVICE (AOS)**

A. Engineer agrees to prepare and provide AOS documentation when requested by City.

B. Each AOS will include the following exhibits, at a minimum:

Exhibit A: A detailed scope of the proposed project or undertaking, jointly prepared by and agreed upon by Engineer and City representatives.

Exhibit B: A detailed scope of services prepared by Engineer reflecting all tasks necessary to complete the project or undertaking.

Exhibit C. A detailed cost breakdown reflecting Engineer's individual fee to perform all tasks, and the total, not-to-exceed amount for all contracted services.

Exhibit D. A fee schedule reflecting the unit costs for services, supplies, and incidentals and sufficient additional information for City to perform an Independent Cost Estimate (ICE) for the work, consistent with the requirements of FAA Advisory Circular 150/5100-14D, Architectural, Engineering, and Planning Consultant Services for Airport Grants Projects.

Exhibit E. A proposed project schedule and identified Time for Performance.

Exhibit F. A list of professional sub-consultants Engineer intends on using in the completion of all tasks.

Exhibit G. Additional Terms and Condition (if applicable).

- C. All consulting work will be AOS specific.
- D. Multiple AOS's can be initiated throughout the duration of this MSA, concurrent or sequential.
- E. The Engineer agrees to perform all work necessary to complete in a manner satisfactory to City those tasks described in the Exhibit "B" of each AOS, attached hereto and incorporated herein by this reference as if set forth in full.
- F. Incidental work related to any project not provided for in Exhibit "B" of any AOS may be needed during the performance of this Agreement. Engineer agrees to provide any and all additional services as authorized by City, at the rates identified in attached Exhibit "D," Fee Schedule.

No additional services shall be rendered by Engineer under any AOS unless Engineer, prior to performance of said services, advised City of the additional work in writing and said services shall first be authorized in writing by City. The return to Engineer of a signed copy of said change order shall constitute approval by City for the performance of such additional services.

A sample AOS is attached herein as Attachment A to this Agreement.

II. TIME SCHEDULE

Phase One as described in Exhibit "A" of each AOS shall commence immediately upon execution of this Agreement.

Phase Two services as described in Exhibit "B" of each AOS shall not commence until such time as City shall determine that the Project shall proceed to said Phase and shall so notify Engineer in writing.

Exhibit "E" shall include an overall time for performance for each AOS.

III. COMPENSATION

A. TOTAL COMPENSATION

For services performed pursuant to this Agreement and each AOS, City agrees to pay and Engineer agrees to accept, as payment in full, a total not-to-exceed sum amount identified in Exhibit "C" of each AOS. The compensation for the project is further

identified in Exhibit "C" attached hereto.

B. PAYMENT OF MONTHLY COMPENSATION

Engineer shall be reimbursed monthly no later than twenty (20) days following submission of a written, verified billing to City. Said billing shall include the percentage of each task completed to date and since the date of the preceding billing, if any.

IV. STANDARD PRACTICES

Engineer shall ascertain the standard practices of the Federal Aviation Administration (FAA) and City and any other affected agencies and shall utilize the said practices throughout this project.

V. TERMINATION

This MSA and any individual AOS may be terminated by City at any time by written notice to Engineer. However, City shall be obligated to compensate Engineer for all work that has been accomplished until receipt of such written notice. Engineer shall be required to deliver copies of all finished and unfinished documents prepared for the project as requested by City.

VI. OWNERSHIP OF DOCUMENTS

It is agreed and understood that all original documents; such as, tracings, plans, specifications, maps, basic survey notes and sketches, charts, computations, and other data prepared or obtained under the terms of this Agreement, are the property of the City of Chowchilla.

All plans and specifications shall be computer generated, with electronic files made available to City. City shall refrain from performing any revisions, alterations, changes, or modifications to electronic files prepared and provided by Engineer, without prior authorization from Engineer.

Engineer agrees that all records and documents as required herein will be retained and made available upon request to representatives of the City, the FAA and the Comptroller General of the United States for a minimum period of three years following completion of this Agreement or receipt of final payment, whichever is later.

VII. SUB CONTRACTING

Exhibit "F" of each AOS shall identify sub consultants designated to support the work of the Engineer in completing the tasks of each AOS. The exhibit shall identify the scope of services to be provided by each sub consultant, the name and office location of the sub consultant, and the sub consultants primary point of contact. Other than sub consultants identified in Exhibit "F" of each AOS, Engineer shall not subcontract or otherwise assign

any portion of the work to be performed under this Agreement without prior written approval of City.

VIII. SUCCESSORS AND ASSIGNS

This MSA and each AOS shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties. Engineer shall not assign, delegate or transfer the rights and duties under this Agreement or any part thereof, without the prior written consent of City.

IX. INDEPENDENT CONTRACTOR

In the performance of the services herein provided for, Engineer shall be, and is, an independent contractor and is not an agent or employee of City. Engineer has and shall retain the right to exercise full control and supervision of all persons assisting the Engineer in the performance of said services hereunder. Engineer shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security and income tax withholding and all other regulations governing such matters.

X. DISPUTE

Any dispute not resolvable by informal arbitration between the parties to this Agreement shall be adjudicated in a Court of Law under the laws of the State of California. This Agreement is deemed executed and performed in Madera County, California. In the event legal action is filed, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs, including expert witness fees.

XI. INSURANCE AND INDEMNIFICATION REQUIREMENTS

With respect to performance of work under this Agreement, Engineer shall maintain insurance as described below:

1. Workers' compensation insurance with statutory limits, and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per accident. Two Million Dollars (\$2,000,000) aggregate.
2. Commercial general liability insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence. Two Million Dollars (\$2,000,000) aggregate.
3. Commercial automobile liability insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.
4. Professional liability insurance (errors and omissions) with not less than One Million Dollars (\$1,000,000) in coverage.

- A. As respects acts, errors or omissions in the performance of professional services, Engineer agrees to indemnify and hold harmless City, its officers, employees, and City designated volunteers from and against any and all claims, demands, defense costs, liability or consequential damages of any kind or nature arising directly out of Engineer's negligent acts, errors or omissions in the performance of his/her professional services under the terms of this contract.

As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, Engineer agrees to indemnify, defend (at City's option), and hold harmless City, its employees, agents, representatives, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature caused in whole or in part by any negligent act or omission of the Engineer, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of City.

- B. Upon City's request, Engineer shall deliver to City insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above. Also, within thirty (30) days of City's request, Engineer shall provide to City endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Said endorsements shall be signed by an authorized representative of the insurance company and shall include the signatory's company affiliation and title. Should it be deemed necessary by City, it shall be Engineer's responsibility to see that City receives documentation acceptable to City which sustains that the individual signing said endorsements is indeed authorized to do so by the insurance company. Also, City has the right to demand, and to receive within a reasonable time period, copies of any insurance policies required under this Agreement.
- C. In addition to any other remedies City may have if Engineer fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option:
1. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
 2. Order Engineer to stop work under this Agreement and/or withhold any payment(s) which become due to Engineer hereunder until Engineer demonstrates compliance with the requirements hereof.
 3. Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies City of Chowchilla may have and is not the exclusive remedy for

Engineer's failure to maintain insurance or secure appropriate endorsements. Nothing herein contained shall be construed as limiting in any way the extent to which Engineer may be held responsible for payments of damages to persons or property resulting from Engineer or its subcontractor's performance of the work covered under this Agreement.

XII. COVENANT AGAINST CONTINGENT FEES

Engineer hereby certifies, as expressed by the Certification of the Engineer attached hereto and marked Exhibit "MSA-A," that it retains no person to solicit work on a contingent fee basis and that only full-time, permanent employees of Tartaglia Engineering solicit work for the firm.

XIII. FEDERAL AVIATION ADMINISTRATION (FAA)
ENGINEERING CONSULTANT CONTRACTUAL REQUIREMENTS

Federal Aviation Administration Engineering Consultant Contractual Requirements, hereinafter referred to as "FAA Requirements," set forth requirements relative to Federally-assisted programs of the Department of Transportation.

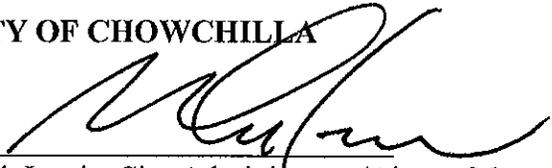
The FAA Requirements are attached to this Agreement as Exhibit "MSA-B" and are incorporated by this reference and made a part of this Agreement.

XIV. EXTENT OF AGREEMENT

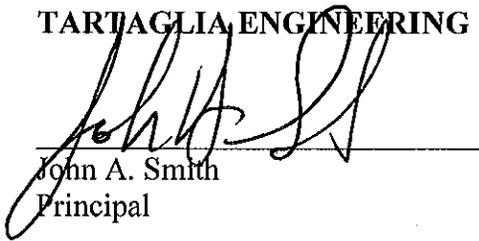
This Agreement, together with Exhibits "MSA-A", "MSA-B", and Exhibits "A," "B," "C," "D," "E," "F", and "G:" (if applicable) of each AOS constitute the entire Agreement between City and Engineer and supersedes all prior written or oral understandings. This Agreement and said attachments may be amended, supplemented, modified or canceled only by a duly written instrument.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

CITY OF CHOWCHILLA


Mark Lewis, City Administrator/Airport Manager

TARTAGLIA ENGINEERING


John A. Smith
Principal

ATTEST:

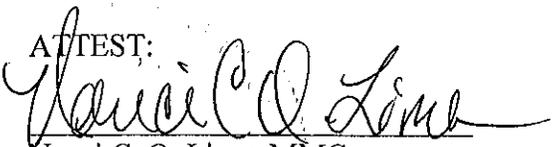

Nanci C. O. Lima, MMC
Chief Deputy City Clerk

EXHIBIT "MSA-A"

AIRPORT IMPROVEMENT PROGRAM PROJECTS
3-06-0043

STATE OF CALIFORNIA

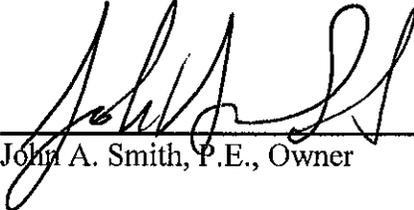
CERTIFICATION OF ENGINEER

I hereby certify that I am the Owner and duly authorized representative of the firm Tartaglia Engineering, Civil Engineers, whose address is 7360 El Camino Real, Suite E, Atascadero, CA, and that neither I, nor the above firm I here represent, has:

- A. Employed or retained for a commission, percentage, brokerage, contingent fee or other consideration, any firm or person (other than a bona fide employee working solely for me or the above consultant) to solicit or secure this contract;
- B. Agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract; or
- C. Paid or agreed to pay to any firm, organization, or person (other than a bona fide employee working solely for me or the above consultant) any fee, contribution, donation or consideration of any kind for, or in connection with, procuring or carrying out the contract, except as here expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Federal Aviation Administration of the United States Department of Transportation, in connection with this contract involving participation of Airport Improvement Program (AIP) funds, and is subject to applicable State and Federal laws, both criminal and civil.

8/22/2012
Date



John A. Smith, P.E., Owner

EXHIBIT "MSA-B"

**FAA CONSULTANT CONTRACTUAL REQUIREMENTS
TITLE VI ASSURANCES**

During the performance of this contract, the Consultant, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor") agree as follows:

1. **Compliance with Regulations.** The contractor shall comply with the regulations relative to nondiscrimination in Federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. **Solicitations for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitations, either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and Regulations relative to nondiscrimination on the grounds of race, color or national origin.
4. **Information and Reports.** The contractor shall provide all information and reports required by Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including but not limited to:
 - a. withholding of payments to the contractor under the contract until the contractor complies, and/or
 - b. cancellation, termination or suspension of the contract, in whole or in part.
6. **Incorporation of Provisions.** The contractor shall include the provisions of Paragraphs 1 through

5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction; the contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

FAA-AIP CONTRACT PROVISIONS

CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1.1 Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

1.2 Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

1.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

1.4 Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

1.5 Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

1.6 Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Application-Required in all contracts and subcontracts. (Reference: 49 CFR Part 21, AC 150/5100-15)

DISADVANTAGED BUSINESS ENTERPRISE (DBE) ASSURANCES

1. **Policy.** It is the policy of the Department of Transportation (DOT) that disadvantaged business enterprises, as defined in 49 CFR Part 26, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.
2. **DBE Obligation.** The contractor agrees to ensure that disadvantaged business enterprises, as defined in 49 CFR Part 26, have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this Agreement. In this regard, all contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. Contractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of DOT-assisted contracts.

TERMINATION OF CONTRACT

- a. The Sponsor may, by written notice, terminate this contract in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Sponsor.

b. If the termination is for the convenience of the Sponsor, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

c. If the termination is due to failure to fulfill the contractor's obligations, the Sponsor may take over the work and prosecute the same to completion by contract or otherwise. In such case, the contractor shall be liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.

d. If, after notice of termination for failure to fulfill contract obligations, it is determined that the contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the Sponsor. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.

e. The rights and remedies of the sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

Application-Incorporate into all procurement contracts that funded by AIP funds that exceed \$10,000. (Reference: 49 CFR Part 18.36(i)(2), FAA Order 5100.38)

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION**

The bidder/offeror certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the bidder/offeror/contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

Application- Incorporate into all contracts that exceed \$25,000, which funded under the AIP. Incorporate in all contracts for auditing services regardless of the contract amount. (Reference: 49 CFR Part 29, FAA Order 5100.38)

**ATTACHMENT A
(SAMPLE) AUTHORIZATION OF SERVICE (AOS)
MASTER SERVICE AGREEMENT (MSA)
CHOWCHILLA MUNICIPAL AIRPORT IMPROVEMENTS**

Work Authorization Number: _____ Date: _____

Project Title: _____

Project Description: _____

THIS AOS, entered into this day ____, of _____, 20__ by and between City of Chowchilla, hereinafter referred to as the "City," and Tartaglia Engineering, hereinafter referred to as the "Engineer." It is understood that performance of this AOS is subject to the terms and conditions of the above reference Agreement.

WHEREAS, the City currently holds a Master Service Agreement (MSA) with the Engineer; and

WHEREAS, the MSA allows the City to contract work with the Engineer through the use of individual, project or scope-specific, Authorizations of Service (AOS); and

WHEREAS, this AOS Number: _____, of the MSA:

I. SCOPE OF AIRPORT PROJECT

(The scope of the project is detailed in **Exhibit "A"** of this AOS.)

II. SCOPE OF SERVICES

(Tartaglia Engineering shall prepare a comprehensive and detailed written Scope of Services to be provided herein detailed in **Exhibit "B"** of this AOS.

III. COMPENSATION

(This section shall set forth the compensation for performances of the work and services set forth in this AOS in the manner allowed pursuant to the Agreement (either hourly rate or lump sum). In the event compensation is based on an hourly rate, Tartaglia Engineering shall attached to the AOS a detailed work sheet showing personnel to be involved in performance of the work and services, by classification, with the hourly rates for each and shall list the estimated number of

hours by each to perform the work and services including the cost or expenses for subcontracted work and service further identified in **Exhibit "C"**)

IV. FEE SCHEDULE:

(Work performed on this Project shall be in accordance with the rates and fees identified in Exhibit "D" of this AOS.)

V. SCHEDULE/TIME OF PERFORMANCE:

(Time if of the essence with the work of this AOS. Engineer shall proceed diligently with all tasks included in this AOS. The duration of the assignment and a termination date for the AOS shall be indicated. In addition, Tartaglia Engineering shall set forth a detailed schedule for performance of the professional airport services detailed in **Exhibit "E"** of this AOS)

(Failure to perform all services in accordance with the schedule could result in harm or damage to the City. In the event harm or damage occurs, the City may elect to withhold, as compensation for said damage, \$100.00 per day for each and every day the Engineer fails to perform in accordance with the schedule.)

VI. SUB CONSULTANTS

(Proposed sub consultants to be employed by Tartaglia Engineering in the completion of the work of this AOS are identified in **Exhibit "F"**.)

VII. EXTENT OF AOS

(This AOS, together with **Exhibits "A", "B", "C", "D", "E", "F" and "G"** attached hereto constitute the entire AOS No. _____ within the MSA between the City and the Engineer (Tartaglia Engineering, and supersedes all prior written or oral understanding. This AOS and said attachments may be amended, supplemented, modified or cancelled only by a duly written instrument.)

VIII. ADDITIONAL TERMS AND CONDITIONS

(The parties shall include any additional terms and conditions related to performance of the professional airport services or items not covered under the general terms of the Agreement of this AOS identified in **Exhibit "G"**.)

**IN WITNESS WHEREOF, this Authorization of Services "ASO" between the PARTIES
THIS _____ DAY OF _____, 20____.**

TARTAGLIA ENGINEERING

CITY OF CHOWCHILLA

By: _____
(Authorized Signature)

(City Administrator/Airport Manger)

Name and Title

**Note: C.I.P. Projects must be approved
by Resolution of City Council of the City
of Chowchilla**

Resolution No. _____

AUTHORIZATION OF SERVICES (AOS)

**EXHIBIT A
SCOPE OF PROJECT**

**EXHIBIT B
SCOPE OF SERVICES**

**EXHIBIT C
COMPENSATION**

**EXHIBIT D
FEE SCHEDULE**

**EXHIBIT E
SCHEDULE/TIME FOR PERFORMANCE**

**EXHIBIT F
SUB CONSULTANT SCHEDULE**

**EXHIBIT G
ADDITIONAL TERMS AND CONDITIONS**



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Consider and Approve Adoption and Implementation of Regulations Pursuant to Chowchilla Municipal Code Section 13.16.020, providing for procedures for evaluation by the City Administrator of disputed bills under Municipal Code Section 13.16.040 (G); and providing a scope of authority to the City Administrator to resolve such disputes.**

Prepared By: David G. Ritchie, City Attorney

Authorized By: Brian Haddix, City Administrator

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Approve the attached resolution providing regulations for processing complaints / investigation requests from municipal utility customers, and providing authority for the City Administrator to investigate, adjudicate and resolve such complaints / investigation requests.

HISTORY / BACKGROUND:

The Chowchilla Municipal Code Chapter 13 provides for billing and collection procedures for all municipal services customers for all municipal services provided by the City. This Chapter of the Municipal Code is silent on many aspects of procedures and remedies that might be used in the event a dispute over amounts charged for municipal utilities services arises.

In the event a municipal utility services customer has a dispute over the amount, they are advised under the Municipal Code to promptly request an explanation of the bill. If this explanation is not sufficient to resolve the dispute or if the customer does not understand the response, they may then initiate a complaint or request an investigation into the billed amounts. The Municipal Code does not provide information or guidance on the information that a utility customer needs to provide, nor does it provide for procedures for the City Administrator's investigating or resolving the disputed amounts.

Chapter 13.16.020 explicitly authorizes the City Council to approve certain rules and regulations as pertained in Chapter 13 of the Municipal Code, and states:

13.16.020 - Rules and Regulations

The city council may make such rules and regulations which are consistent with the provisions of this chapter as may be necessary or desirable to aid in the administration or enforcement of the provisions of this chapter.

(Ord. 407-98 § 1 (part), 1998)

The attached appeal procedures are consistent with the provisions of Chapter 13 of the Municipal Code. In the event that a discrepancy exists between the current or a future amendment to the City Code and these Rules and Regulations, the City Code shall prevail.

The rules and regulations provide, in summary, that any municipal services customer who wishes to dispute their bill after receiving an explanation provided for in Municipal Code 13.16.040 (G) may do so by completing a Fee Dispute Form and Request for Resolution (attached) and when they provide all requested documentation establishing a legitimate basis for a reduction/adjustment.

In granting a remedy under these regulations, the City Administrator shall be limited to a total dollar amount for all adjustments or reductions of \$ 300.00. Adjustments or reductions may be issued in the form of reductions in the billed amounts, reimbursement to the account holder, or the account holder may elect to apply the reduction or adjustment as a credit against the account. All remedies shall otherwise be limited by provisions of the Municipal Code, such as the maximum amount of time for extensions or amortization of unpaid balances of twelve months. The City Administrator may grant awards under these regulations for the following: amounts charged due to errors in the City's delivery of services, billing errors, or amounts erroneously collected by the City.

FINANCIAL IMPACT:

No additional financial impact.

ATTACHMENTS:

Resolution

Rules and Regulations Governing Municipal Utility Fee Disputes

Fee Dispute and Request for Resolution Form

COUNCIL RESOLUTION # - 16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA, APPROVING THE ADOPTION AND IMPLEMENTATION OF RULES AND REGULATIONS PURSUANT TO CHOWCHILLA MUNICIPAL CODE SECTION 13.16.020, PROVIDING FOR PROCEDURES FOR EVALUATION BY THE CITY ADMINISTRATOR OF DISPUTED BILLS UNDER MUNICIPAL CODE SECTION 13.16.040 (G); AND PROVIDING A SCOPE OF AUTHORITY TO THE CITY ADMINISTRATOR TO RESOLVE SUCH DISPUTES.

WHEREAS, the Municipal Code Chapter 13.16.020 authorizes the City Council to promulgate rules and regulations related to the collection and enforcement of municipal utility billing procedures; and

WHEREAS, the Municipal Code does not otherwise specify procedures for the City's receipt and handling of appeals regarding disputes over municipal utility billed amounts to customers; and

WHEREAS, the promulgation of rules and regulations providing for appeal procedures is necessary to assist in the administration and enforcement of Section 13.16 of the Chowchilla Municipal Code.

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. The City Council finds that the Rules and Regulations entitled "Municipal Utilities Fee Dispute Rules and Regulations" are necessary and advisable to assist in the administration of Chapter 13.16 of the Municipal Code.
3. That such rules and regulations, as are attached hereto as Exhibit 1 are adopted by the city effective on the date of this Resolution.
4. This resolution is effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Chowchilla this 8th day of March, 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Waseem Ahmed, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk

MUNICIPAL UTILITIES FEE DISPUTE RULES AND REGULATIONS

(adopted _____, City of Chowchilla Resolution No. _____-16

1. PREAMBLE

These rules and regulations are provided for pursuant to City of Chowchilla Municipal Code Section 13.16.020 and are adopted for the purpose of aiding in the administration and enforcement of Chowchilla Municipal Code Chapter 13.16 – Billing and Collection Procedures for Municipal Utility Services.

2. SCOPE AND EFFECT OF RULES AND REGULATIONS

These rules and regulations shall be consistent with the provisions of Chapter 13 of the Chowchilla Municipal Code. In the event of a conflict between these rules and regulations and the current version of Chowchilla Municipal Code, the Municipal Code shall prevail. Any section held to be in conflict with Chapter 13 of the Municipal Code shall be severed from these rules and regulations to the extent necessary to conform these rules to the requirements of the Municipal Code. All other rules and regulations, or portions thereof that are not in conflict with the Municipal Code shall remain in full force and effect.

3. MUNICIPAL SERVICES BILL DISPUTES – GENERALLY

In the event a municipal services customer questions or disputes charges on a municipal utility services bill, they should promptly request an explanation of the bill and/or billed amounts from the municipal utility. If the explanation is not satisfactory or is not understood, the customer may request an investigation or initiate a complaint about the bill using the Appeal procedures provided for in these rules and regulations.

4. TIME LIMITATIONS ON FILING A FEE DISPUTE UNDER THESE RULES AND REGULATIONS

Municipal utility customers filing a complaint or requesting an investigation under the appeal procedures contained in these rules and regulations are required to file the appeal to the City administrator no later than five (5) calendar days after receiving the disputed bill. In the event the City has provided a disconnection notice to the customer pursuant to Municipal Code Section 13.16.060(D), the customer must file such appeal no later than thirteen (13) calendar days after the mailing date of the disconnection notice. Time limits for filing may be extended upon a request and showing of good cause for the extension of time to file.

5. APPEAL PROCEDURE

A) MUNICIPAL UTILITY APPEALS TO THE CITY ADMINISTRATOR

(i) **Appeal Form:**
Appeals shall be filed using the Municipal Utilities Fee Dispute Form and Request for Resolution. A copy of this form is available at the Chowchilla City Hall, 130 S Second Street, Chowchilla, CA. All appeals shall be filed with the City Administrator and may be filed, in person or by mail.

(ii) **Information To Be Provided In The Appeal:**

Customers shall provide all of the following information on the Appeal Form, or attached to the Appeal Form:

- a) Full Name of Appealing Party
- b) Address of Property where Municipal Services were provided
- c) Address of Appealing Party (if different from (b))
- d) Daytime Telephone number of appealing party
- e) Municipal Utility Account Number
- f) Name and Address of Municipal Utility Account holder (if different from (a))
- g) A written explanation of the Appealing Party's reasons in support of a reduction/adjustment of the bill
- h) Copies of any documents that support the Appealing Party's explanation and reasons for a reduction/adjustment of the bill
- i) A statement of the remedy requested by the Appealing Party (such as: reduction/adjustment of the bill, amount of reduction requested, extension of time to pay, length of extension requested etc.)
- j) Signature under penalty of perjury of the Appealing Party
- k) Signature of the Municipal Utility Account holder (if different from Appealing Party)

Failure to provide required information on the Appeal form may result in a denial of the Appeal.

B) CONSIDERATION OF APPEAL BY CITY ADMINISTRATOR

(i) **Adjudication of Appeals**

Following receipt of the Appeal, the City Administrator shall, within ten (10) calendar days, review the Appeal and supporting materials provided by the Appealing Party.

The City Administrator may consider all of the factual information provided by the Appealing Party and any other information he or she is able to gather from the Municipal Utility that the City Administrator deems relevant to the issues arising as a consequence of the appeal. The City Administrator shall also consider whether the municipal utility customer shall, for good cause, be allowed an extension of time to pay the unpaid balance on the bill.

(ii) **Granting/Approval of Appeal**

The City Administrator may approve the appeal in situations where any or all of the following apply: error by the City in delivery of services, error in billing procedures at the City, malfunction in City owned and maintained equipment, any other situation where the City bears responsibility for a charge or billing error. The City Administrator shall not, absent a showing of good cause and evidence that granting an appeal serves the public good, approve an appeal where the billed amounts are the result of a customer's own errors, the customer's failure to maintain their own equipment, or where billed amounts are the subject of a dispute between a landlord and tenant.

(iii) Written Determination

If an appeal is granted, the City Administrator shall thereafter provide a written determination on the Appeal and shall state the remedy, if any, that will be provided. The City Administrator shall provide this determination in writing to the address of the Appealing Party and a copy shall be provided to the Municipal Utility Account holder (if different).

(iv) Extensions of Time For City Administrator Determinations

In the event the City Administrator is unable to complete the investigation or consider the appeal in the initial ten (10) calendar day period, he or she may inform the Appealing Party of a need for more time and shall establish a date with the Appealing Party for a determination to be made and provided to the Appealing Party.

(v) City Administrator Permitted Remedies

The City Administrator is authorized to remedy Municipal Utility Bill Disputes up to a maximum total dollar value of \$300.00, including any and all reductions, adjustments or refunds.

The City Administrator is further limited, in that he or she may authorize extensions of the payment period of any bill for a reasonable time period, amortizing payments over a time span that shall not exceed twelve months.

C) APPEAL TO THE CITY COUNCIL

In the event an appeal is denied by the City Administrator, or in the event that the remedy requested cannot be granted because it exceeds the scope of permitted remedies under these rules and regulations, the Appealing Party may, within ten (10) calendar days after receipt of the City Administrator's determination, file a request with the City Clerk to appeal the determination to the City Council.

Filing deadlines for appeals to the City Council are jurisdictional and such appeals, and if not timely filed, shall be considered abandoned. In the event a Party appealing to the City Council is late filing their appeal, the substance of the appeal shall not be considered by the Council and no remedy shall be awarded absent a threshold determination by the City Council that good cause is shown by the Appealing Party for the late filing.

Upon receipt of an appeal to the City Council under this section, the City Clerk shall add the appeal as an action item to the agenda of a future City Council meeting, to be held no later than forty-five (45) calendar days after the request to appeal to the City Council is received from the Appealing Party. The City Administrator shall prepare a staff report with a recommendation on the disposition of the Appeal and shall attach the entire appeal record, including copies of the disputed bill, the appeal and any attachments, any information relied upon in making the City Administrator determination, a copy of the City Administrator's determination and any correspondence between the City Administrator and the Appealing Party that is related to the Appeal.

The City Council shall consider the entire record; however, no new evidence, other than evidence in support of a showing of good cause for a late filing, shall be permitted to be presented or considered by the City Council if it was not produced by the Appealing Party in earlier stages of these appeal procedures.

City Council's determination and action on any appeal shall be final and binding.

6. ADJUDICATION OF APPEALS IS NON-PRECEDENTIAL

Each appeal shall be considered on its own merits and is deemed to be factually distinguishable from each and every other appeal. As such, no determination of the City Administrator shall be deemed to be a precedent or past practice, nor shall a determination in one appeal be cited or form a basis for a determination in any subsequent appeal from the same or a different appealing party.

7. NO DISRUPTION TO SERVICE

No termination or disruption in municipal services shall be initiated on an account once an appeal has been filed, and until a determination is made under these rules and regulations, provided that the account is kept current as to all charges accrued in all subsequent billing periods following the disputed bill.

Municipal Utilities Fee Dispute Form and Request for Resolution

Dear municipal utility customer: This form is to be used in the event you are disputing your municipal utility bill and the explanation you received for the charges did not either resolve your concerns, or you did not understand the explanation. Please complete the following form and provide the requested information stating the reasons your bill should be adjusted or reduced.

NAME OF PERSON FILING APPEAL: _____

ADDRESS: _____ SERVICE ADDRESS (if different): _____

TELEPHONE: _____

ACCOUNT #: _____

UTILITY ACCOUNT HOLDER (if different): _____

UTILITY ACCOUNT HOLDER ADDRESS (if different): _____

Reason(s) for Appeal of Utility Bill Amount: (please attach additional pages and documents as necessary)

I declare, under penalty of perjury that the foregoing is true and correct.

Date: _____

Date: _____

Signature: _____

Signature: _____

(Filing Party)

(Account Holder (if different))



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Consideration of a Resolution Committing \$10,000 in Support of Promoting the Location of the California High Speed Rail Heavy Maintenance Facility in Madera County**

Prepared By: Brian Haddix, City Administrator

Authorized By: Brian Haddix, City Administrator

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

That the Chowchilla City Council commits \$10,000 in support of promoting a location for the California High Speed Rail Heavy Maintenance Facility north of the City of Madera in Madera County.

HISTORY / BACKGROUND:

The City of Chowchilla, along with the City of Madera and the County of Madera, are uniformly supporting the location of a High Speed Rail Heavy Maintenance Facility (HMF) in Madera County. As stated in an earlier Resolution, this facility is projected to provide 20,000 jobs for the first 5 years, then 1,500 permanent jobs thereafter.

The value of this facility will be twofold: job creation and state sales tax generation. Madera County and its two incorporated cities have chronic unemployment rates that consistently exceed the state average. With the location of this facility in Madera County, the county and its two cities are offered the opportunity to grow and diversify their economies. This includes attracting ancillary businesses that support the HMF. In order for this benefit to be realized though, it is incumbent on Madera County and the cities of Chowchilla and Madera to keep these jobs local. As such, the HMF should be located north of the City of Madera and away from the county line near another county's major city where there is an increased probability of local jobs being exported; locally employed residents who live in these two cities are more likely to spend their paychecks in local businesses than if the facility is located nearer to another county's major city.

Additionally, the County of Madera benefits from a location between the two cities through sales tax generation of a facility built on unincorporated lands.

According to the Madera County High Speed Rail Task Force, which is composed of the three municipalities, the next step is to create branding and promotional materials on the benefits of locating a HMF in Madera County. To that end, both the County and the City of Madera have approached their respective boards asking for support. The Madera City Administrator recommended that his Council commit \$10,000 towards promotion. Following the item's discussion, the Council agreed to raise the contribution to \$15,000. Likewise, the County of

Madera has approved \$15,000 for promotion. This agenda item is a request for the City of Chowchilla to consider doing something similar.

FINANCIAL IMPACT:

The cost of \$10,000 will be paid for out of the General Fund. The previously budgeted \$75,000 match for the Amphitheater capital projected will be used to pay for this. The city will be receiving a donation that covers the match and is no longer needed.

ATTACHMENTS:

Resolution

COUNCIL RESOLUTION # - 16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA,
COMMITTING \$10,000 IN SUPPORT OF PROMOTING THE LOCATION OF THE
CALIFORNIA HIGH SPEED RAIL HEAVY MAINTENANCE FACILITY IN MADERA COUNTY
NORTH OF THE CITY OF MADERA**

WHEREAS, the California High Speed Rail Authority has chosen to designate Phase 1 of construction of the High Speed Rail line to extend from Shafter to San Jose; and

WHEREAS, the County of Madera is very close to being in the center of this Phase development; and

WHEREAS, the Authority is evaluating several sites for a heavy maintenance facility, including sites in Madera Kern County; and

WHEREAS, the establishment of such a facility in Madera County would generate employment opportunities and economic activity, first during the initial construction and then during its ongoing operations.

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. The City Council of the City of Chowchilla will commit \$10,000 in support of promoting a location for the California High Speed Rail Heavy Maintenance Facility that is north of the City of Madera in Madera County.

PASSED AND ADOPTED by the City Council of the City of Chowchilla this 8th day of March, 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Waseem Ahmed, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Presentation of a proposed Ordinance amending the Chowchilla Municipal Code Title 8, Chapter 8.19 Establishing the Requirements for the Recycling of Construction and Demolition Waste; Waiving first reading of the Ordinance, and Setting a Public Hearing Prior to Adoption of the Ordinance**

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

Authorized By: David G. Ritchie, City Attorney

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Staff recommends the Council receive the draft and waive the first reading of the attached Ordinance, adding Chapter 5 to the Chowchilla Municipal Code Title 8, Health and Safety, and establishing the Requirements for the Recycling of Construction and Demolition Waste; and adopting findings and exemption from the provisions of the California Environmental Quality Act pursuant to Title 14, Chapter 3, California Code of Regulations, Section 15061(b)(3). The ordinance will be presented for second reading, and a public hearing will be held at the next regularly scheduled meeting prior to possible adoption.

HISTORY / BACKGROUND:

The California Green Building Code, or "CALGreen," went into effect on January 4, 2014. This Code requires a number of sustainable and environmentally-friendly building practices, including a requirement for recycling of construction debris on all new residential and non-residential projects, and certain additions and alterations for non-residential projects.

As a result, the threshold for a covered project is such that all new construction, demolition, and renovation projects, regardless of valuation or size, are subject to the recycling requirement, and certain additions and alterations to non-residential buildings and structures are also subject to this requirement.

The amended Ordinance aligns with the new requirements of CALGreen, and clarifies the associated deposit and fee impacts. Key aspects of this Ordinance include the following:

- 50% recycling requirement for all new construction and demolition projects, and all residential renovation projects, without cost or size thresholds
- 50% recycling requirement for additions to non-residential structures and buildings of 1,000 square feet or more, and alterations to non-residential structures and buildings of \$200,000 or more in value
- Refundable security deposit still set at 1% of project value, but minimum deposit amount of \$500 is established

- Fee to compensate City for expenses related to administering the recycling program set at one “Pre-work or Site Inspection” as established by resolution in the City’s Schedule of Fees.

FINANCIAL IMPACT:

To be determined. The effect is dependent upon the volume of Construction and Demolition project applicants, and the number of refundable deposits forfeited due to failure to comply with the recycling regulations.

SUPPLEMENTS ATTACHED:

Draft Ordinance

CITY COUNCIL ORDINANCE # - 16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA ADDING CHAPTER 5 TO TITLE 8 OF THE CITY MUNICIPAL CODE ESTABLISHING A REQUIREMENT TO COMPLY WITH CAL GREEN CODE AND THE CITY'S CONSTRUCTION AND DEMOLITION RECYCLING PROGRAM

WHEREAS, under California law as embodied in the California Waste Management Act of 1989 (California Public Resource Code Sections 4000 et seq. hereafter "AB939") the City of Chowchilla is required to prepare, adopt and implement source reduction and recycling plans to reach landfill diversion goals, and is required to make substantial reductions in the volume of waste materials going to the landfills, or face fines up to \$10,000 per day;

WHEREAS, in order to meet these goals it is necessary that the City of Chowchilla promote the reduction of solid waste, and reduces the stream of solid waste going to the landfills; and

WHEREAS, waste from construction and demolition, and renovation of buildings represents a significant portion of the volume of waste presently coming from the City of Chowchilla and much of this waste is particularly suitable for recycling and reuse;

WHEREAS, the City of Chowchilla's commitment to the reduction of waste requires the establishment of programs for recycling and salvaging of construction and demolition (C&D) waste;

THEREFORE the City Council enacts the following:

Chapter 8.5 – RECYCLING OF CONSTRUCTION AND DEMOLITION WASTE

8.5.010 DEFINITIONS

For the purposes of this chapter, the following definitions shall apply:

- A. "Applicant" shall mean any individual, firm, limited liability company, association, partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity whatsoever who applies to the City for any permit, as defined in this chapter, and who, therefore, responsible for meeting the requirements of this chapter.
- B. "City" shall mean the City of Chowchilla.
- C. "Construction and Demolition Waste" shall mean solid waste that results directly from construction, remodeling, repair, demolition, or deconstruction of buildings and other structures, does not contain hazardous waste (as defined in California Code of Regulations, Title 22, Section 66621.3 *et seq.*), and contains no more than one percent (1%) putrescible waste by volume, calculated on a monthly basis. Construction and Demolition Waste includes, but is not limited to, asphalt, concrete, Portland cement, brick, lumber, wallboard, roofing material, ceramic tile, pipe, glass, carpet or associated packing.
- D. "Construction" shall mean the building of any facility or structure or any portion thereof including tenant improvements to an existing facility or structure.
- E. "Covered Projects" shall include a construction, renovation or demolition project for which a building permit or a demolition permit is required, covering 500 square feet or more. For the purposes of determining whether a project meets the foregoing threshold, all phases of a project and all related projects taking place on a single or adjoining parcels as determined by the City shall be deemed a single project.

- F. "Deconstruction" shall mean the process of carefully dismantling a building or structure in order to salvage components for reuse or recycling.
- G. "Demolition" shall mean the decimating, razing, tearing down or wrecking of any facility, structure, payment or building, whether in whole or in part, whether interior or exterior.
- H. "Divert" shall mean use material for any purpose other than disposal in a landfill or transformation facility.
- I. "Diversion Requirement" shall mean the redirection from the waste stream of at least 50 percent of the total Construction and Demolition Debris generated by a Project via reuse or recycling, unless the Applicant has been granted an Infeasibility Exemption, in which case the Diversion Requirement shall be the maximum feasible diversion rate established by the City's Planning Department and meet Cal Green Code.
- J. "Franchise Hauler" shall mean the City's exclusive franchise hauler.
- K. "Material Recovered Facility" shall mean the required facility where Construction and Demolition waste should be hauled to be processed in order to meet Cal Green Code and the City's diversion requirements.
- L. "Non-Covered Projects" shall mean projects that do not qualify as Covered Projects as defined by this section.
- M. "Required Construction and Demolition Processing Facility" Shall mean the City's Franchise hauler's Material Recovery Facility.
- N. "Solid Waste" shall mean waste that the Department of Resource Recycling and Recovery (Cal Recycle) has deemed acceptable for disposal at a Class III Landfill.
- O. "Recycling Application" shall mean a required form submitted by the Applicant and approved by the City's Planning Department. The Recycling Application provides the City with Applicant's contact information and detailed information for each Covered Project.
- P. "Waste Diversion Fee Deposit" shall mean a fee deposited with the City pursuant to Section 8.05.080 (diversion deposit fee)

8.05.020 DIVERSION REQUIREMENTS.

- A. At least 75% of all concrete and asphalt construction and demolition debris and 50% of all other construction and demolition debris generated by any Covered Project shall be delivered to the City's Franchise Hauler's Material Recovery Facility, where material will be processed, sorted, recycled, or otherwise diverted from landfills for highest diversion.
- B. Each Applicant for a Covered Project shall meet the diversion requirements of this Section unless the Applicant is granted an exemption pursuant to this Chapter, in which case the diversion requirement shall be the maximum diversion rates feasible (the "lower alternate diversion rates") as established in writing by the City's Planning Department.

8.05.030 COVERED PROJECTS

- A. Covered Project are subject to meet CALGreen Code and shall mean any of the following projects:
 1. All projects involving residential development of more than one residential unit;
 2. All projects with a project area of 500 square feet or greater;
 3. All projects involving non-residential demolition and/or renovation of 500 square feet or greater of project area.

8.05.040 NON-COVERED PROJECTS

Applicants for Non-Covered Projects are encouraged to divert construction and demolition debris to an extent and in a manner consistent with the diversion requirements of this Chapter. All Non-Covered Projects are subject to Section 8.04.070 regarding use of City's franchise hauler.

8.05.050 CITY-SPONSORED PROJECTS

- A. City-sponsored construction, demolition or renovation activities that involve 500 square feet or greater of project area shall divert construction and demolition debris in a manner consistent with this Chapter to the extent necessary to meet or exceed the diversion requirements of Section 8.05.020 (Diversion Requirements). For such City-sponsored projects, an application, approved by the City, must be submitted to and approved by the Planning Department prior to the commencement of the subject construction, demolition, or renovation activities.
- B. City-sponsored construction, demolition and renovation activities that involve less than 500 square feet of project area are not required, but shall be encouraged, to divert construction and demolition debris to an extent and in a manner consistent with the diversion requirements of this Chapter.
- C. City curbside improvements and replacement of asphalt.

8.05.060 RECYCLING APPLICATION

- A. The Applicant for a Covered Project shall submit a Recycling Application to the City's Planning Department, in a form approved by the City's Planning Department, prior to beginning any construction, demolition, or renovation activities that generate solid waste.
- B. The Applicant shall submit its completed, signed and dated Recycling Application to the City during the construction, demolition, and/or similar permit application process(es). Approval of the Recycling Application by the City's Planning Department shall be in condition to precedent to the issuance of any building or demolition permit for all Covered Projects.

At a minimum, an approved Recycling Application shall contain the following:

- 1. Project Location;
 - 2. Contractor Name;
 - 3. Contact information;
 - 4. Expected start and end date for the project;
 - 5. Hauler/sub hauler information;
 - 6. Transport by roll-off or self-hauls;
 - 7. Transport to the City's Franchise Hauler's Material Recovery Facility
 - 8. Type of Project
- C. The Applicant shall submit an appropriate Deposit and Administrative fees for the project in accordance with Section 8.05.080 (Waste Diversion Fee deposit required)
 - D. Once the Covered Project is complete, the Applicant must turn in required documents showing total waste and diversion of material, than the City will approve Certificate of Occupancy and sign application as approved and refund Waste Diversion Deposit to the Applicant.

8.05.070 DECONSTRUCTION REQUIREMENT

In order to ensure the diversion of reusable and/or recyclable fixtures, appliances, and other similar items from every demolition or renovation project, no demolition may take place until the Applicant for a Covered Project has demonstrated through documentation submitted to and approved by the Planning Department that deconstruction activities will take place prior to demolition.

At a minimum, such documentation shall identify the name of the party that will conduct the deconstruction activity and the dates or time period when such activity is anticipated to occur. Reusable materials salvaged and diverted through the deconstruction of any Covered Projects shall count towards the diversion requirements of Section 8.05.020 (Diversion Requirements) in reported documentation required by Section 8.05.130 (Reporting Requirements).

8.05.080 WASTE DIVERSION FEE DEPOSIT REQUIRED

- A. As a condition precedent to the issuance of any construction, demolition, or similar permit for a Covered Project, the Applicant shall post a deposit (in the form of cash, letter of credit, money order, bond, or other method of payment acceptable to the City, in the amount of \$1.00 per square foot of building area related to Covered Project that will be constructed, demolished, or renovated. In no case shall the required deposit exceed \$50,000 for any single Covered Project. Credit cards shall not be accepted by the City for payment of such deposit. The deposit shall be returned in total to the Applicant, promptly and without interest, at the conclusion of the project upon the Applicant presenting proof satisfactory to the City's Planning Department that no less than the required percentages (or approved lower alternative diversion rates) of construction and demolition debris generated by the Covered Project have been recycled, reused, or otherwise diverted from landfills to the extent indicated in the approved application. If lesser percentages of construction and demolition debris tonnage than required were diverted, the deposit shall be forfeited entirely to the City by the Applicant. Failure to comply with any terms of this Department may result, at the City Manager's sole discretion, in the Applicant's forfeiture of the Waste Diversion Fee Deposit.

8.05.090 ON-SITE PRACTICES

During the term of the Covered Project, the Applicant shall divert the required percentage of waste and keep weight tickets from the Material Recovery Facility. The City's Planning Department will monitor each Covered Project by requesting recycling reports from the City's Exclusive Franchise Hauler to determine the percentage of waste recycled or reused from the Covered Project. To the maximum extent feasible, project waste shall be separated on-site if this practice increases diversion. For construction, demolition, and/or renovation projects, onsite separation shall include, but not limited to, salvageable materials (e.g., fixtures, appliances, and other similar items) and lumber, wallboard, concrete and corrugated cardboard.

8.05.100 SOLID WASTE HAULER PERMIT REQUIREMENTS

A. Permit Requirements

- (1) Person(s) who collect, remove or transport Solid Waste, including Construction and Demolitions Waste, Source-Separated Materials or Co-Mingled Recyclables, generated within the City,
- (2) Persons who arrange for the removal or transportation of Construction and Demolition Waste generated within the City, and who do not contract or otherwise arrange with a Permittee to remove or transport such Waste, must comply with all City requirements.

8.05.110 UNAUTHORIZED SOLID WASTE HAULER BINS

As a means to deter unauthorized solid waste haulers and other persons from placing, depositing, storing or using their bins in the City, and to more effectively regulate and monitor the amount of solid waste disposed of in landfills, the City shall have the authority to require removal of such bins and require the solid waste present in such bins be delivered to the City's Franchise Hauler's Material Recovery Facility.

8.05.120 FACILITIES

The Material Recovery Facility meets Cal Green Code and an overall minimum 50 percent diversion for Construction and Demolition Debris. The recovery rate will be determined by the total quantity of materials delivered to an established recycling and composting markets divided by the total quantity received by the registered facility.

8.05.130 REPORTING

- A. Within 30 days following the completion of the demolition phase of a Covered Project, the Applicant shall, as a condition precedent to receiving Waste Diversion Deposit described in Section 8.05.080, submit actual weight tickets and or a diversion report from the City's Exclusive Franchise Hauler to the City's Planning Department.

8.05.140 APPEALS

- A. If an Applicant is aggrieved by any decision by the City's Planning Department under this Chapter, the Applicant may appeal the decision to the City Council by filing with the City Clerk a statement addressed to the City council setting forth the name and address of the person filing the appeal, the facts and circumstances regarding the Planning Department's decision and the basis of the appeal. The appeal shall be accompanied by a fee as established by the City Council. The City Clerk shall present the appeal to the City Council at the next regular meeting of the City Council following the date of filing. The City Council shall hear and pass upon the appeal, and the decision of the Council thereupon shall be final and conclusive.

EFFECTIVE DATE AND PUBLICATION

This ordinance shall take effect and be in force thirty (30) days from and after the date of its passage. The City Clerk shall cause the ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation, or by publishing a summary of the proposed ordinance, posting a certified copy of the proposed ordinance in the City Clerk's Office at least five (5) days prior to the City Council meeting at which the ordinance is to be adopted, and within fifteen (15) days after its adoption, publishing a summary of the ordinance with the names of the Council Members voting for and against the ordinance.

Introduced and first reading waived by the City Council of the City of Chowchilla at a regular meeting held on March 8, 2016; second reading waived, and ordinance enacted on March 22, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mayor Waseem Ahmed

ATTEST:

Joann McClendon, CMC
City Clerk



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section:	<u>New Business</u>
SUBJECT:	Consideration to Proceed to Finalize Plans to Build the Veterans Memorial Park Performance Stage Project
Prepared By:	<u>D. Martin Piepenbrok, Community Relations Manager</u>
Approved By:	<u>Brian Haddix, City Administrator</u>

RECOMMENDATION:

It is recommended that City Council approve the concept of the Veterans Memorial Park Performance Stage Project, authorize staff to complete the design details and subsequently prepare a request for proposals to be presented to the City Council at a later meeting.

It is also recommended that City Council accept and acknowledge the generous contribution that will be coming from Mr. Ray Barragan and direct staff to memorialize the contribution through a naming rights agreement between the City of Chowchilla and Mr. Barragan that will be presented to the City Council at a later meeting.

HISTORY / BACKGROUND:

The City of Chowchilla applied for and was approved in the 2014-2015 fiscal year to receive up to \$75,000 through the National Park Service (NPS) Land and Water Conservation Fund (LWCF) grant program to construct a new amphitheater stage in Veterans Memorial Park. The project has to be completed by June 30, 2017. The funds are reimbursed at 50% of the project costs wherein the City of Chowchilla has to contribute towards no less than one-half of the project costs. The matching funds were assigned in the current 2015-2016 fiscal year budget in anticipation of starting the project this summer.

Recently, Mr. Ray Barragan offered a proposal to fund the match portion of the project as part of his continuing commitment to improving the values and quality of life in Chowchilla for the residents and visitors. Needless to say this is an outstanding and unexpected development in bringing this project to fruition. In return for Mr. Barragan's generosity City staff propose naming the performance stage after Mr. Barragan, or whomever, or in whatever fashion he so deems preferable. A naming rights agreement will be developed to memorialize the contribution at a later date.

City staff has selected a design concept of the pavilion that will comprise the above-ground element of the performance stage. The preference is to use a predesigned pavilion to essentially eliminate design-from-scratch and fabrication expenses. Various regional and national distributors sell products similar to the selected design.

The general design of the metal pavilion will feature an open front gable roofline dropping to the sides and back giving the appearance of a raised bandshell. Though not yet exactly specified the structure could be about 30 feet wide, 10-12 feet high at the sides and back and possibly 18-22 feet high at the front. The open front gable roofline will provide the opportunity to design

into the architecture or at least attach a artfully designed sign memorializing the contribution from Mr. Barragan.

The structure itself will attach to a paved base approximately 22 inches high that will be the stage itself. At this time the overall design has not been confirmed but staff anticipates it will include both simple stair-step access and at least one ramp access. These stage elements will be designed to complement the look of the structure and most importantly to complement the usefulness and appearance of the complete amenity as a beneficial addition to the Veterans Memorial Park.

At this time, staff requests consideration of the project concept so that the detail elements can be designed, followed by the preparation of a request for proposals that will be brought back to City Council for consideration prior to the release for bids.

Also at this same time, staff requests that City Council accept and acknowledge the generous contribution that will be coming from Mr. Ray Barragan as the City's portion of the 50% match of funds to the LWCF grant to build the Veterans Memorial Park performance stage. Staff will subsequently develop an appropriate naming rights agreement between the City of Chowchilla and Mr. Barragan that will then be memorialized with signatures following its approval at a later City Council meeting.

FINANCIAL IMPACT

The National Park Service Land and Water Conservation Fund grant requires an equal match of 50% of the project costs. Mr. Ray Barragan's donation to this project will constitute this match. The Finance Department will facilitate the management of the contribution as well as the project expenses as required through the course of the project to completion. Mr. Barragan will also be given a document validating his donation to the City of Chowchilla. No direct expenditure of City funds will be required for this project as all expenses are reimbursed by the LWCF grant funds.

ATTACHMENTS

Illustrated sample concepts of Veterans Memorial Park Performance Stage

Attachment

Illustrated sample concepts of Veterans Memorial Park Performance Stage

Sample

1



Sample

2



Sample

3





REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Presentation of a proposed Ordinance amending the prior Adoption of Chowchilla Municipal Code Section 15.04.160, Incorporating California Code of Regulations Title 24 into the Municipal Code by Reference; Waiving first reading of the Ordinance; and setting a public hearing prior to adoption of the Ordinance**

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

Authorized By: Craig Locke, City Engineer/Public Works Director

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Staff recommends the Council receive the draft and waive the first reading of the attached Ordinance # -16 amending Section 15.04.160 of the Chowchilla Municipal Code, (Buildings and Construction, Chapter 04 – General Provisions); and amending the incorporation of California Code of Regulations Title 24 (the “California Building Standards Code”) as previously adopted in Local Code. The ordinance will be presented for second reading, and a public hearing will be held at the next regularly scheduled meeting prior to possible adoption.

HISTORY / BACKGROUND:

The existing Chowchilla Municipal Code Section 15.04.160 states

“Pursuant to the provisions of Section 50022.2 of the Government Code of the State of California, the City Council of the City of Chowchilla does hereby adopt by specific reference thereto and incorporation herein by said reference, the provisions, rules and regulations specified and set forth in the 2013 California Code of Regulations Title 24, known as the 2013 California Building Standards Administrative Code, California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, California Fire Code, California Green Building Standards Code, And California Referenced Standards Code, together with all appendices, copies of which are on file with the City of Chowchilla for public record and inspection. These are hereby adopted by said council by reference as the California Building Standards Administrative Code of the City of Chowchilla and made a part of this chapter as though set forth in full, subject, however, to the amendments, additions, deletions and fee exceptions as set forth in this chapter.”

However the 2013 California Building Standards Administrative Code is updated every 3 years. The reference to the 2013 Code embedded in the Chowchilla Municipal Code necessitates that the Chowchilla Municipal code receive updates every 3 years. By changing the reference to

“the current California Building Standards Administrative Code”

The City of Chowchilla is relieved of the necessity of periodic updates to the code to maintain compliance with the current CALGreen requirements.

Staff recommends that the City Council receive the draft ordinance, and waive first reading. This Ordinance then returns to the City Council on March 22, 2016 for a second reading, public hearing and adoption. Once adopted, this Ordinance will go into effect in 30 days, April 21, 2016.

FINANCIAL IMPACT:

None.

SUPPLEMENTS ATTACHED:

Draft Ordinance

Ordinance # -16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA, AMENDING SECTION 15.04.160 OF THE CHOWCHILLA MUNICIPAL CODE INCORPORATING CALIFORNIA CODE OF REGULATIONS TITLE 24 INTO LOCAL CODE

WHEREAS, the provisions of Section 50022.2 of the Government Code enacted by Legislature of the State of California, requires cities and other local jurisdictions to implement the most current version statute enacted in 2013; and,

WHEREAS, the existing Chowchilla Municipal Code Section 15.04.160 references the 2013 California Building Standards Administrative Code of Regulations Title 24; and,

WHEREAS, the 2013 California Building Standards Administrative Code of Regulations Title 24, known as the 2013 California Building Standards Administrative Code, California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, California Fire Code, California Green Building Standards Code, And California Referenced Standards Code, together with all appendices is expected to receive updates every 3 years;

THEREFORE the City Council of the City of Chowchilla adopts this amendment to the Chowchilla Municipal Code, deleting the current Section 15.04.160 and replacing it with a revised Section 15.04.160 that states as follows:

15.04.160 – Adoption of the California Building Standards Administrative Code

Pursuant to the provisions of Section 50022.2 of the Government Code of the State of California, the City Council of the City of Chowchilla does hereby adopt by specific reference thereto and incorporation herein by said reference, the provisions, rules and regulations specified and set forth in the current version of California Code of Regulations Title 24, known as the California Building Standards Administrative Code, California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, California Fire Code, California Green Building Standards Code, And California Referenced Standards Code, together with all appendices, copies of which are on file with the City of Chowchilla for public record and inspection. These are hereby adopted by said council by reference as the California Building Standards Administrative Code of the City of Chowchilla and made a part of this chapter as though set forth in full, subject, however, to the amendments, additions, deletions and fee exceptions as set forth in this chapter.

A copy of the full text of this ordinance shall be on file in the City Clerk's office on and after the date following introduction and passage and shall be available to any interested member of the public. This ordinance shall be effective a 12:01 a.m. on the 31st day after its final passage.

Introduced and first reading waived by the City Council of the City of Chowchilla at a regular meeting held on March 8, 2016; second reading waived, and ordinance enacted on March 22, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mayor Waseem Ahmed

ATTEST:

Joann McClendon, CMC
City Clerk



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Presentation of a proposed Ordinance amending the Chowchilla Municipal Code Title 8, Establishing a Proposed Anti-Scavenging Ordinance; Waiving First Reading of the Ordinance; and Setting a Public Hearing Prior to Adoption of the Ordinance**

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

Authorized By: Craig Locke, City Engineer/Public Works Director

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Staff recommends the Council receive the draft and waive the first reading of the attached Ordinance, adding Section 8.04.150 to the Chowchilla Municipal Code Title 8, Health and Safety, Chapter 04 Garbage and Refuse; and establishing an Anti-Scavenging Ordinance prohibiting scavenging from solid waste containers within the City of Chowchilla. The ordinance will be presented for second reading, and a public hearing will be held at the next regularly scheduled meeting prior to possible adoption.

HISTORY / BACKGROUND:

In 1989, the California State Legislature enacted the California Integrated Waste Management Act, establishing a solid waste management process that required cities and other local jurisdictions to implement plans for source reduction, reuse, and recycling as integrated waste management practices. In addition, under Public Resources Code Section 40059, various aspects of solid waste handling constitute matters of local concern to be governed by local agencies. Under this section, matters of local concern include, but are not limited to, frequency of solid waste collection, means of collection and transportation, level of services, charges and fees, the nature, location and extent of providing solid waste services, and whether the services are to be provided by City employees or through franchises, contracts, licenses, or otherwise.

The Chowchilla Police Department routinely receives complaints regarding the removal of items from solid waste containers other than by licensed solid waste contractors and, specifically, has received complaints regarding the removal of recyclable items. As defined in the proposed draft ordinance, such behavior is often referred to as “scavenging.”

In keeping with Chowchilla Municipal Code, the City of Chowchilla (“City”) has awarded solid waste contracts to Contractors who are granted the privilege of collecting and disposing of refuse, garbage, rubbish and other solid waste produced within the City. Removal of solid waste items by persons other than the Contractors undermines the agreements made with these providers.

The City has received complaints regarding the removal of items from solid waste containers other than by licensed solid waste contractors and, specifically, received complaints regarding the removal of recyclable items. Staff recommends that the City Council consider the adoption of an ordinance.

The residents of Chowchilla and the Chowchilla Police Department have identified three primary areas of concern related to persons involved in the removal of items from solid waste containers:

1. Scavenging tends to attract non-residents to neighborhoods where the nonresidents thereafter loiter nearby or on private property, resulting in an increase in calls for law enforcement service.
2. Scavenging concerns have been heightened in recent years due to an increase in identity theft crimes. Individuals who engage in scavenging can collect personal information about the owners of the solid waste, and can thereafter use such information to execute identity theft crimes.
3. Scavenging leads to increased amounts of trash and debris left behind by persons engaged in scavenging, particularly in local parks and public facilities.

The concerns related to scavenging appear reasonable as evidenced by the Legislature's attempt to prevent certain types of scavenging. Under Public Resources Code Sections 41950 and 41951, the State prohibits unauthorized removal of recyclable solid waste and materials placed at designated recycling collection locations.

Staff recommends that the City Council receive the draft ordinance, and waive first reading. This Ordinance then returns to the City Council on March 22, 2016 for a second reading, public hearing and adoption. Once adopted, this Ordinance will go into effect in 30 days, April 21, 2016.

FINANCIAL IMPACT:

None.

SUPPLEMENTS ATTACHED:

Draft Ordinance

Ordinance # -16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA, AMENDING OF TITLE 8 – HEALTH AND SAFETY OF THE CHOWCHILLA MUNICIPAL CODE TO ADD SECTION 8.04.150 PROHIBITING SCAVENGING IN SOLID WASTE CONTAINERS IN THE CITY

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989, ("AB 939" or the "Act") established a solid waste management process which requires cities and other local jurisdictions to implement plans for source reduction, reuse and recycling as integrated waste management practices; and,

WHEREAS, Public Resources Code § 40059, implementing Article XI, § 7 of the California Constitution, provides that aspects of solid waste handling of local concern include, but are not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and the nature, location and extent of providing solid waste services, and whether the services are to be provided by City of Chowchilla ("City") employees or by means of nonexclusive, partially exclusive or wholly exclusive franchise, contract, license or otherwise which may be granted by local government under terms and conditions prescribed by the governing body of the local agency; and,

WHEREAS, the City has the right to award solid waste franchises to Contractors and has done so in accordance with Section 8.04.070 of the Chowchilla Municipal Code; and,

WHEREAS, Public Resources Code §§ 41950 and 41951 prohibit unauthorized removal of recyclable solid wastes and materials placed at designated recycling collection locations; and,

WHEREAS, the City is obligated to protect the public health and safety of the residents and business owners of the City of Chowchilla as well as comply with its duties to solid waste Contractors under the contracts entered into for hauling of solid wastes; and,

WHEREAS, the City has received complaints regarding the removal of items from solid waste containers other than by licensed solid waste Contractors, and specifically has received complaints regarding the removal of recyclable items from solid waste containers, which recyclables are.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Chowchilla does hereby ordain as follows:

8.04.150

A) Scavenging Prohibited.

(1) It is unlawful for any person to engage in the act of scavenging. For purposes of this section, "scavenging" means engaging in any of the following activities:

- (a) Tampering or meddling with a container for solid waste, including recyclable materials;
- (b) Tampering or meddling with the contents of any container for solid waste, including recyclable materials;
- (c) Removing the contents of any container for solid waste, including recyclable materials;
- (d) Removing any container for solid waste, including recyclable materials, from the location where the container has been placed by the owner of the container or owner's agent or employee; or,

(e) Removing, tampering, or meddling with any solid waste, including recyclable materials, set out for collection, pursuant to the provisions of this Chapter 4, on private property or on any sidewalk, street, or public right-of-way.

(2) The provisions of this section do not apply to:

- (a) A Contractor or its agents or employees performing under the authority of its contract;
- (b) A City agent performing within the authority of the City; or
- (c) The owner of the solid waste or of the container, including the owner's authorized agents and employees.

(3) It is declared to be an infraction for any person, other than those individuals listed in subsection (2), to violate any provision of this section."

B) Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

A summary of this ordinance, approved by the City Attorney, together with the ayes and noes, shall be published twice: at least five days prior to its final passage in the Chowchilla News, a newspaper published and circulated in the City of Chowchilla, and; before the expiration of fifteen (15) days after its final passage in the Chowchilla News, a newspaper published and circulated in the City of Chowchilla. A copy of the full text of this ordinance shall be on file in the City Clerk's office on and after the date following introduction and passage and shall be available to any interested member of the public. This ordinance shall be effective a 12:01 a.m. on the 31st day after its final passage.

- 1. The above recitals are true and correct.
- 2. This resolution is effective immediately upon adoption.

Introduced and first reading waived by the City Council of the City of Chowchilla at a regular meeting held on March 8, 2016; second reading waived, and ordinance enacted on March 22, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mayor Waseem Ahmed

ATTEST:

Joann McClendon, CMC
City Clerk



REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Consideration of a Resolution Approving, for a Defined Period (April 1, 2016 – July 31, 2017), all Development Impact Fees in the Older Established Neighborhoods be Waived for Builders to Construct New Homes on Vacant Infill Lots**

Prepared By: Brian Haddix, City Administrator

Authorized By: Brian Haddix, City Administrator

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

That the City Council approve for a period of 18 months beginning April 1, 2016 and ending July 31, 2017, all development impact fees in the older, established neighborhoods defined as that region within the yellow lines on the attached map be waived for builders that construct new homes on vacant infill lots and who meet or make a substantial effort to procure at least 30% of their goods and services originating from within the City of Chowchilla.

HISTORY / BACKGROUND:

This Resolution is intended to provide a temporary stimulus to the local economy and an improvement to local neighborhoods by providing jobs in the construction trades and by infill development of vacant lots in the more established neighborhoods of Chowchilla. If successful, this Resolution will induce builders to reenter the Chowchilla housing market to complete partially built out neighborhoods and, perhaps to plan additional construction projects.

The construction industry for Chowchilla contributes approximately 20% to the City's annual sales tax. More importantly, it provides employment opportunities for Chowchilla construction trades employees and the manufacturers that produce the components used in the commercial and residential construction. Increased residential construction will result in increased paychecks in the local economy, resulting in less public assistance. As those checks are spent local merchants will benefit by selling additional products, and the city will benefit by collecting additional sales tax revenues. As more homes are built land values will be reassessed upward, resulting in larger property tax revenues flowing into the city to fund city services.

A temporary rollback or suspension of development impact fees may result in increased impacts on Chowchilla's infrastructures and services, without an offsetting pool of money with which to provide increased infrastructures and services. That is why this must be a temporary stimulus. Even though there will be a smaller, or non-existent pool of development impact fees from this infill program, an increasing number of residents will use and pay for city utilities, such as water, sewer and garbage services, thereby spreading the cost of providing services over a larger universe of rate payers.

Why target infill? According to the American Planning Association, infill is described as development that, “optimize[s] prior infrastructure investments and consumes less land that is otherwise available...” The Association noted that infill development can result in: efficient utilization of land resources; more compact patterns of land use and development; reinvest in areas that are targeted for growth and have existing infrastructure; and a more efficient delivery of quality public services.

The benefit of the infill component of this program to Chowchilla is increased vitality to established neighborhoods. According to a May, 2015 document created by USEPA’s Office of Sustainable Communities entitled, “Attracting Infill Development in Distressed Communities: 30 Strategies”:

- Compared to Greenfield development, infill development reduces the need to extend infrastructure and add services, which can reduce capital costs for a municipality in the near term and maintenance costs in the long term.
- Compact infill development with a mix of uses yields more property tax revenue per acre than spread-out, single-use Greenfield development.
- Development can help stabilize impoverished or abandoned areas by introducing a more diverse mix of households at different income levels.

Infill development provides more choices to meet changing consumer preferences driven by demographic shifts.

FINANCIAL IMPACT:

Eliminating residential development impact fees altogether results in a reduction of approximately \$18,960.01 per house build. However, it is anticipated that few, if any, new homes would be built under existing circumstances.

ATTACHMENTS:

Resolution

COUNCIL RESOLUTION # - 16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA,
APPROVING, FOR A DEFINED PERIOD (April 1, 2016 – July 31, 2017) ALL
DEVELOPMENT IMPACT FEES IN THE OLDER ESTABLISHED NEIGHBORHOODS BE
WAIVED FOR BUILDERS TO CONSTRUCT NEW HOMES ON VACANT INFILL LOTS**

WHEREAS, the national, state and local economics have yet to feel the full effects of an economic recovery; and,

WHEREAS, the City of Chowchilla has numerous vacant lots with in its older, established neighborhoods; and,

WHEREAS, the City of Chowchilla's construction activity in its older, established neighborhoods is virtually nonexistent; and,

WHEREAS, the benefits of infill development will have a positive impact on the quality of life in older, established neighborhoods; and,

WHEREAS, the City of Chowchilla desires to provide a stimulus that will revive the home construction infill business in older, established neighborhoods for a limited period of time, thereby providing additional local construction jobs while infill development is used to improve the quality of neighborhoods;

NOW THEREFORE, IT IS HEREBY RESOLVED, by the City Council of the City of Chowchilla, State of California that, for a period of 18 months beginning April 1, 2016 and ending July 31, 2017, all development impact fees in the older, established neighborhoods defined as that region within the yellow lines on the attached map be waived for builders that construct new homes on vacant infill lots and who meet or make a substantial effort to procure at least 30% of their goods and services originating from within the City of Chowchilla.

PASSED AND ADOPTED by the City Council of the City of Chowchilla this 8th day of March, 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Waseem Ahmed, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk



Chowchilla, CA 93610 Chowchilla

Ave 25 1/2

Rd 14

Ave 25

Ave 24 1/2

233

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Google earth

Imagery Date: 3/18/2015 37°06'48.82" N 120°16'13.88" W elev 231 ft eye alt 9850 ft

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REPORT TO THE CITY COUNCIL

Council Meeting of March 8, 2016

Agenda Section: New Business

SUBJECT: **Amendment to the O'Dell Engineering a contract for Engineering Services for Robertson Blvd. & 11th Street Pedestrian Facility Improvements Project, State Funded Active Transportation Program**

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

Authorized By: Craig Locke, City Engineer/Public Works Director

Approved By: Brian Haddix, City Administrator

RECOMMENDATION:

Staff recommends that City Council to approve the attached amendment to contract in the amount of \$19,800, added to the original Robertson Blvd. & 11th Street Pedestrian Improvements Project contract with O'Dell Engineering (\$44,135) for a total revised contract price of \$63,935.

HISTORY / BACKGROUND:

City of Chowchilla submitted an Application for funding for Safe Routes to School (SRTS) – Active Transportation Program in May/June of 2014.

City received notification that it was awarded \$550,000 for Robertson Blvd. and 11th Street Pedestrian improvements Project under Cycle I of Active Transportation Program (ATP). Per Caltrans approval letter, the project may include items ineligible for reimbursement. Chowchilla Project was programmed in the Federal Statewide Transportation Improvement Program (FSTIP) and we will receive allocation from the California Transportation Commission authorization to proceed with the project. CEQA Notice of Exemption has been filed with the County of Madera.

The ATP funded projects such as ours will encourage increased use of active modes of transportation in our community and will provide the safe and improved pedestrian paths to the students.

Following the approval of the Request for Qualification for design Services on May 12, 2015, all submissions were evaluated and O'Dell Engineering was deemed the most qualified.

On August 11, 2015 the City Council of the City of Chowchilla approved a contract of \$44,135 with O'Dell Engineering for design of the project. At the 30% design review it was determined that the RFQ and contract were based on a drawing that omitted certain sections of roadway identified in the grant application.

The amendment to the contract will provide a design consistent with the grant application. A project that deviates in scope from the grant application may not be subject to full reimbursement from CalTrans. Although the amended design requires greater funding than the original contract, the amended total design cost of \$63,935 is still below the CalTrans allocation of \$80,000 for design services on this project.

FINANCIAL IMPACT:

The \$63,935 revised total in design costs is still below the \$80,000 CalTrans limit and costs incurred through this contract will be reimbursed following project closeout and request for reimbursement. Project is fully funded at \$550,000.00 (ATP)

ATTACHMENTS:

Resolution

Amendment

Exhibit 1 of Original Agreement

Original Agreement

COUNCIL RESOLUTION # -16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA, AMENDING THE O'DELL ENGINEERING CONTRACT FOR ENGINEERING SERVICES FOR ROBERTSON BLVD. & 11TH STREET PEDESTRIAN FACILITY IMPROVEMENTS PROJECT, STATE FUNDED ACTIVE TRANSPORTATION PROGRAM

WHEREAS, the City of Chowchilla (City) is a Municipal Corporation which provides services and facilities to the citizens of the community; and

WHEREAS, City applied for a Safe Route to School Grant under Active Transportation program (ATP) in May 2014 to make pedestrian improvements on Robertson Blvd. from 7th to 15th street and on 11th street from Humboldt Ave. to Ventura Ave.; and

WHEREAS, on **September 27, 2014**, City has been awarded with the grant of **\$550,000** fully funded with reimbursement method; and

WHEREAS, the Chowchilla City Council approved the release of the Request for Qualifications/Proposals document to advertise for Design Services on May 12, 2015; and

WHEREAS, the City staff determined Odell Engineering to be the most qualified applicant and has prepared a contract in the amount of \$44,135 for Design Services; and

WHEREAS, the City Council approved execution of a contract with Odell Engineering to design the project in conformance with the Request for Qualification project description; and

WHEREAS, City staff later determined discrepancies between the project scope described in the grant and the scope described in the Odell Engineering contract for Design Services; and

WHEREAS, the Contract Amendment negotiated between the City and Odell Engineering requires an additional \$19,800 in Design Services to correct that discrepancy;

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

1. The recitals above are true and correct.
2. The City Administrator is hereby authorized to amend the contract with O'Dell Engineering for Design Services in the amount of \$19,800.
3. This Resolution is effective immediately upon adoption.

PASSED AND ADOPTED by City Council of the City of Chowchilla this 8th day of March 2016 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Waseem Ahmed, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk

FIRST AMENDMENT TO PROFESSIONAL SERVICES CONTRACT

WHEREAS the Parties to this Amendment have entered into a prior agreement, dated November 10, 2015; and,

WHEREAS Article 10.11 of that agreement require that any amendments be contained in a writing executed by both the City of Chowchilla and O'Dell Engineering; and,

WHEREAS the Parties agree that the terms of contract for design shall conform and be consistent with the description and scope of Project Cycle 1 of Active Transportation Program (ATP) and desire to include all sections of roadway identified in the related grant application under the agreement for services;

THEREFORE the PARTIES AGREE as follows:

1. Article 1.8 Contract Price is hereby modified to reflect that the Contract price shall be \$63,935.00, representing an increase of \$19,800.00 over the original contract price.
2. Articles 1.6 and the Incorporated Attachment #1 – Scope of Services of the original agreement are hereby modified to include all additional items as specified in the February 2, 2016 Civil Engineering Proposal, proposed change order, from Mike Persak addressed to Craig Locke, Director of Public Works of the City of Chowchilla. Such Civil engineering proposal is incorporated into this Amendment and attached hereto as Exhibit 1 to this Amendment.

In Witness thereof, the Parties hereto have executed this First Amendment to the Contract:

CITY OF CHOWCHILLA

O'DELL ENGINEERING

Date:

Date:

By: _____

By: _____

Brian Haddix

Randy O'Dell, R.C.E.

City Administrator

President



Date: February 2, 2016

To: Craig Locke, Director of Public Works
City of Chowchilla

From: Mike Persak, E: mpersak@odellengineering.com

Re: CCO #1 - Robertson Blvd & 11th Street Pedestrian Improvement Project / Project #29890

PROJECT DESCRIPTION

This proposed Change Order consists of adding additional improvements to Robertson Blvd (SR233) in accordance with the approved Grant. This includes the replacement of sidewalk and ADA ramps, as well as signing and striping. (See attached exhibit.) The submittal and processing of the plans through Caltrans is included in the original agreement.

SCOPE OF WORK

The following tasks describe the scope of work we will perform to accomplish the project goals:

Task 1 – Topographic Survey/Project Research

We will complete a thorough topographic survey of the project limits identifying all surface improvements and elevations with an emphasis on the existing trees, sidewalks, driveways, utility boxes, and poles. We will also research the approximate location of the existing right-of-way lines.

Notes:

1. Though boundary surveys are not anticipated to be needed and all improvements are planned to be constructed within the existing street right of way, we can provide boundary surveys and prepare legal descriptions for right-of-way acquisitions if the design work identifies the need for additional right-of-way.

- **Task 1 Deliverable – Topographic Survey**

Task 2 – 30% Conceptual Design

Based on the topographic survey, we will identify areas where curb gutter and sidewalk need to be installed and design the horizontal and vertical alignment. We will also identify potential design issues and potential impacts to existing properties. We will prepare preliminary plan design sheets with proposed curb gutter and sidewalk improvements, ADA ramps, signage, and striping. We will meet with the City to present the conceptual design and discuss the design.

- **Task 2 Deliverable- 30% Conceptual Design Plan**

Task 3 – 60% Preliminary Design

Based upon the conceptual design and input from City staff, we will prepare full design drawings and draft specifications for all grading, curb, gutter and sidewalk, striping, and signage.

- **Task 3 Deliverables – 60% Design Plans, Draft Specifications and Estimate**

Task 4 – 90% Preliminary Design

Based upon the city review comments from the preliminary design, we will prepare 90% design drawings, specifications and estimate for all grading, curb gutter and sidewalk, striping, and signage.

- **Task 4 Deliverables – 90% Design Plans, Draft Specifications and Estimate**

Task 5 – 100% Final Design

Based upon the city review comments from the 90% design, we will prepare final design drawings, specifications and estimate for all grading, curb gutter and sidewalk, striping, and signage.

- **Task 5 Deliverables – 100% Final Design Plans, Specifications and Estimate**
- **Minimum of three (3) 11"x17" and 24"x36" hard copies and digital files of the detailed plans, specifications, and contract documents will be submitted for project use by the City. All documents produced will become property of the city.**

Total Estimated Design Period Fees \$ 19,800

Notes and Exclusions:

- No traffic control plan is included.
- No electric or gas design work is included.
- No geotechnical work has been included; however, Moore-Twining Associates has been retained should these services be required.
- No Storm Water Pollution Prevention Plan (SWPPP) has been included, but can be added at the client’s request.
- Plans and specifications will be based on City of Chowchilla Improvement Standards, Standard Specifications, and Caltrans Standard Plans and Specifications.
- No public outreach or correspondence with property owners is included.
- No structural design for retaining walls is included.
- No boundary surveys are included; however, these services can be added if the final design warrants right-of-way or easement acquisition.
- No record drawings are included.

**CITY OF CHOWCHILLA
PROFESSIOANAL SERVICES CONTRACT FOR**

In consideration of their mutual obligations, this agreement is entered into this 10th day of November, 2015, by and between the City of Chowchilla, California and O'Dell Engineering.

AGREEMENT

1. DEFINITIONS Contract: This document, including all Attachments.

1.1 Attachments: All documents intentionally attached to this document at the time of the Contract signing. The Attachments to this Contract are limited to the following: (1) Scope of Services (2) Fee Schedules.

1.2 City: The City of Chowchilla a public body, corporate and politic, and which as the address of 130 S. Second Street, Chowchilla, California 93610.

1.3 Consultant: O'Dell Engineering
1165 Scenic Drive, Suite B,
Modesto, CA 95350
Tax ID number 77-0146824

1.4 Consultant Project Manager: Individual designated by Consultant to represent Consultant before the City on all matters relating to this Contract. The Consultant Project Manager for this Contract is: Mike Persak, (209) 571-1765 or mpersak@odellengineering.com.

1.5 City Project Manager: Individual designated by the City to represent the City before the Consultant on all matters relating to this Contract. The City Project Manager for this Contract is: Craig Locke, (559) 267-8791 or clocke@ci.chowchilla.ca.us.

1.6 Scope of Work: The consultant will identify non-compliant sidewalk and curb ramp facilities throughout the project area and develop plans to bring them into compliance. This may include regrading curb, gutter and sidewalk as well as pavement for drainage transitions on private properties at existing sidewalk driveway crossings. Conform construction may be required on private land to match the new sidewalks. Driveway cuts for vacant lots or small drain pipes under the sidewalk may be added. Utilizing the advice of a Certified Arborist, consultant will evaluate existing trees and utility poles and ensure that their location meets ADA requirements, saving and protect existing trees where possible. Consultant will obtain an encroachment permit from Caltrans for work on Robertson Blvd.

1.7 Task Schedule: The schedule by which the Scope of Work shall be performed. The Task Schedule for this Contract is as follows:

Performing Party	Task To Be Performed	Deadline for Completion
O'Dell Engineering	PS&E 30% Submittal	10/26/2015
O'Dell Engineering	PS&E 60% Submittal	11/30/2015
O'Dell Engineering	PS&E 90% Submittal	12/28/2015
O'Dell Engineering	Final PS&E for bid opening	1/25/2015

1.8 Contract Price: The maximum amount that the City is required to pay Consultant under this Contract. The Contract Price for this Contract is **\$44,135**. The contract price shall be paid in the

increments provided for in Attachment #1

2. RESPONSIBILITIES OF CONSULTANT.

2.1 Scope of Services. Consultant promises and agrees to faithfully do and perform the Scope of Services, or cause the Scope of Services to be faithfully done and performed, in strict accordance to the terms of this Contract according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession and to the City's sole satisfaction.. Unless a task is expressly described in the Scope of Work as one that is not mandatory, each task described in the Scope of Work is a mandatory obligation and must be completed as provided in the Task Schedule. Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Contract until receipt of authorization from the City. Consultant will, at its own cost and expense, furnish all necessary labor, materials, tools, services, and incidental and customary work necessary to fully and adequately perform the Scope of Services. Consultant shall comply with all applicable provisions of state law, including but not limited to those regarding apprentices, and prevailing wages.

2.2 Warranty. Consultant agrees and represents that it is qualified to properly provide the Scope of Services in a manner consistent with the generally accepted standards of Consultant's profession. Consultant further represents and agrees that it will perform the Scope of Services in a legally adequate manner in conformance with applicable federal, state and local laws and guidelines.

2.3 Consultant Project Manager. The Consultant Project Manager shall represent the Consultant before the City on all matters relating to this Contract. The Consultant Project Manager shall continue in such capacity unless and until removed at the request of the City, is no longer employed by Consultant, or replaced with the written approval of the City which shall not be unreasonably withheld. The Consultant Project Manager assigned pursuant to this Contract shall attend all meetings scheduled by the City regarding the Scope of Services and/or this Contract. Consultant Project Manager shall respond to any inquiry by the City with regard to the Consultant's performance under this Contract within 48 hours of such inquiry being made by the City (weekends and holidays excluded).

2.4 Coordination of Services. Consultant agrees to work closely with City staff in the performance of the Scope of Services and shall be available to City staff and/or other City agents or Consultant at all reasonable times. The City Project Manager shall be Consultant's direct City contact. Coordination efforts shall be through the City Project Manager. City may monitor the adequacy of Consultant's performance in any manner which City deems most effective. Consultant must cooperate with City in such monitoring. If requested by City staff, in writing, Consultant must provide City with detailed reports outlining the most current status involving all City activities and projects being handled by Consultant. City shall have the right to audit such reports, including the right to review all records of Consultant related to such reports.

2.5 Independent Consultant; Control and Payment of Subordinates. Consultant enters into this Contract as an independent Consultant and not as an employee of the City. Consultant shall have no power or authority by this Contract to bind the City in any respect. Nothing in this Contract shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractor hired or retained by Consultant are employees, agents, contractors or subcontractors of the Consultant and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Consultant by any such employees, agents, contractors or subcontractors or any other person resulting from performance of this Contract. Consultant shall, at its sole cost and expense, provide all facilities, supplies and equipment necessary to perform the services required by this Contract.

2.6 Interest in Contract. Consultant covenants that neither it, nor any of its employees, agents, contractors or subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder.

2.7 Disclosures. Consultant shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Administrator or the City Council determines in writing that Consultant's duties are more limited in scope than is warranted by the category designated by the City Code and that a narrower disclosure category should apply. Consultant also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this Contract, City determines and notifies Consultant in writing that Consultant's duties under this Contract warrant greater disclosure by Consultant than was originally contemplated. Consultant shall make disclosures in the time, place and manner set forth in the conflict of interest code and/or as directed by the City.

2.8 Books and Records. Consultant shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Contract in a form in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City, the State of California, the Federal government, and to any authorized representative thereof for the purposes of audit at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least four (4) years after the expiration of the term of this Contract.

2.9 Ownership of Work Product/ No Intellectual Property Rights or Artist's Rights in Contract Work. Upon delivery, the work product, including without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this Contract are the City's property. Consultant and any person or entity acting on behalf of Consultant shall not obtain nor have, and expressly waives, any rights, in law or in equity, in any intellectual property developed in furtherance of this Contract, including without limitation, copyright, trademark, service mark, patent or rights of an artist in a work of art. Artists preparing any artwork under this Contract waive any rights to notice or to take any action regarding the use, removal, relocation or destruction of any artwork so prepared. Consultant represents and acknowledges that Consultant has or shall obtain such waivers in writing for all persons or entities doing work under this Contract.

3. TASK SCHEDULE.

3.1 Schedule of Services. The Scope of Work shall be undertaken and completed in a prompt and timely manner, pursuant to Task Schedule, unless the term of this Contract is otherwise terminated or extended.

3.2 Extension of Time. Consultant may, for good cause, request extensions of time to perform the Scope of Services. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Contract.

4. FEES AND PAYMENTS.

4.1 Compensation. City is not obligated to pay Consultant more than the Contract Price during the term of this Contract nor more than the budgeted amount for each task as detailed in Attachment #1. Consultant may only invoice the City for actually time spent and materials used on the project. The City is not obligated to make any payment under this Contract for so long as Consultant is in material

default of this Contract. Except as specified in writing in this Contract, City is not obligated or liable under this Contract to any party other than Consultant. City shall pay for work actually completed during the billing period.

4.2 Invoices. As a condition for payment, Consultant must submit monthly billing statements. Such billing statements shall specify the dates on which the work was performed; the nature of the work performed; the percentage of the total work performed; the name of the individual performing each element of the work; the respective hourly billing rates, if applicable; a list of all expenses for which reimbursement is sought; and the requested payment date. City's payments are subject to a final audit upon completion of services or other termination of this Contract.

4.3 Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation. This Contract is subject to the budget and fiscal provisions of applicable laws, the City Municipal Code and Ordinances, and rules of the City. Unless otherwise stated in this Contracts, charges will accrue only after execution of this Contract. This Contract will terminate without penalty, liability, or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year towards fulfilling the terms of this Contract. If funds are appropriated for a portion of the fiscal year, this Contract will terminate, without penalty, liability, or expense of any kind at the end of the term for which funds are appropriated. This Contract will terminate if funds that were previously appropriated for this Contract are reduced, eliminated, and/or re-allocated by City as a result of mid-year budget reductions. City has no obligation to make appropriations for this Contract in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the City Administrative Officer and the City Council. Consultant assumes the risk of possible non-appropriation is part of the consideration for this Contract.

4.4 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes, or any federal or state taxes, incurred as a result of, or in association with performance of the Scope of Services.

5. SUBCONTRACTING/HIRING OTHERS

5.1 Prior Approval Required. Consultant shall not subcontract any portion of the Scope of Services, hire consultants, specialists, experts or other third parties, or incur any obligation to pay any of them, except as expressly stated herein, without prior written approval of City. Contracts with third parties, if any, shall contain a provision making them subject to all provisions stipulated in this Contract. City's prior written approval shall not create any obligation of the City with regard to any such third party. Consultant has no authority to, and must not purport to, employ, hire or contract with any such third party as agent of the City or otherwise on behalf of City. Moore Twinning and Associates and Analytical Environmental Services (AES) are approved subcontractors on this project and no others.

5.2 Consultant Is Responsible. Should the City authorize and Consultant hire any third parties to assist in any manner in the performance of the Scope of Services, Consultant shall be as fully responsible to City for the acts and omissions of the third parties and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by Consultant.

6. CHANGES

6.1 The Parties may, from time to time, request changes in the Scope of Services. Such changes, including any increase or decrease in the amount of the Contract Price and/or the Task Schedule must be mutually agreed to and authorized in advance by the City in writing. Mutually agreed changes shall be incorporated in written amendments to this Contract.

7. INDEMNIFICATION

7.1 Except to the extent of active negligence, willful misconduct or gross negligence on the part of City, Consultant shall indemnify, save harmless and defend, to the fullest extent permitted by law, the City, its respective employees, elected or appointed officials, and agents from liability, claims, demands, attorneys' fees, or litigation and related costs, including without limitation, court costs, and investigator, witness, arbitrator, and mediator fees, for any injury or damages to persons or property resulting from Consultant's prosecution of work under the Contract, or otherwise related to this Contract, whether caused, in whole or in part, by an intentional act, negligent act or omission by Consultant, its officers, employees, or agents.

8. INSURANCE

8.1 Time for Compliance. During the term of this Contract, Consultant must maintain the following insurance coverage from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Failure to maintain the required insurance is a material breach of this Contract. Before beginning any work under this Contract, Consultant must provide City with certificates of insurance or copies of the insurance policies, in a form reasonably acceptable to the City, demonstrating the required coverage, and the required endorsements naming City as an additional insured. Consultant shall also not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this Section.

8.2 Types of Required Coverages. As a condition precedent to the effectiveness of this Contract for work to be performed hereunder and without limiting the indemnity provisions of the Contract, the Consultant in partial performance of its obligations under such Contract, shall procure and maintain in full force and effect during the term of the Contract, the following policies of insurance:

8.2.1 Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least \$1,000,000 per occurrence. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

8.2.2 Automobile Liability: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of \$1,000,000 each accident.

8.2.3 Workers' Compensation: Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

8.2.4 Professional Liability: Professional Liability insurance for errors and Omissions with minimum limits of \$1,000,000. Covered Professional Services shall specifically include all work to be performed under the Contract. If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the Contract and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Contract.

8.3 Commercial General Liability & Automobile Liability Endorsements. The policy or policies of insurance required by Sections 8.2.1 Commercial General Liability and 8.2.2 Automobile Liability shall be endorsed to provide the following:

8.3.1 Additional Insured: The City, its employees, elected or appointed officials, and agents shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Contract. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Contract.

8.3.2 Primary Insurance and Non-Contributing Insurance: This insurance shall be primary and any other insurance, deductible or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

8.3.3 Severability: In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

8.3.4 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

8.3.5 Duties: Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

8.3.6 Applicability: That the coverage provided therein shall apply to the obligations assumed by the Consultant under the indemnity provisions of the Contract, unless the policy or policies contain a blanket form of contractual liability coverage.

8.4 Workers' Compensation Endorsements. The policy or policies of insurance required by Section 8.2.3 Workers' Compensation shall be endorsed, as follows:

8.4.1 Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

8.4.2 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

8.5 Professional Liability Endorsement. The policy or policies of insurance required by Section 8.2.4 Workers' Compensation shall be endorsed, as follows:

8.5.1 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

8.6 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

8.7 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time if the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due Consultant until Consultant has fully complied with the insurance provisions of this Contract. In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Scope of Services because of production lost during suspension.

8.8 Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Consultant's policies or the Consultant shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of this Contract, including adding the City as an Additional Insured to the subcontractor's policies.

8.9 Failure to Procure or Maintain Insurance. Notwithstanding any other provision herein, and in addition to any other remedies the City may have, if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option: (a) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under this Contract; (b) order Consultant to stop work under this Contract and/or withhold any payment(s) which become due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof; and/or (c) terminate this Contract. The above remedies are not the exclusive remedies for Consultant's failure to maintain or secure appropriate policies or endorsements. Nothing herein contained shall be construed as limiting in any way the extent to which Consultant may be held responsible for payments of damages to persons or property resulting from Consultant's or its subcontractors' performance of work under this Contract.

9. TERMINATION OF AGREEMENT.

9.1 Contract Term. The term of this agreement shall begin on the Effective Date and shall end at the earlier of (1) 5 p.m. on the Final Date; (2) completion of the Scope of Work; or (3) termination of this Contract as provided for below.

9.2 Grounds for Termination. City may, by written notice to Consultant, terminate all or any part of this Contract at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for that portion of the Scope of Services that has been adequately rendered to City. If termination is due to Consultant's failure to fulfill its obligations under this Contract, City may take over work and prosecute the same to completion by contract or otherwise, and Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated, and City may withhold any payments to Consultant for the purpose of setoff or partial payment of the amounts owed to the City.

9.3 Effect of Termination/Expiration. If this Contract is terminated as provided herein, or otherwise at the expiration of this Contract, all finished or unfinished work, products, documents, electronic media, data, studies, artwork, renderings, models, software programs, and reports prepared by Consultant under this Contract shall, at the option of the City, become property of the City. City's exercise of its option to own such properties does not relieve Consultant of liability to City for damages on account of Consultant's default(s), and City may withhold any payments to Consultant for the purpose of setoff until such time as the exact amount of damages due City from Consultant is determined. Consultant shall be required to provide such document and other information within fifteen (15) days of the City's request.

9.4 Additional Services. In the event this Contract is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

10. ADDITIONAL PROVISIONS.

10.1 Contract Interpretation. Except for matters required by law or expressly stated otherwise, the provisions of the Attachments supersede any provisions of the body of this document with which they conflict.

10.2 Delivery of Notices. All notices permitted or required under this Contract shall be given to the respective parties at the following address or at such other address as the respective parties may provide in writing for this purpose. Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

City:

City of Chowchilla
130 S. Second St.
Chowchilla, CA 93610
Attn: Craig Locke, City Engineer

Consultant:

O'Dell Engineering
1165 Scenic Drive, Suite B
Modesto, CA 95350
Attn: Mike Persak, R.C.E.

10.3 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with local, state and federal laws, rules, regulations and ordinances in any manner affecting the performance of the Services, including without limitation City business license requirements and all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its elected officials, officers, employees, volunteers and agents free and

harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

10.4 Clayton and Cartwright Acts: Consultant and any and all subcontractors offer and agree to assign to the City all rights, title and interest in and to all causes of action they may have under Section 4 of the Clayton Act (15 USC Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Profession Code) arising from purchases of goods, services or materials pursuant to the Contract or any subcontract.

10.5 Prevailing Wages. Consultant is aware of the Prevailing Wage Laws found in California Labor Code section 1720, *et seq.*, and 1770 *et seq.*, California Code of Regulations, section 16000, *et seq.*, which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. These wages are set forth in the General Prevailing Wage Rates for this project, available from the California Department of Industrial Relations' Internet web site at www.dir.ca.gov. Future effective prevailing wage rates which have been predetermined and are on file with the California Department of Industrial Relations are referenced but not printed in the general prevailing wage rates. If the Scope of Services is subject to the Prevailing Wage Laws, Consultant agrees to fully comply with such Prevailing Wage Laws.

10.6 Equal Opportunity Employment. Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation.

10.7 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

10.8 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Contract, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and all other costs of such action.

10.9 Assignment or Transfer. Consultant shall not assign or transfer any interest in this Contract whether by assignment or novation, without the prior written consent of the City, which will not be unreasonably withheld. Provided, however, that claims for money due or to become due to Consultant from the City under this Contract may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer, whether voluntary or involuntary, shall be furnished promptly to the City.

10.10 Successors and Assigns. This Contract shall be binding on the successors and assigns of the Parties.

10.11 Amendment; Modification. No supplement, modification or amendment of this Contract shall be binding unless executed in writing and signed by both Parties.

10.12 Waiver. City's failure, at any time, to object to any breach of covenant or obligation, to any failure of performance, or to any other default on the part of the Consultant shall not constitute a continuing waiver of subsequent breaches or defaults. City's making of any payment to the Consultant shall not, under any circumstances, be considered as a waiver by City. City's making of any payment while any breach or default by Consultant exists shall in no way impair any right or remedy available

to City related to such breach or default, including without limitation, the right to withhold future payments.

10.13 Entire Agreement. This Contract constitutes the entire agreement between the Parties relative to the Scope of Services. There are no understandings, agreements, conditions, representations, warranties or promises with respect to this Contract, except those contained in or referred to in the writing. To the extent there is any discrepancy in the provisions of any document contained in this Contract, the more specific provision shall prevail.

10.14 Governing Law. This Contract shall be governed by the laws of the State of California. Venue shall be in County of Madera.

10.15 Time of Essence. Time is of the essence for each and every provision of this Contract.

10.16 Interpretation. Since the Parties or their agents have participated fully in the preparation of this Contract, the language of this Contract shall be construed simply, according to its fair meaning, and not strictly for or against any Party.

10.17 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

10.18 Authority to Enter Contract. Consultant warrants that the individual(s) who signs this Contract has the legal power, right and authority to make this agreement and bind Consultant.

10.19 Invalidity; Severability. If any portion of this Contract is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

10.20 Counterparts. This Contract may be signed in counterparts, each of which shall constitute an original. PDF, Fax or electronic signatures shall be treated as an original.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

CITY OF CHOWCHILLA

O'DELL ENGINEERING

By: 

By: 

~~Carolyn Lehr~~ Brian Haddix
Chowchilla City Administrator

Randy O'Dell, R.C.E.
President

Attachment #1

Scope of Services

Task 1 – Project Kick-Off Design Meeting

Consultant will meet with City Staff for a detailed project discussion including design concerns, project schedule, milestones, etc. Project communication procedures will be determined in addition to reporting requirements, and quality control measures. Contractor is responsible for meeting agenda (submitted one week prior to any meeting) and minutes.

Task 2 – Topographic Survey/Project Research

Consultant will complete a thorough topographic survey of the project to allow for adequate conforms. Consultant is responsible for identifying all surface improvements and elevations necessary to ensure that the final design conforms to ADA accessibility requirements. Consultant will perform boundary surveys and prepare legal descriptions for right-of-way acquisitions if required. Following the project, all data files will be supplied to the City of Chowchilla in Autocad drawing format.

Task 3 – 30% Conceptual Design

Consultant will identify areas where curb gutter and sidewalk are required and design the horizontal and vertical alignment. Any potential design issues and impacts to existing properties will be identified. Preliminary designs with proposed, ADA ramps, signage, and striping will be prepared for a discussion with the City team. Plans will conform to all State, Federal, and local requirements and standards.

Task 4 – 60% Preliminary Design

Consultant will prepare full design drawings and draft specifications for all grading, curb, gutter and sidewalk, striping, and signage. Consultant will prepare contract documents using the City standard boilerplate, including a notice to bidders, instructions to bidders, proposal form, contract agreement forms, general conditions, payment and performance bonds, special conditions, notice of award, and notice to proceed. All documents shall be prepared to CalTrans standards and subject to City approval.

Task 5 – 90% Design

Based upon the city review comments from the preliminary design, Consultant will prepare 90% design drawings, specifications and estimate for all grading, curb gutter and sidewalk, striping, and signage.

Task 6 – 100% Final Design

Consultant will prepare final design drawings, specifications and estimate for all grading, curb gutter and sidewalk, striping, and signage. All design plans will be in conformance with all State, Federal, and local requirements and standards. Contract documents and specifications will be in conformance with California Department of Transportation (Caltrans) Standards as well as all State and Federal and local requirements and standards.

Task 6 Deliverables – 100% Final Design Plans, Specifications and Estimate

Minimum of three (3) 11"x17" and 24"x36" hard copies and digital files of the detailed plans, specifications, and contract documents will be submitted for project use by the City. All documents produced will become property of the city.

Task 7 – Caltrans Permit

Consultant will prepare the State Route 233 plans in Caltrans format and prepare the Caltrans encroachment permit application for the City to submit to Caltrans as the applicant including minor revisions to the plans in accordance with the Caltrans review comments.

Task 8 – Construction Period Services

Consultant will attend the pre-bid, pre-construction and up to 3 progress meetings during construction.

TOTAL TASKS 1-7 \$41,585

TOTAL TASKS 8 \$2,550

Notes and Exclusions:

- No traffic control plan is included.
- No electric or gas design work is included.
- Moore-Twining Associates can be retained should geotechnical services be required.
- No Storm Water Pollution Prevention Plan (SWPPP) has been included, but can be added at the client's request.
- Plans and specifications will be based on City of Chowchilla Improvement Standards, Standard Specifications, and Caltrans Standard Plans and Specifications.
- No public outreach or correspondence with property owners is included.
- No structural design for retaining walls is included.
- No boundary surveys are included; however, these services can be added if the final design warrants right-of-way or easement acquisition.
- No record drawings are included.

FEE SCHEDULE
April 2015

<u>Classification:</u>	<u>Regular Hourly Rate:</u>
Principal	\$190
Senior Civil Engineer	\$170
Senior Engineer 2	\$160
Senior Engineer 1	\$150
Engineer 2	\$140
Engineer 1	\$130
Assistant Engineer 2	\$115
Assistant Engineer 1	\$95
Senior Landscape Architect	\$140
Landscape Architect 2	\$120
Landscape Architect 1	\$110
Landscape Designer 2	\$105
Landscape Designer 1	\$95
Planner	\$140
Assistant Planner	\$115
Utility Engineer	\$140
CADD Operator 2	\$85
CADD Operator 1	\$70
Senior Surveyor	\$150
Surveyor 2	\$130
Surveyor 1	\$120
Assistant Surveyor 2	\$90
Assistant Surveyor 1	\$80
Survey Crew 2-man/1-man	\$220/\$150
Survey Crew 2-man/1-man (prevailing wage)	\$260/\$180
Administrative	\$80
Expert Witness	\$300
 <u>Outside Services:</u>	
Cost of services and expenses charged to <i>O'DELL ENGINEERING</i> by outside consultants, professional or technical firms engaged in connection with the project.	Actual cost plus 10%
 <u>Reproduction:</u>	
Reproduction costs and services charged to <i>O'DELL ENGINEERING</i> by outside commercial printers engaged in connection with the project.	Actual cost plus 10% plus 10%
 <u>Travel:</u>	
Mileage, per diem, and subsistence are not normally charged to the client unless specific prior authorization is negotiated between client consultant.	Actual cost plus 10%



ODELENG-01

BIGLOWC

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/19/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0E67768 IOA Insurance Services 3875 Hopyard Road Suite 240 Pleasanton, CA 94588	CONTACT NAME: Cassandra Biglow	FAX (A/C, No): (925) 416-7869	
	PHONE (A/C, No, Ext): (925) 416-7862	E-MAIL ADDRESS: Cassandra.Biglow@ioausa.com	
INSURED O'Dell Engineering 1165 Scenic Drive, Suite B Modesto, CA 95350	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : RLI Insurance Company		13056
	INSURER B : West American Insurance Company		44393
	INSURER C : ACE American Insurance Company		22667
	INSURER D :		
	INSURER E :		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		PSB0003049	06/21/2015	06/21/2016	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		BAW56742948	08/01/2015	06/21/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	PSW0001183	09/01/2015	09/01/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liab.		G21679525011	06/21/2015	06/21/2016	Per Claim 2,000,000
C	Professional Liab.		G21679525011	06/21/2015	06/21/2016	Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Project #29300, Berenda Reservoir Boat Launch Facility located in Chowchilla, CA
All operations of the Named Insured including project referenced, if any.
General Liability: The City of Chowchilla, its employees, elected or appointed officials, and agents are included as Additional Insured on Primary & Non-Contributory basis with Waiver of Subrogation included, as required by written contract.
Workers' Compensation: Waiver of Subrogation is in favor of The City of Chowchilla, its employees, elected or appointed officials, and agents, as required by written contract.

CERTIFICATE HOLDER	CANCELLATION
The City of Chowchilla 130 S. Second Street Chowchilla, CA 93610	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Reno Caldwell</i>

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RLIPack[®] FOR PROFESSIONALS BLANKET ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM - SECTION II - LIABILITY

1. **C. WHO IS AN INSURED** is amended to include as an additional insured any person or organization that you agree in a contract or agreement requiring insurance to include as an additional insured on this policy, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by you or those acting on your behalf:
 - a. In the performance of your ongoing operations;
 - b. In connection with premises owned by or rented to you; or
 - c. In connection with "your work" and included within the "product-completed operations hazard".
2. The insurance provided to the additional insured by this endorsement is limited as follows:
 - a. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this policy.
 - b. This insurance does not apply to the rendering of or failure to render any "professional services".
 - c. This endorsement does not increase any of the limits of insurance stated in **D. Liability And Medical Expenses Limits of Insurance**.
3. The following is added to **SECTION III H.2. Other Insurance - COMMON POLICY CONDITIONS (BUT APPLICABLE ONLY TO SECTION II - LIABILITY)**

However, if you specifically agree in a contract or agreement that the insurance provided to an

additional insured under this policy must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- a. The "bodily injury" or "property damage" for which coverage is sought occurs after you have entered into that contract or agreement; or
 - b. The "personal and advertising injury" for which coverage is sought arises out of an offense committed after you have entered into that contract or agreement.
4. The following is added to **SECTION III K. 2. Transfer of Rights of Recovery Against Others to Us - COMMON POLICY CONDITIONS (BUT APPLICABLE TO ONLY TO SECTION II - LIABILITY)**

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" performed by you, or on your behalf, under a contract or agreement with that person or organization. We waive these rights only where you have agreed to do so as part of a contract or agreement with such person or organization entered into by you before the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

All persons or organizations that are party to a contract that requires you to obtain this agreement, provided you executed the contract before the loss.

Job Description

Jobs performed for any person or organization that you have agreed with in a written contract to provide this agreement.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 09-01-2014

Policy No. PSW0001183

Endorsement No.

Insured

Insurance Company

O'Dell Engineering, Inc.

RLI Insurance Company

Countersigned By _____