

**Regular Meeting of the Madera City Council  
and  
Special Meeting of the Madera City Council as the  
Groundwater Sustainability Agency  
205 W. 4<sup>th</sup> Street, Madera, California 93637**

**JOINT MEETING NOTICE AND AGENDA**

**Wednesday, May 2, 2018  
6:00 p.m.**

**Council Chambers  
City Hall**

**CALL TO ORDER**

**ROLL CALL:** Mayor Andrew J. Medellin  
Mayor Pro Tem Jose Rodriguez, District 2  
Council Member Cece Foley Gallegos, District 1  
Council Member William Oliver, District 3  
Council Member Derek O. Robinson Sr., District 4  
Council Member Charles F. Rigby, District 5  
Council Member Donald E. Holley, District 6

**INVOCATION:** Pastor Eddie Gallegos, Good News Fellowship

**PLEDGE OF ALLEGIANCE:**

**PUBLIC COMMENT:**

The first fifteen minutes of the meeting are reserved for members of the public to address the Council on items which are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Council does not respond to public comment at this time.

**PRESENTATIONS**

1. Proclamation Recognizing Week of Maternal Mental Health
2. Presentation by Madera County Mosquito & Vector Control District (Trinidad Reyes)

**INTRODUCTIONS** There are no introductions.

**A. WORKSHOP**

There are no items for this section.

**B. CONSENT CALENDAR**

- B-1 Minutes – 6/19/17
- B-2 Warrant Disbursement Report 4/10/18 – 4/23/18 (Report by Tim Przybyla)
- B-3 Water Conservation Report for 3/26/18 – 4/22/18 (Report by John Scarborough)
- B-4 Consideration of a Resolution Authorizing Amendments to the FY 2017-2018 Budget Appropriating \$35,135.09 from the Funds Designated for Golf Course Emergency Repair Account to Capital Outlay Equipment Replacement in the Golf Course Fund for Repairs to the Golf Course Water Well (Report by Mary Anne Seay)
- B-5 Consideration of a Resolution Approving a Facility Use Agreement with Fresno County Office of Education (FCOE) for Use of Scout Island Outdoor Education Center and Authorizing the Mayor to Execute the Agreement on Behalf of the City (Report by Mary Anne Seay)
- B-6 Consideration of a Minute Order Approving Settlement of a Claim with Progressive Casualty Insurance Company for Property Damage (Report by Wendy Silva)
- B-7 Consideration of a Resolution Approving the Madera Subbasin Groundwater Sustainability Agencies Madera Subbasin Coordination Committee Charter (GSA - Report by David Merchen)
- B-8 Consideration of a Minute Order Rejecting all Bids for Project No. R-74: Reclamite Application on Various City Streets (Report by Frank Holguin)
- B-9 Informational Report on Personnel Activity (Report by Wendy Silva)
- B-10 Consideration of a Resolution Setting the Rate of Compensation for the Legal Assistant Classification (Report by Wendy Silva)

**C. HEARINGS, PETITIONS, BIDS, RESOLUTIONS, ORDINANCES, AND AGREEMENTS**

- C-1 Consideration of a Resolution Approving a Rental Agreement with the 21-A District Agricultural Association for the Collaborative Use of the Madera Fairgrounds and Associated Facilities for Three One-Week Summer Day Camp Programs and Authorizing the Mayor to Execute the Agreement on Behalf of the City (Report by Mary Anne Seay)
- C-2 Consideration of a Resolution Supporting the Reducing Crime and Keeping California Safe Act of 2018 (Report by Dino Lawson)

**D. WRITTEN COMMUNICATIONS**

There are no items for this section.

**E. ADMINISTRATIVE REPORTS**

- E-1 Presentation and Acceptance of the Audited Financial Statements and Single Audit Report (Federal Grants) for the Fiscal Year Ended June 30, 2017 (Report by Tim Przybyla)
- E-2 Discussion and Direction to Staff Regarding Consolidating and Outsourcing Solid Waste Activities under the Existing Mid Valley Disposal Contract (Report by John Scarborough)

**F. COUNCIL REPORTS**

- F-1 Request for Letter in Support of AB 3218 Millerton Lake State Recreation Area: Expansion. Acquisition of Land. (Report by Council Member Oliver)

**G. CLOSED SESSION**

- G-1 Closed Session Announcement – City Attorney
- G-2 Conference with Labor Negotiators Pursuant to Government Code §54957.6  
  
Agency Designated Representatives: Steve Frazier & Wendy Silva  
  
Employee Organizations: General Bargaining Unit  
Madera Police Officers' Association  
Mid-Management Employee Group  
Law Enforcement Mid-Management Group  
Management Employees
- G-3 Conference with Real Property Negotiators - Pursuant to Government Code Section 54956.8  
  
Property: 1 Parcel  
905 S. Gateway Dr. APN: 011-182-002  
Agency Negotiators: David Merchen, Les Jorgensen  
Negotiating Parties: Stephen J. Allen  
Under Negotiations: Price and Terms
- G-4 Closed Session Report – City Attorney

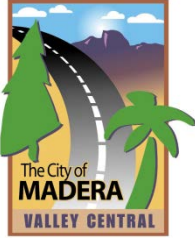
**ADJOURNMENT** – Next regular meeting May 16, 2018

*[continued on next page]*

- 
- Please silence or turn off cell phones and electronic devices while the meeting is in session.
  - Regular meetings of the Madera City Council are held the 1<sup>st</sup> and 3<sup>rd</sup> Wednesday of each month at 6:00 p.m. in the Council Chambers at City Hall.
  - Any writing related to an agenda item for the open session of this meeting distributed to the City Council less than 72 hours before this meeting is available for inspection at the City of Madera Office of the City Clerk, 205 W. 4<sup>th</sup> Street, Madera, California 93637 during normal business hours.
  - The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Request for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.
  - Questions regarding the meeting agenda or conduct of the meeting, please contact the City Clerk's office at (559) 661-5405.
  - Para asistencia en Español sobre este aviso, por favor llame al (559) 661-5405.
- 

I, Sonia Alvarez, City Clerk for the City of Madera, declare under penalty of perjury that I posted the above joint meeting notice and agenda for the Regular Meeting of the Madera City Council and the Special Meeting of the Madera City Council as the Groundwater Sustainability Agency for May 2, 2018, near the front entrances of City Hall at 5:00 p.m. on April 26, 2018.

  
\_\_\_\_\_  
Sonia Alvarez, City Clerk



**MINUTES OF A SPECIAL MEETING  
OF THE MADERA CITY COUNCIL  
CITY OF MADERA, CALIFORNIA**

**June 19, 2017  
4:00 p.m.**

**Council Chambers  
City Hall**

**CALL TO ORDER**

The meeting for 06/19/17 was called to order by Mayor Medellin at 4:04 p.m.

**ROLL CALL:**

**Present:** Mayor Andrew J. Medellin  
Mayor Pro Tem Cece Foley Gallegos, District 1  
Council Member Jose Rodriguez, District 2 (Arrived at 4:06 p.m.)  
Council Member Donald E. Holley, District 6  
Council Member Derek O. Robinson Sr., District 4  
Council Member William Oliver, District 3 (Arrived at 4:06 p.m.)  
Council Member Charles F. Rigby, District 5 (Arrived at 4:07 p.m.)

Others present were City Administrator David Tooley, City Attorney Brent Richardson, City Clerk Sonia Alvarez, City Engineer Keith Helmuth, Director of Human Resources Wendy Silva, Planning Manager Chris Boyle, Director of Financial Services Tim Przybyla, Director of Parks and Community Services Mary Anne Seay, Public Works Operations Director David Randall, Director of Community Development David Merchen, Grants Administrator Ivette Iraheta, Chief Building Official Steve Woodworth, Battalion Chief Jim Forga, Division Chief David Allen, Chief of Police Steve Frazier, Information Services Manager Mark Souders, Tyler Munis Implementation Project Manager Becky McCurdy, Neighborhood Preservation Supervisor Viola Rodriguez, Redevelopment Manager Bob Wilson, Fleet Operations Manager Randy Collin.

**PUBLIC COMMENT:**

The first fifteen minutes of the meeting are reserved for members of the public to address the Council on items which are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Council does not respond to public comment at this time.

No comments were offered.

**AGENDA ITEMS**

1. Workshop on the City of Madera FY 2017/2018 Proposed Budget (Report by David Tooley and Tim Przybyla)

Mayor Medellin stated that he was hoping to have at least three other members by this time. He stated he knows Council Member Oliver said he will be a few minutes behind and he did speak to Council Member Rigby who he believes is in the building just not at his seat. He stated that this was too important to get started so if the audience does not mind they would wait a few minutes for his colleagues to be there.

Mayor Medellin welcomed Council Member Rodriguez.

Council Member Oliver apologized.

Mayor Medellin stated it was ok. He stated he understood Council Member Oliver had a little bit of a trek to get there.

Mayor Medellin stated he would like the record to reflect that Council Member Rodriguez and Council Member Oliver have joined them.

Mayor Medellin stated that Council Member Rigby is the Chairperson of the Housing Authority and over the weekend a pipe burst at that site which put about three inches of water in the entire building and he's been on the phone trying to work a little magic to help out as best as he can for a temporary building. He stated that he is sure that is what Council Member Rigby is trying to do.

Mayor Medellin stated they are rejoined by Council Member Rigby.

Council Member Rigby apologized and stated he is just trying to help out Linda Shaw.

Mayor Medellin stated let the record reflect that Council Member Rigby had now joined them. They have all seven members there.

The workshop started at 4:08 p.m.

David Tooley, City Administrator stated they would begin with a moment of full disclosure. He stated that the budget they had in front of them does not include a new HVAC system for City Hall and while that is funny in a moment it also says something about where they are as an organization. They have limitations on what they can do and their inability to replace an HVAC system which has needed to be replaced for eight or nine years is symptomatic of the fact that they have a lot of deferred maintenance and they as the Council will have to make some difficult choices about what they spend their money on in the next year and in the next five years as well.

Council Member Holley stated he couldn't hear Mr. Tooley and Mayor Medellin stated he didn't know if the audience could hear but it did sound a little low and asked Mr. Tooley to get closer to the microphone.

Mr. Tooley stated they would start by taking a very brief trip down memory lane. Two years ago Love's [Travel Center] fuel station was on the fast track to open. Love's [Travel Center] represents 80 to 100 new jobs for their community and would add several hundred dollars to their Operating Budget in terms of new revenues.

Mr. Tooley stated that two years ago the inside word on the casino was that they were about to break ground and a \$250 million project pumps a lot of money into their community and 11 to 1,500 new jobs is a game changer by any definition.

Mr. Tooley stated that two years ago they could close their budget process. They could close an operating loss in excess of \$1 million because they were very good at conservative financial principals.

Mr. Tooley stated that today Love's [Travel Center] is still on what they characterize as a fast track. He stated that best case they begin construction in November or January. Going forward they won't see the first dollars from Love's [Travel Center] for a minimum of 18 months.

Mr. Tooley stated the casino is probably in litigation for another two years. Once out of litigation the project will be built in phases.

Mr. Tooley stated that as seen in the material provided to Council they are now generating an operating loss in the General Fund. They have progressively cut the flexibility out of their budgets as a matter of necessity.

Mr. Tooley stated that in a recent presentation they also described to Council what he is going to characterize as a [Cal]PERS crises in the state of California. Between now and 2022 they will see their [Cal]PERS contributions increase from \$3.8 million to \$6.5 million or more depending on how [Cal]PERS changes their underlying assumptions.

Mr. Tooley stated that Measure K is going to help them but is limited based on the promises they made with regard to Public Safety. Mr. Tooley stated that the first order of business is to fulfill the promises they made on Public Safety.

Mr. Tooley stated that it is his personal opinion that cities and counties are not going to solve the [Cal]PERS crisis without intervention by the courts and the legislature. He is comfortable predicting some cities and counties are going to declare bankruptcy over the next five years.

Mr. Tooley stated that even if they lose \$1 million next year and \$2 million a year after that they are not going to be in danger of going bankrupt however they need to be worried that the gap between revenues and expenditures is not just growing the gap is accelerating in size.

Mr. Tooley stated that for the foreseeable future they need to be focused on building their revenue, creating more wealth in the community and limiting expenditure growth.

Mr. Tooley stated the recommendation they have in front of them provides them a number of cost reduction alternatives including reductions in the workforce notwithstanding the fact that they are already within this budget adding positions to the City's General Fund. Some of those will be as a result of Measure K but some of them in Code Enforcement are as a result of their new Rental Inspection Ordinance and will directly impact their General Fund.

Mr. Tooley stated that today he is suggesting to them that their financial landscape has changed and it seems they must change as well.

Mr. Tooley addressed Tim Przybyla, Director of Financial Services and stated that it was up to him to begin the presentation to Council on the specifics and that when they get back to the point where they are ready to talk about alternatives he'll be back in front of the microphone.

Mr. Przybyla stated they have a unified slideshow that all departments will be using for the presentation this evening and they will start that at this time.

Mr. Przybyla stated this is the Budget Workshop for the 17/18 budget. He stated they will have the General Fund discussion and summary then they'll have General Fund highlights by department then they'll have the Enterprise fund summary and discussion, and the Enterprise fund highlights by department, then they'll have the Internal Service fund summary and discussion and the Internal Service fund highlights by department. Mr. Przybyla stated that those by department times is when the departments get up and share their budget highlights with Council. He stated they will then hit the Special Revenue fund summary and discussion. He stated those are non-operational in nature. He stated they would then wrap it up.

Mr. Przybyla stated the question is if they are still crying wolf. He stated they've had some criticism about the way that they do budgeting and he looked way back to 01/02 and saw that way back then there was a \$830,000 deficit budgeted and sure enough they turned around and had a \$26,000 surplus for that year.

In 16/17 Madera budgeted a \$1.4 million deficit and they are estimating a \$900,000 actual deficit at this point so their actual and their budget are getting closer together even though it is still a pretty big swing....\$500,000. They are getting closer.

Mr. Przybyla stated that in 01/02 the fund balance was \$2 million basically which meant that \$829,000 deficit was 38% of the fund balance. In the 16/17 budget they have a \$14.4 million fund balance of that \$12.9 million is unassigned so that reflects a 10% of the fund balance deficit. They are getting closer.

Mr. Przybyla stated they have been tightening the budget over the past two years specifically. The City Administrator specifically told him that they didn't want to paint the picture that they are crying wolf and then have a big surplus at the end of the year so they have been tightening those budgets. In FY 15/16 they basically hit the bullseye. They were right at 100% of budget. They were within less than 1% of budget for the revenues and within 1% of budget on the expenditures. What really prevented them from actually realizing a deficit in 15/16 was the \$1.5 million capital lease financing that they had to recognize. Now that they recognized that in 15/16 they have to expend those dollars and recognize the expense so it takes the picture and makes it more difficult for them to bridge that gap.

Mr. Przybyla stated that as they can see in the example with the exception of 2015, departments have really been tightening up their budgets over the past several years. He added up those percentages from 2010 to 2015 and it averaged out about 94.5%. If they had a 5.5% cushion in the budget this would be an easy meeting tonight but they don't have that 5.5% cushion any more. They are right at 100%.

Mr. Przybyla stated they are crying wolf and meaning that there's wolves at this point.

Mr. Przybyla stated they need to decide what level of service is sustainable. He stated the numbers changed. They are at a little over \$2 million now at this time. When he ran the report they were at about \$2.5 million so they have been cutting expenses and trying to find additional revenues. The picture has improved from this point but if FY 18 was a \$2.5 million deficit, they roll forward to next fiscal year 2019 that's nearly \$4 million and each year they can see how those deficits continue to expand or accelerate as the City Administrator said.

Mr. Przybyla stated some of the assumptions show a 4% sales tax increase, 2% property tax and overall it's basically a 2% increase in revenues and he used the same 2% increase in personnel costs with the exception of CalPERS so it's really comparative as far as coming up with the forecast. The bottom line is they are looking at \$2 million now instead of 2.5 but they have so many people with the benefits and the benefits are increasing with healthcare costs and CalPERS and if they have a deficit now the deficit is just going to get worse and worse as time goes on.

Mr. Przybyla stated they had a workshop regarding the CalPERS increases and those figures were factored into this five year forecast. These forecasts do not include a further change from the 7% discount rate so they are already talking about possibly changing it to 6.5% for the CalPERS rate and every time that they decrease that discount rate up goes their unfunded liability and up goes the contribution they have to make to try to keep up with that every year.

Mr. Przybyla asked how they balance the FY 17/18 budget. They need to bridge a \$1.6 million gap in FY 17/18. Some recommended steps are to implement a soft hiring freeze, implement a 3% across the board savings on Maintenance and Operations for approximately \$300,000 and then implement an additional cost reduction plan on top of that. They have collective bargaining coming up and if there's any savings to be had from that or losses to be had from that is totally unknown at this time. If they use the FY 16/17 Measure K funds they could potentially use \$400,000 of the estimated \$800,000 from the current fiscal year to somehow bridge part of that gap for the FY 17/18 budget and of course the other consideration is the cutback on programs and reduce staff.

Mr. Przybyla asked if Mr. Tooley wanted to return to discuss those options.



Mr. Tooley suggested to Council that they take them through the remainder of the budget and he thinks that at the end of the presentation that is the time to start talking about what Council would like to do but until they see the budget as a whole he thinks it's too early.

Mayor Medellin agreed.

Mr. Przybyla stated they would look at the summary of the General Fund Expenditures and the Revenues are included there. These same figures were included in the staff report and they can see that some of the departments have decreased since last year and some have increased. There will be discussion from the different departments that explain why there is an increase or decrease in their various departments.

Mr. Przybyla stated that the bottom line is on the second page of Exhibit 1. Right there is what they are most concerned about. There is the deficit. If they take the regular Fund 1020 plus the Code Enforcement 1020 budgets they are looking at a \$2 million deficit and 1.4 of that comes from all the departments in the General Fund 1020 other than Code Enforcement. Code Enforcement's deficit for the year is \$641,000 for a total of \$2,036,000 deficit. That is just in Fund 1020.

Mr. Przybyla stated the other funds typically should balance themselves out.

CDBG [Community Development Block Grant] fund is money in money out or it should be. There are some timing differences there that can really throw things off.

The Insurance Reserve fund can really go up and down depending on the retrospective adjustments that have to be made to make up for prior year's losses that are catching up to them related to Worker's Compensation and liability insurance.

Mr. Przybyla stated the Measure K fund is the very good news of the day. They are estimating \$3,645,000 for next year's Measure K funds that will be used to fund the Police and Fire additional positions. In Fire they are setting aside \$1.75 million for the future building of the fire station. It looks like that may be at least two years out at this point so setting aside that money should be very helpful in keeping down the loan payments that they will have to make once they build the fire station and have to pay the debt service on that.

Mr. Przybyla stated there is not much change from Fund 1020 down to the bottom line. There's like a \$3,000 difference. Not much difference there. It is really the Fund 1020 that is their main point of concern. They are not concerned about Measure K because that money is designed for a certain purpose. They cannot use that to balance the rest of the General Fund.

Mr. Przybyla stated they are looking at \$2,033,000 and of that they can add back one-time expenses so included in the budget figures is \$400,000 of Capital Outlay related primarily to the Tyler Munis implementation.

Mayor Medellin stated it's a one-time thing.

Mr. Przybyla stated it's a one-time thing. Once implemented they will have the on-going maintenance contract cost but this is a Capital Outlay. He stated it's a plan draw down of funds and that is part of the \$1.5 million they recognized in 15/16 so now they are going to draw that down and recognize the expense.

Mr. Tooley asked if to be clear they have a couple of more years of payments on the Tyler Munis system.

Mr. Przybyla reiterated a couple of more years of payments on.... He stated until they completed it, yes.

Mr. Tooley stated they will see this as a recurring cost in future budgets until it's paid off.

Mr. Przybyla stated it's not so much a matter of being paid off. It's a matter of when the services are incurred so as they do the training that's when they pay for the training and that's the biggest part. They've paid the rest of it at this point. He believes it is \$365,000 that's budgeted for the Capital Outlay related to that as they draw down the funds from the lease and pay the vendor. That 365 is all budgeted in next year's budget. It could be that they only spend 200,000 of that and finish off the rest in the next year to implement the Tyler [Munis] system. He is not certain when those services will be completed but they budgeted the remaining 365 in the current fiscal year of 17/18. Because it is a one-time expense it's ok to back that number out and say that operationally they are looking at a \$1.633 million deficit. That is what they need to look at bridging the gap in.

Operational Revenues each year should fund operational expenditures in each year. They shouldn't have to draw down on the General Fund, fund balance to fund on-going operations.

Mr. Przybyla referred them to a graph that shows the breakdown of the General Fund expenditures and it includes Measure K so Public Safety represents 49%, Public Works 8.6%, Community Development 8.2%, Parks and Community Services 12.3% and Administrative Services, which is a combination of various departments like the City Clerk, City Administrator, City Attorney is lumped into that 8.1% of the budget. Mr. Przybyla stated this exact slide updated will be included in the Final Budget and he thinks it's very informational and helpful to the reader.

Mr. Przybyla stated that every year they include Exhibit A which shows how much revenues each department brings in, their expenditures, and what the contribution to or appropriation from the fund balances results in. He stated he doesn't really pay much attention to this as far as how much each department costs because in his opinion the taxes are really what fund most of the departments. The \$19.1 million covers a big part of the \$27.5 million of revenue but they do have the various revenues that help offset the expenses.

Council Member Rodriguez asked how they generate those revenues.

Mr. Przybyla stated if they are not taxes they are typically fees for services or admin and overhead charges. For the City Administrator and others that are able to allocate costs across to the non-General Fund departments they bring in revenues for that. The Finance Department services all the departments. Those are the primary revenues either fees for services, grant funding that may come into a specific department, or Interfund charges for services that are provided to the rest of the City.

Council Member Rodriguez asked that he highlight City Council \$40,000.

Mr. Przybyla stated the City Council is not raising funds for them per se but because there is a charge for City Council they can allocate their cost. The total cost to fund the City Council is \$153,000 and of that a percentage of their services go to a non-General Fund such as the Enterprise funds and other funds and they can charge them an overhead and administrative charge so that is what comes back to partially fund the City Council Department.

Council Member Rodriguez stated that in other words he's bringing it from a different fund and Mr. Przybyla replied affirmatively that it was a non-General Fund.

Mr. Przybyla stated they could charge each other but it doesn't make sense if they are all in the General Fund so they limit it to the portion of the City's services that are outside of the General Fund.

Mr. Przybyla stated that the order that they will begin going over the department budgets will be the City Administrator, City Clerk, City Attorney and then Finance. They will walk through those slideshows. They've asked each of the departments to present specific information. Their formats may vary slightly but they are going to hit the highlights and they are not going page by page line item by line item tonight.

#### City Administrator

Mr. Tooley stated he is responsible for three budgets: City Administrator's Office, Central Administration and Community Promotions. There is an increase in personnel costs due to an addition of a temporary position that is Becky McCurdy. She runs the Purchasing operation but on a temporary basis she is the Tyler Munis Implementation Manager. She anticipates that position will go about another 18 months. The other person is Joseph [Carrello] who does all of their social media activities.

Mr. Tooley stated they have a limited amount of new Capital Outlay for furniture equipment and equipment that is related to Mr. Carrello's activities. One of the options they have in front of them is to reduce M&O [Maintenance & Operations] in Capital by three percent. Should they choose that option, he will be making some reductions in those planned purchases.

Mr. Tooley stated that most of the M&O items in Central Administration remain status quo.

Mr. Tooley stated there's a \$400,000 decrease of operating transfer to other funds. Senior Citizens' Services and Code Enforcement are now part of the General Fund. There's a \$300,000 increase transfer to the Insurance Reserve fund. There's a slight increase from the prior year's Community Promotions adopted amount. There's a \$155,000 in the Contract that goes to EDC [Economic Development Commission], 32 to LAFCO [Local Agency Formation Commission]. There is a small increase there. \$28,000 to Other and \$5,000 to the Arts Council. They also have an "ask" this year from the Friends of the Madera Animal Shelter.

Mr. Tooley stated if they don't have questions on the balance of his budget he'd like to give the Friends an opportunity to make their "ask" of them.

Mr. Tooley asked if there were any questions for him.

Mayor Medellin asked if there were any questions of Mr. Tooley.

Council Member Oliver asked him to elaborate on what the Senior Services encompasses.

Mr. Przybyla stated there was a decrease of operating transfers to other funds. In the past they had set up another fund because it was originally thought to be funded by FMAAA [Fresno Madera Area Agency on Aging] which is grant funding. That funding has decreased over the years and most of it is funded now by the General Fund. Mary Anne Seay, Parks and Recreation Director asked to have it made part of the General Fund to recognize that it is actually a General Fund expense and any monies that come in from the FMAAA, other grants or other sources are recognized as revenue to the General Fund. So rather than taking General Fund money and transferring it out to the Senior Citizen's programs which were not General Fund it's been incorporated into the General Fund so it's a direct expense rather than a transfer.

Mr. Tooley stated it is just a change in presentation.

Mr. Przybyla stated it is the same for Code Enforcement.

Mr. Tooley asked if they could invite Ms. [Velvet] Rhodes to make her presentation to the Council.

Ms. Rhodes stated she is requesting \$100,000 from the City. The money would be spent from July 2017 through June 2018 solely on City generated animals. \$80,000 of it would be spent on spaying and neutering over 1,000 animals. The balance would be for transportation, medicines and emergency surgeries that come up regularly. Ms. Rhodes stated the Friends [of Madera Animal Shelter] pay for these funds and they also have employees.

Ms. Rhodes stated she's come and presented to them before so they are aware of the over \$3 million that the Friends [of Madera Animal Shelter] have given to the City and the County animals over the last 15 years.

She stated that in those 15 years unfortunately they haven't received \$1 from the City of Madera.

Ms. Rhodes stated that in three different givings from the County they have received a total of \$300,000. \$100,000 in 2002, \$100,000 in 2010 and \$100,000 in 2017.

Ms. Rhodes stated that in the five years between 2010 and 2017 they were given \$1.5 million from the Red and Nancy Arnold [Foundation] so with that money they didn't have to go to the City or the County for money but now they are really in need of help. They have a \$22,000 to \$25,000 veterinarian bill every month for spaying and neutering. She stated Council could do the math. It's going to go very quickly. She stated Council doesn't need to know any more than that they desperately need their help. They are all in it for their own community and they spay and neuter 3,600 animals every year and at least 40% of those are from the City and the rest are from Chowchilla, the mountain communities and Madera County areas.

Ms. Rhodes thanked them for the opportunity to be heard. She appreciates it. She asked that they consider them on their budget this year. She thanked Mr. Tooley.

Mayor Medellin thanked her for being there.

Mayor Medellin stated that if there were no other questions under City Administrator they would continue on.

#### City Council

Sonia Alvarez, City Clerk stated that the budget shows a little bit of an overall decrease and that is mainly due to the Section 125 Benefit Allowance dollars. Those are the dollars that the City provides to the City Council and staff for insurance coverage and it depends on the level of coverage that they select. The reason it is a reduction because for the last fiscal year they allocated full dollars for the four Council seats that were on the election ballot. Ms. Alvarez stated they don't have an election scheduled in this upcoming fiscal year so it's not necessary to include a full allocation on that.

Ms. Alvarez stated that the Facilities Maintenance fund has an increase. That is one of internal service funds that Mr. Przybyla talked about a little while ago. It is the services provided as far as the building/the Council Chambers are concerned.

Ms. Alvarez stated that is all she has for the City Council budget unless they have questions. No questions were asked.

#### City Clerk's Office

Ms. Alvarez stated they have an overall decrease as well. She stated there are no new positions in Personnel costs but there is an allocation for the Cost of Living increase per the MOU and employment agreements.

Ms. Alvarez stated that for the Maintenance and Operations, as she'd mentioned it's a non-election year so they didn't have to budget any dollars for that.

Ms. Alvarez stated there are other minor line item adjustments.

Ms. Alvarez stated she'd answer any questions.

Mayor Medellin asked if there were any questions for Ms. Alvarez. No questions were asked.

Mr. Przybyla stated he hoped this format was working for the Council. He stated the detail was included in their staff reports and he would be happy to answer any specific detail questions they may have.

#### City Attorney

Brent Richardson, City Attorney stated their budget remains largely unchanged from 16/17. He stated there are some basic adjustments with Janitorial and that type of thing but it is largely unchanged.

Mr. Richardson stated that one of the things that is not in the budget and he doesn't believe they included it in the numbers yet but they did evaluate the fully loaded cost of providing service to the Housing Authority and right now they charge the Housing Authority about \$100 an hour for City Attorney time since they are a fully separate entity.

Mr. Richardson stated that the \$100 is substantially light. The fully loaded cost should be more in the neighborhood of about \$193 an hour for City Attorney time and about \$60 for paralegal time. He stated they would like to implement a change there. It would not represent a significant increase in revenues because of the limited amount of hours that they do for the Housing Authority. It will be less than a couple of thousand dollars a year at the most. They need to implement that for the coming budget.

Mr. Richardson stated the Personnel costs are unchanged other than the COLA [Cost of Living Adjustment] that the City Clerk already spoken about.

Mr. Przybyla stated he is glad that Mr. Richardson brought that up. He stated that the City Administrator met with all of the departments and he was there and all of them were asked how they could increase their revenues. They were asked what they could do to cut back on expenses.

Mr. Przybyla stated that Mr. Richardson evaluating the cost for the Housing Authority is just one example of how all of the departments have gone through and looked at how they might be able to enhance revenues to help balance the budget.

Mr. Przybyla asked if Council had any questions for Mr. Richardson.

Mayor Medellin stated he saw that the allocation is \$5,000 and asked if it was roughly 50 hours for Housing Authority or an hour a week. He asked if that was a fair assessment.

Mr. Richardson responded affirmatively and stated that it is pretty light. He stated some weeks there are none and some weeks there are a few but that is roughly.... Mr. Richardson stated that for whatever reason they have been more lightly utilized in recent years. He stated that probably five years ago that number might have been double that because they were used all the time. The communication was a lot tighter.

#### Finance

Mr. Przybyla stated that the overall status of the budgets for Finance increased 47% and there is a 12% savings in Purchasing. He stated that the reason for the 47% increase is primarily related to the Capital Outlay cost related to the Tyler Munis System. Mr. Przybyla stated they've incorporated that and the debt service into their budget. He stated there is no increase to Personnel. They are roughly status quo on all the other budgets. Those others bumped up the budget because they thought they would service the debt through the Finance Department.

Mr. Przybyla stated there was a savings in Purchasing basically because Becky McCurdy who was at a higher step has gone temporarily to be the Tyler Munis Implementation [Project] Manager and Rosa Hernandez is stepping in for her temporarily out of class at the bottom level so there is some savings there in the General Fund.

Mr. Przybyla stated that significant cuts or increases in the Maintenance and Operations is \$180,000 for the lease and 365 for the draw-down of the Capital Outlay for the Tyler Munis.

Mr. Przybyla stated there is a slight revenue increase for the Lease Allocation because they are servicing the lease and charging it out to the various departments.

Mr. Przybyla stated that as far as the Capital Outlay costs there is the Tyler Munis and there is also a change to debt service which is also related to Tyler Munis.

Mr. Przybyla asked if Council had any questions on the Finance budgets.

Mayor Medellin asked about Vehicles and Equipment.

Mr. Przybyla stated that Vehicles and Equipment is an internal service fund charge. He asked if he was referring to a specific line item.

Mayor Medellin stated he is asking about the \$365,000 that is on the bottom. It is a little vague.

Mr. Przybyla stated it is. He stated that when they went to the Tyler Munis system they decided that they would have vague or basic descriptions for the accounts and they can set up those accounts by projects so they have something called project accounting. Mr. Przybyla stated that Vehicles and Equipment is the Capital Outlay line item which is for Tyler Munis.

Mayor Medellin asked if all of the \$365,000 was for that.

Mr. Przybyla responded affirmatively and stated there is no other Capital Outlay in that dollar amount. It is all Tyler Munis.

Council Member Rodriguez asked what the Contracted Services are in Maintenance and Operations.

Mr. Przybyla stated that Contracted Services are services that are provided by outside agencies. In their case, it would be things such as fees to the auditors, fees for investment programs, the maintenance contract and anything they would need to get a contract for in order for someone to come in and provide outside services.

Council Member Rodriguez asked for an example of outside services. He asked if it was software.

Mr. Przybyla stated it could be anything from a copier lease contract to the auditors who go in and audit their financial statements each year to somebody who is performing an evaluation for other post-employment benefit factors.

Council Member Rodriguez stated it was more like evaluations.

Mr. Przybyla agreed and stated that it is typically professional services. People that come in and provide services for them. Contracted Services is a pretty general area that could encompass anything where there is an outside business doing something for them.

Mr. Przybyla asked if there were any questions. No questions were asked.

#### Human Resources (HR)

Wendy Silva, Human Resources Director stated their budget is mostly status quo. There were a few changes under Maintenance and Operations. The biggest change was to Conference and Training of \$1,800 because she has a new employee completing a degree at Fresno State and they are eligible for education reimbursement under their Memorandum of Understanding with the bargaining unit. Ms. Silva stated they will owe them money so they need to put it in the budget. They know that going forward. She stated that other than that there is not much change in the HR and Risk Management budget.

Ms. Silva stated that at the bottom of that same page, they'll see the Insurance/Risk Management. She stated that is the Insurance Reserve fund. There are two main pieces that she would call the big pieces in that fund. One is Contract Legal Services. This is where they pay for legal services that are not covered under one of their insurance programs. If they have a matter such as the current Lateef matter, they are

paying that out of pocket because of the nature of the type of claim that it was. That goes through that line item. Ms. Silva stated if they need legal services for an employment law type matter, they use outside legal counsel because Mr. Richardson is the advisor to the City Council so he cannot also advise the City on how to act because he will later be advising the Council on what to do on the matter so they have to separate those two.

Ms. Silva stated that some years they spend \$100,000. This year they are going to come close because of various issues they had going on. Some years they might not go past 20 but they budget the full 100 so that the money is there if they need to bring in those services. She stated that usually it is a quick turn around when they need to do something of a legal nature.

Ms. Silva stated that the other piece that they have is the Retrospective Adjustments for the Risk Management Authority. Sometimes they get big checks back and sometimes they are writing big checks. Every year is a little different.

Ms. Silva stated that two to three years ago they did a workshop for Council on the upcoming Retrospective Adjustments and they had some bad years that were coming up. 17/18 is one of those. They were able to make it a little bit less bad. They were going to owe 650. She stated that the budget line item is 450. They were supposed to owe about 100,000 in the current year and when the actuaries went in and did their study, they had closed some claims, they had some favorable development and they actually got a check back for 200,000. They applied that to this next year that's going to come online for adjustment to bring the liability down so they brought it down from the 650 to the 450 but they will still be on the hook for the 450 as it stands. Ms. Silva stated the studies get done late fall. They can always hope that they have some more favorable development. Those compromises and releases really help and that is why they push for those when they talk about these claims in Closed Session.

Ms. Silva asked if there were any questions on the HR Department or the Risk Management fund.

Mayor Medellin asked Council if they had any questions. No questions were asked.

#### Police Department

Steve Frazier, Police Chief stated they are responsible for AB109 which is the 2011 Assembly Bill that reduced misdemeanors to felonies and caused people that should be in jail to be released to jail. Basically, they've had 40 million funding going back four years reduced to 20 million this year. Their portion of that 20 million was \$60,000. Last year, their portion was 62,000 so really there is just a reduction of \$2,000. That funds a fraction of a position in their SIU.

Chief Frazier stated the CCP funds are another component of AB109 which is funded through Madera County Probation and that funds one FTE 100%.

Chief Frazier stated their Schools are two contract employees and two FTEs at 100%.

Chief Frazier stated Housing Authority is one FTE at 100%.

Chief Frazier stated that in PD [Police Department] Admin, they have an overall budget of 263,000 over last year's adopted budget. They saw some M&O (Maintenance and Operation) increases between PG&E, Mail and Professional Dues of about \$38,000.

Chief Frazier stated that Salary and Interfund: 225. He stated 160 of that are vehicles that were held in abeyance last year and that bill is coming due this year.

Chief Frazier stated that through their COPS grant which was originally \$500,000 funded four officers fully for a period has decreased 131,000 over last year. Chief Frazier stated there is 92 that will be funded this year which funds a portion of one officer.

Chief Frazier stated that in Animal Control, they reduced \$89,000.

Chief Frazier stated that through Measure K they are fully funding 14 positions: one Lieutenant, two Sergeants, eight Officers, one Records Clerk, Public Safety Dispatcher, Network Administrator, six police vehicles and safety equipment. He stated that if Council is asked by the community, they are clearly and then some funding Measure K.

Chief Frazier asked if they had any questions.

Mayor Medellin asked if anyone had questions.

Council Member Rodriguez stated he had a question in regards to the first slide: Police Services. He asked when it says Salaries/Full Time, is that for an Officer.

Chief Frazier asked which item.

Council Member Rodriguez stated he was looking at a slide that indicates Police Services 10202010. He wasn't sure if he got that clear. He asked if that was a salary for every Officer. The \$37,858. He asked what it was he was looking at.

Chief Frazier asked what the dollar figure was.

Council Member Rodriguez stated \$61,803.

Chief Frazier stated that would be the General Fund main PD Admin budget Salaries.

Council Member Rodriguez asked if that was per Officer and Chief Frazier responded affirmatively. Council Member Rodriguez stated he just wanted to clarify that.

Mayor Pro Tem Foley Gallegos asked if one of the eight officers that is going to be funded by Measure K is Animal Control.

Chief Frazier responded it was not.

Mayor Pro Tem Foley Gallegos asked if they were funding the second Animal Control off the regular General budget.

Chief Frazier stated that both Animal Control positions have been a General Fund liability all the way back. As it stands right now, that will remain a General Fund liability. There will be two positions. They are presently trying to identify a viable candidate to hire.

Chief Frazier stated that what they see listed in 17/18 will exhaust all of their Measure K money in 17/18.

Mayor Medellin stated "easily".

Chief Frazier asked if there was anything else.

Mayor Medellin asked if they had any further questions of Chief Frazier. No questions were asked.

#### Fire Services

Jim Forga, Battalion Chief stated that the overall status of the Fire Department budget is relatively unchanged.



Battalion Chief Forga stated they've noted a slight increase of \$56,000 in MOU agreement due to the increases in salaries and benefit rates. There was a decrease in the Admin. It went down 5.9 to 12.01 so a little savings there.

Battalion Chief Forga stated they are going to attempt a \$250,000 savings for the next fiscal year. Basically, they are able to have salary savings and save a little bit of money because of their hiring practices like PD but they do not lower their level of service on the fire engines so they are able to still save that money.

Battalion Chief Forga stated that this year they did pretty well. They are estimating a \$364,000 savings. That was due to a number of factors. The same kind of things. Salary savings and such.

Battalion Chief Forga stated there were a couple of increases in their Vehicle Maintenance and the Tool Replacement funds. Basically, they are just putting them back to the levels they had in the years past. They are adding another fire engine to their fleet and then a new ladder truck is coming next fiscal year so they'll need to budget for the maintenance of those.

Battalion Chief Forga stated the Revenues, the Impact Fees for the Lease and Special Service Fees that pay for the new fire truck that they paid on the lease \$454,000. That's for the new fire truck and then the 1.3 million that they've ordered for the ladder truck in this fiscal year from the Impact Fees also.

Battalion Chief Forga stated that one other place that they are able to do a little bit of revenue is when they go out to Federal and State fires. They charge them the services for their fire trucks and himself going up to fires up in the hills. To date, they've made about \$39,000 for this fiscal year and possibly \$22,000 that they're waiting on.

Battalion Chief Forga stated that overall it's kind of the same as it was in past years.

Battalion Chief Forga asked if anybody had any questions.

Mayor Medellin asked if anyone had questions for Battalion Chief Forga.

Mr. Tooley stated that by way of just a brief addition, he is disappointed to report that based on the statement of qualifications he's seen from the architects, it would appear that it is most likely that the new fire station will not go online until 2019. That gives them some additional time to capitalize their financial plan which has some advantages. Obviously, he wanted to see the fire station more quickly but Chief Allen assures him he'll find a place for the ladder truck when it's delivered.

Mayor Medellin stated he was going to ask where they were going to put that truck.

Battalion Chief Forga stated that the one that he already bought for the County is sitting over at Station 6 right now so theirs is the little brother of that one so they'll find a slot for it and do a little training.

### Planning

Chris Boyle, Planning Manager stated that the Planning Department budget is essentially unchanged from the prior year. There's about a \$1,500 reduction in the overall department's expected budget year over year although he would note that last year returned about \$85,000 and a lot of those monies were related to the fact that the department didn't add the position that was funded by the Council last year until later in the fiscal year.

Mr. Boyle stated there are no new positions requested by the department and consequently, Salary remains largely unchanged.

Mr. Boyle stated there are no substantive changes to M&O.

Mr. Boyle stated that in terms of revenue for the department, there is a proposed fee increase to better reflect the cost of services provided. That would be an approximate 15% fee increase and ultimately, that fee increase would provide for an average cost recovery of about 75%. That is cost recovery for the service rendered. It doesn't include the day-to-day operations of the department in terms of manning the counter and providing general services to the citizens that may call, email or come to the counter.

Mr. Boyle stated that completed his presentation and asked if they had any questions.

Mayor Medellin stated that Mr. Boyle said no new positions were requested and asked if that meant he didn't need any new positions.

Mr. Boyle stated that at this point in juncture, the Planning Department is prepared to function at its current staffing and do the all the responsibilities of the department over the next fiscal year.

Mr. Tooley stated he would add to the discussion. He stated one of the primary purposes of the Tax Sharing Agreement was 1.) to get the new Sphere of Influence and 2.) to put themselves in a position to annex additional territory into the City. Nothing so defines their service delivery plan and their revenue plan as land use and so one of the key missions they should be talking about this year once the County follows through on their commitment to include the new area in the sphere will be to how aggressively they pursue the annexation process.

Mayor Medellin stated that is a good point and kind of where he was going. He thanked Mr. Tooley. Mayor Medellin stated that with that and wanting to expedite and continue to be as efficient as they've been and he's seen a lot of great things on the horizon so that is kind of why he was asking about Mr. Boyle's department.

Mayor Medellin stated that in regards to Cost Recovery, they are not at 75% now and asked if that was correct.

Mr. Boyle stated they are not. He stated that their current average cost of recovery for an entitlement is 60%. He stated that using the Fee Study that they did at their last Fee Schedule update, he asked his staff to give him a brief update and as he's noted to Councilmen in various meetings, his position would be that the Development Services are always on sale in the City and they remain below the average and below the median for the 10 cities that they use in the County to look towards measuring their value to the citizen.

Mayor Medellin stated he definitely supports the increase as he supports the value.

Mayor Medellin asked if there were any questions of Mr. Boyle.

Council Member Oliver asked if the 15% fee increase was across the board for each fee associated with the permit: Conditional Use Permit, Rezone. He asked Mr. Boyle to elaborate.

Mr. Boyle stated he would defer to the Community Development Director.

Dave Merchen, Community Development Director stated that was a good question. He stated that the last time they did a user fee study for Development Services was in FY 13/14 and it was early in calendar year 2014 when that schedule was adopted. They went back through the 17/18 costs and rolled them into the spreadsheet; essentially the calculation model that the consultant prepared for them back in 13/14 and that generated new cost of service.

Mr. Merchen stated the difference between cost and fees are that the spreadsheet calculates what it costs them to provide a service. So let's say that a Site Plan Review costs \$2,000 of time and materials to produce. The permit fee is set at a percentage of that amount and the previous baseline number, the general number, of cost recovery that the Council set in 13/14 was 60%.

Mr. Merchen stated the level that is recommended now, the baseline, is 75% but there are a variety of other policies that the Council endorsed when they adopted a fee schedule previously and they haven't changed those. So things like corporate style/developer style permits are set at 90 or 100% of fee recovery. Things like only a large developer is going to need.

Mr. Merchen stated that the mom and pops style Conditional Use Permits [CUPs] are going to be at the lower end of those spectrums.

Mr. Merchen stated that the way that they stack multiple permits together, so for instance whenever someone needs a Conditional Use Permit in the City they also need a Site Plan Review, they've varied over the years as to how that's done. The today policy is that they pay for the most expensive permit and charge 50% of the cost for the second. They would propose to change that to 100% for the first permit and 75% for the second which is a little more in line with what they think the consultant suggested that they do back in 13/14.

Mr. Merchen stated it is not an across the board increase. It is a calculated increase according to the time and materials expended on each kind of permit.

Mayor Medellin stated he raised an interesting point. That it's based on an average of time and materials. It does not necessarily mean that each permit is going take those same amount of hours. Sometimes it's increase 20, 30, 50% but they still stick to that same formula of \$2,000 and then a portion of that so even if they're getting 60% recovery, it could be as low as 40%.

Mr. Merchen stated that Mayor Medellin as a former member of the Planning Commission knows these terms inside and out.

Mr. Merchen stated that a Conditional Use Permit may be for a very large auto dealership or auto mall or it might be a Conditional Use Permit for alcohol sales at Applebee's. It's easy to say it's a CUP so it should be \$2,000. What they have identified is that they have tiers of CUPs. They have easy ones which might be 50% of cost versus the larger more likely to be corporate style CUP which is going to be at the higher end of that range. They are absolutely based on averages rather than trying to specifically calculate on an individual permit by permit basis what the cost is and required deposits and paybacks and those sorts of things.

Council Member Rodriguez stated that Mr. Boyle mentioned comparison to other cities and asked where the City stands as far as the rates for those fees.

Mr. Boyle stated they are still much lower than many of the municipalities that they use as examples. As an example and in support of the Community Development Director, the median for a Conditional Use Permit in the 10 cities they use as comparison was \$4,638. Mr. Boyle stated that with the fee schedule adjusted, their use permits will be 2,225 so they are talking half of the regular price. Similarly with their fee adjusted, a Tentative Tract Map will be 4,550 and the average cost will be 8,789 for other municipalities. They do feel they have a more than competitive advantage over the competitor; the adjoining municipalities within their geographic range.

Mr. Tooley stated that also presents an interesting problem for them because every industrial project proponent who comes in wants a deal. They want some reduction of the fee structure and if they are already at half the price of everyone else, where do they go. He stated that a lot of times unless they get a deal, unless they can experience the win, they don't want to play so he's almost inclined to recommend to them that they go to full fee recovery and then they'll institute a let's make a deal system.

Council Member Rodriguez stated that maybe this is not an easy question to answer but asked if they are already at the very bottom of these fees then why aren't businesses jumping at something like this especially in Industrial and Commercial zones.

Mr. Tooley stated he could answer that question. He stated it is because fees don't tip the scale.

Council Member Oliver asked if this would represent roughly about an \$80,000/\$85,000 increase in revenue with those adjustments.

Mr. Boyle responded affirmatively. He stated that with that adjustment although he notes they are talking about a 75% cost recovery for their entitlements if they look at the bottom line, the department when it's said and done has about a 50% cost recovery. When they look at all their salaries and M&O versus the revenue generated by the department, they are almost spot on at 50%.

Council Member Oliver asked if it would behoove them, as Mr. Tooley suggested, to maybe look at 100% cost recovery with that 25% wiggle room on some incentive program or those representing a certain number of job creation or a million different markers.

Mr. Tooley stated that this evening they are making a defined recommendation to them on fee recovery. This thought process about maybe going to full fee recovery and develop some incentive programs, that's an internal discussion that is taking place and in fact they are looking at best practices of other cities. He stated they might anticipate a future discussion on that.

Mr. Merchen stated there was one final clarification. He stated the revenue estimates that are shown in the Planning Department's budget do anticipate an update to the fee schedule but only nine months of that fee schedule so they are anticipating some time to prepare a formal schedule, circulate it among the development community and then have a discussion back in front of the Council. So should they choose to incorporate a modified system or incentive based system, there's time to do that.

Mayor Medellin asked if there were any other questions.

Council Member Rodriguez asked Mr. Boyle if any of those fee increases were projected in their outgoing years in his budget.

Mr. Boyle asked if Council Member Rodriguez could re-frame his question.

Council Member Rodriguez asked if any of the projected fees or potential fees that they can increase were projected in this budget.

Mr. Boyle responded affirmatively and stated they are accounted for as the Community Development Director just noted. Nine months of that fee schedule update is reflected in revenue.

#### Building Department

Steve Woodworth, Chief Building Official stated the status is basically unchanged for the years 16/17 and 17/18. He has a final 16/17 estimate of 830,000. He has no additions to his personnel. Salaries will remain the same for the upcoming year. There are no substantive changes in Maintenance and Operations.

Mr. Woodworth stated they've had a good year. They've been fortunate to have a lot of solar. The solar industry is big right now.

Mr. Woodworth stated they hope to get some tentative maps in the future from local builders and hopefully that turns into more single family dwellings in the City which they hope will increase their revenue for next year.

Mr. Woodworth stated that was the end of his presentation and he would answer any questions.

Mayor Medellin asked if there were any questions of Mr. Woodworth.

Council Member Oliver asked that he elaborate on the Contracted Services line item. They budgeted for about 200,000.

Mr. Woodworth stated that Contracted Services is for their outside Plans Examiner who is also the Interim Fire Marshal. He does a lot of their plan checks. He also does Business License inspections and fire hydrant, fire flow and that type of thing that CalFire doesn't do for them. They are more on the preventive side of Fire instead of the suppression side. That is also for if he needs to consult with an outside structural engineer or any of those contracted services for large commercial projects that they don't do in-house.

Council Member Oliver stated that kind of piggy-backing off of Mayor Medellin's question to Mr. Boyle with regard to their staffing levels. Council Member Oliver asked when they look at the demand for, when they look at uptake and possible construction and new development, what is he foreseeing internally as far as having the staff resources to attend to those needs.

Mr. Woodworth stated that currently they are holding their own. He stated that when that time comes, they'll talk to the Council about any changes in personnel levels.

Mayor Medellin asked if there were any more questions for Mr. Woodworth. No questions were asked.

#### Engineering

Keith Helmuth, City Engineer stated that overall, their expenditures for this year are increasing by about 1.3%. He thinks he corrected that in a later version of this, about 1.1%.

Mr. Helmuth stated their revenues have a proposed increase of about 5.5% while salaries and benefits are reduced by 3.8%.

Mr. Helmuth stated there is a proposed increase of 72,000 or about 54% in Maintenance and Operations. He stated he would go into more detail on those in a couple of slides later.

Mr. Helmuth stated that there are significant personnel cost changes. They've removed one unfilled full-time Engineering position and what they are doing to take up the slack is that they are bringing in a part-time drafter. What they've found is that a couple of the Engineers are spending a fair amount of time on drafting so what they do is give them that time back and bring in a part-time drafter. That person is a temporary design drafter not being hired directly by the City and what that works out to is an overall budget savings of about \$40,000-\$50,000 in the next year.

Mr. Helmuth stated that for significant cuts, one of the things he noticed was that fuel costs went up fairly significantly in the last year. It's minor. It's like \$1,500 to \$2,000 but it kind of surprised him.

Mr. Helmuth stated they are paying for that temporary drafter through Contracted Services. They are going from 28,000 in 16/17 to 75,000 in 17/18. He also added a little bit more training time in there.

Mr. Helmuth stated one of the measures they are taking to increase revenues is the increased fees for cost recovery. That's increasing modestly. He thinks it's around \$7,500 to \$10,000.

Mr. Helmuth stated they also have a COLA adjustment on any other sources that are out there.

Mr. Helmuth stated that as a department they really don't have proposed Capital Outlays but they do a lot of the Capital Projects so what they see in the Capital Improvement Program is pretty much what they do in terms of Capital Outlays and those are usually on the order of millions of dollars per year.

Mr. Helmuth stated that was his presentation and he would answer any questions.

Mayor Medellin asked if there were any questions about the Engineering Department budget. No question were asked.

#### Public Works

Dave Randall, Public Works Operations Director stated Public Works has seven working divisions. There are about 20+ budgets within there.

#### Public Works - Graffiti

Mr. Randall stated that the Graffiti budget is the only budget that really kind of impacts the General Fund. Everything else is Enterprise or Inter-service funds or has its own revenue source.

Mr. Randall stated there aren't any changes in revenues. Everything being transferred into this fund is the same as it was last year. There are about \$144,000 that they received from Gas Tax, Water, Sewer and Solid Waste.

Mr. Randall stated there are no new positions being requested. There is a minor decrease in Salary Expenses due to a small change in how personnel costs are allocated within their budgets.

Mr. Randall stated there is an increase in Maintenance and Operations due to the vehicle depreciation. He stated they heard from other departments that it was deferred last year.

Mr. Randall stated there are no Capital Expenditures or debt service in this budget.

#### Public Works - Streets

Mr. Randall stated that Streets, the other portion of Public Works that is in the General Fund, does not actually impact the General Fund balance because it has revenue that is brought in. He stated that in the slide they may see a \$2,000 actual increase. They have to fix that part. Basically, for every dollar they expend, they get it from another source so it will come out as zero in the end. A big major portion of that comes from Gas Tax. Measure T, Solid Waste, Water fund and Sewer fund also contribute for repairs to the roads that they cut up.

Mr. Randall stated there no new positions being requested. Salary expenses have slightly decreased again. There is no substantive change in the Maintenance and Operation.

Mr. Randall stated there is a \$682,000 allocation for a project. Measure T has supplemental funds of about \$340,000 that they receive every year. They wait every other year to do a project to have a significant enough size to get better bid prices. This is a year when they will be doing a project. It will be for local street maintenance. They haven't selected the exact project yet but it will come back to Council for approval.

Mr. Randall stated there is a new proposal for a water truck for \$65,000 in Capital Expenditures. He stated they've been watching these costs and they found it will be more cost effective to purchase the water truck than the cost of leasing them as they do now.

Mr. Randall stated there is no debt service in this budget.

Mr. Randall stated he would answer any questions.

Council Member Oliver asked that as far as this budget forecast and in future budgets are they able to anticipate any additional monies made available by SB1 the Transportation Funding Bill. He knows that there are some estimates provided when they did their preliminary calculations at around 2 million or 2.2 million that could potentially be available to the City of Madera. He knows there are very different revenue sources that would come from but asked if that was used at all in this calculation.

Mr. Randall stated that they will have some money part of next year. They won't have the full amount. He thinks they don't start collecting monies until November. They will be coming back to Council probably at mid-year to go over a list of projects that have to be approved by Council and made part of the project in

order to be eligible but the State hasn't even drafted those rules yet so they are still learning what they have to do. There is a significant amount of money that is involved in that additional new Gas Tax. The MSMR dollars. Where exactly they are going to spend that will sort of be a game. Probably some of it will be changing what they call different projects and moving monies around but it is new money that will help them with some of the improvements on their streets.

Council Member Oliver stated that he thinks in the future when there is more clarity there and more definition from the State, he would appreciate an update. Not necessarily a workshop, but a department update as to how those monies will impact this department in the City for the better.

Mr. Randall stated that he and Mr. Helmuth are watching that with bated breath. They can't wait.

Mayor Medellin stated that they approved M&O last year so he'll have to remind him what that was but under Other Maintenance Supplies they were at about 40,000ish or so. Last year they approved almost \$670,000 and this year it's almost \$680,000 under Other Maintenance Supplies. He asked Mr. Randall to be specific on that.

Mr. Randall stated the aggregate fund includes things such as their patch material, all their materials, all their various supplies, contracting out for patches and things. He stated it adds up quick. It is a lot but that is the normal material cost of performing....

Mayor Medellin stated it is materials rather than itemize each and every little thing that it is and Mr. Randall responded affirmatively.

Council Member Rigby stated it was sort of a catch all.

Council Member Rigby asked if it is cheaper right now to continue on with the Contracted Services and positions that they are incapable of fulfilling because of experience or what not. He knows that earlier this year the Council had approved to contract out services for a position that they had yet to fulfill. Noticing that they are no longer seeking that position, he asked if they were going to honor the freeze and maintain the contracted position or .....

Mr. Randall stated that in the General Fund, they don't have any of those positions. That's in the Sewer fund which is an Enterprise fund so it wouldn't be applicable. There's a pretty good work pool for maintenance workers. Where they have a hard time is getting certified Waste Water Treatment Plant Operators and certified licensed Water workers.

Council Member Rigby thanked him for the clarification.

#### Parks and Community Services

Mary Anne Seay, Parks and Community Services Director stated that they did it a little bit differently but are capturing basically the same information. She stated she would dive into the details but this is kind of the overall position of the Parks and Community Services Department for 17/18.

Ms. Seay stated the requested budget represents an 8.8% increase in General Fund support over 16/17 levels.

Ms. Seay stated revenues are slightly down and she will touch on that in a future slide. She thinks they are going to have some good news there.

Ms. Seay stated that because of the Cost of Living increases and step and column increase in salaries and benefits, the 2.7% increase actually represents a reduction in part-time staff hours.

Ms. Seay stated that Maintenance and Operations is up 11.9%. She stated she would touch on that soon. Same with Capital Outlay where they are requesting \$20,000.

Ms. Seay stated they are not requesting any additional staff at this time and the 2.7 increase represents the Cost of Living raise expected in July in addition to any step and column increases or longevity pay that is expected in this upcoming fiscal year.

Ms. Seay stated that the most significant increases to M&O and this is almost to the penny are \$179,880. All from five major places. One is Facility's Maintenance increase of \$45,000. That's an Interfund charge as is the charge for Vehicle Repairs which will be going up \$9,600. Ms. Seay stated that Council may recall they suspended the vehicle replacement schedule last year and they've put that back into place so that impacts Parks and Community Services by \$56,721.

Ms. Seay stated that Contracted Services – Janitorial was increased by \$35,000 over last year and PG&E is expected to increase \$33,500. All of those things really fall outside of the boundaries of their control. What was internal to their control, they found about \$18,000 worth of cost savings so they reduced that increase of \$179,000 down to somewhere around the \$162,000 mark.

Ms. Seay stated that in regards to measures to increase revenues, they are in a perpetual hunt for outside resources including small grants from PG&E to larger grants from CDBG and other such grants. They cost allocate their staff time to some in some cases and in others like the Senior grant, for example, they got mostly pays for the part-time temporary staff at Frank Bergon [Senior Center] and PAC as well as some full-time staff.

Ms. Seay stated that in regards to Fee for Service Contracts, this is where she said they might have a little bit of good news. They have a Fee for Service Contract with Madera Unified School District. Presently, they pay them \$147,000 annually to provide after school recreation programs. That's going to continue into the next year. She stated Council may recall that in April they passed a contract with Madera Unified School District for Parks to provide recreation and enrichment programs to foster and homeless youth. That program was a pilot program. It was for \$60,000. It's worked really well. Both sides are interested in entering into an agreement for the upcoming year. Those of them that were at the Realtors Association meeting last week saw 90+ kids in a camp. That was paid for with these program dollars. Moving forward, what they are telling them presently is that they should expect \$80,000 for the upcoming year at the low end. Obviously, that would mean an increase in M&O and more likely in part-time salaries. They do also anticipate at least 50% of that would be relief to the General Fund.

Ms. Seay stated this the second year they've used Gas Tax to pay for median island maintenance. As she mentioned in her presentation last year, this is not a sustainable way to use Gas Tax. It is helping relieve the burden to the General Fund in the current climate and they are electing to do that again this year.

Ms. Seay stated there was an asterisks there that said, "Not reflected in the proposed budget" because she had it all detailed and then she realized she'd taken it out, so she apologized for that.

Ms. Seay stated that she wanted to mention that their staff analyzed the Master Fee Schedule to figure out where they might be able to increase fees and unlike the Planning Department that has fees of \$2,200, they are charging kids \$1.50 to go swimming. She stated she, Mr. Tooley, Mr. Przybyla, Business Manager Mark Etheridge and people in her department have had repeated discussions about full cost recovery in some programs and what they found when they compared themselves to eight different jurisdictions both small and big cities around that were right in that middle, they're not charging less than other people and they're not charging more than other folks in most instances so they are going to do analysis on whether or not they can increase some of their fee based programs. This isn't going to save the General Fund by any stretch but it's a philosophy that they've always maintained that they have a balance of fee based programs and free programming and it may be that the climate is such that they have to increase their fee based programs and those things are yet to be determined.

Ms. Seay stated they are requesting \$20,000 in one-time Capital Expenditure for playground replacement equipment. The only two playgrounds they have in the City that are currently under warranty, she'll give



them two guesses, is the one at Centennial Park that just went in in November and the one at Knox Park that went in in October. Other than that, all of their playgrounds are out of warranty and so when a slide breaks or is vandalized and they have to replace it, it's been the practice of making it safe by boarding it up but then they don't get the slide until they have resources to pay for it so they are requesting \$20,000 this year to make some of those repairs throughout the City.

Ms. Seay stated there are no changes to the debt service to the [John Wells] Youth Center. They have this upcoming fiscal year and then the following year and then they will be finished with that. That is \$194,000 that comes out of the Parks DIFF every June so they will be excited to get that paid off pretty soon.

Ms. Seay stated that she and Mr. Tooley had a pretty lengthy conversation about strategies for moving forward with the budget and he asked that she include these slides that are not necessarily following the trend of what other people were discussing. She asked what some of the things are that they could cut or scale back on because it is a difficult time moving forward and over the next five years. She knows they know this. She's preaching to the choir a little bit. She stated if they offer a program, a service or a maintenance activity it's because they feel there is value to it so any recommended cut know that it comes at a lot of pain for people in their department because they feel there's value in what they provide so if they hear her offer something up know that it's not done so happily.

Ms. Seay stated these are not recommendations in as much as it is information so that they can all be on the same page and move forward together.

Ms. Seay stated that the 4<sup>th</sup> of July is an expensive day. They can see from the expenditures it is \$58,000 for one day. People often ask if they get the fireworks paid for and the answer has always been from her a qualified yes. The fireworks cost \$25,000 and they raise about \$30,000. That leaves about, give or take on the year in terms of how much they expense or how much resource they bring back in, \$28,000 in hard General Fund costs every year to have a one day event. Ms. Seay stated there is value in that one day event. When they add into that the somewhere between 5 and 600 staff hours throughout the course of the year that could be spent on maybe revenue generating activities or something else it becomes an even more expensive day and they haven't quantified that because there are so many different position levels from her and even the Purchasing Manager to the Business Manager, a Park Worker I and a part time Recreation Leader so it's hard to really quantify and get Council an exact hard number on what the soft cost would be for that but it is an expensive day.

Ms. Seay stated that additionally they have the Spring Eggstravaganza. She knows it's near and dear to people's hearts. It's a half day program; basically an Easter egg hunt and after revenue and sponsorships, that's a \$9,000 morning so that is something for their consideration.

Ms. Seay stated their support of Fiesta in the Park, again they recognize this is not fun, these are place making events but together the Fiesta in the Park, the Spring Eggstravaganza and the 4<sup>th</sup> of July could net about a \$40,000 net positive to the General Fund.

Council Member Rodriguez asked what those costs are associated to when she mentions Fiesta in the Park and that other Extravaganza. He asked what they are alluded to. He asked what they are attributed to.

Ms. Seay stated that for Fiesta in the Park they would purchase some equipment and materials to take out to the event whether it be for little organized games, family fun games or whatever they are doing but the bulk of the resources are spent on staff time.

Council Member Rodriguez stated staff time kind of like the 4<sup>th</sup> of July.

Ms. Seay stated it gets really expensive because it's a holiday and those full-time people are getting paid double and a half time.

Council Member Rodriguez stated contract those services out.

Ms. Seay asked contract the services for the....

Council Member Rodriguez stated he is asking if it is cheaper to contract services out for that day.

Ms. Seay stated that she's never considered that. She doesn't know if somebody...

Council Member Rodriguez asked that they have to pay holiday pay for that day and Ms. Seay responded affirmatively.

Council Member Rodriguez stated he was just throwing it out there. He stated he wasn't sure what those other fees were for. He asked if that was mainly for her staff.

Ms. Seay stated it's the cost of doing business. A lot of it is staff time.

Council Member Oliver stated that has to be at least a 12 or 14 hour day when they consider the golf tournament and the fireworks show.

Ms. Seay stated it's 17.

Ms. Seay stated the potential elimination of some programs or reduction of program hours would also be on the table.

Ms. Seay stated they did reduce Senior Services time by an hour or two some time ago and they were able to increase that back.

They have an Adult Day Care Program at 6<sup>th</sup> and I Street right now and when they back out the revenues and full-time staff, they could have a General Fund savings of \$70,000. Presently, they are serving 10 clients at that program. That's about \$7,000 per client. She stated nobody in the City recognizes the value of that more than the team who work on that program. She stated that for the 10 people that are there, it's important.

Ms. Seay stated balance that with eliminating drop-in after school recreation at Pan Am Community Center where the cost of more like half of that for the entire year where they are serving maybe 40, 50, 60 a day maybe 20, 30 depends on the day it balances out to just a significant difference in cost per program participant recognizing fully that the services are very different.

Ms. Seay stated it's just some things that Mr. Tooley asked her to have Council think about.

Ms. Seay stated she would answer any questions.

Council Member Rodriguez stated he had to say that the amount of money that is spent for the 4<sup>th</sup> of July... He's looking at those numbers and that's pretty amazing on what an hour of fireworks can really cost. As far as the other programs she mentioned, he knows that they have a lot of value in the community and not something that he can recommend today but at least consider that maybe they scale back on that show so that she doesn't really cut other services that are more important that go more than just a day; possibly a year. He stated those numbers are pretty high but he understands the value that it brings to the community. He doesn't know how long it's been going on. He's been going to it the last seven or eight years but he doesn't know prior to that if this was a tradition that Madera continually has. Council Member Rodriguez asked if Mr. Tooley could answer that for him. He asked if that is something that they've always had in Madera.

Ms. Seay stated it was a long standing tradition. It used to be held at Lions Town and Country Park and it was suspended for some time. She understands it was budget concerns. It was brought back the year

before she came in 2007 so she thinks the July 4<sup>th</sup> 2007 was the first year they had it out at the golf course and it's been there every year since.

Ms. Seay stated that all staff aren't there for 17 hours but some are and the golf tournament really is the largest funding mechanism to the evening so to cut one part without the other is really not....

Council Member Rodriguez asked how many attendees are present at this function. He stated he's not trying to throw the presentation off but he just brought a lot of interest.

Ms. Seay stated they estimate, based on the amount of cars that are parked in the parking lot in the evening, around 5,000 people come out from all over the area. A lot of neighboring communities have stopped with their fireworks show. She stated ours has gotten a good name for the fireworks themselves quite excellent so they see a lot of people coming from out of town. They like that.

Council Member Rodriguez asked if the City has imposed a parking fee or something like that in the past. He asked if that is something that's normal.

Ms. Seay stated they've talked about that and they've landed on it being an extreme safety hazard because everybody doesn't trickle out. They wait until the sun goes down and they already work with CHP and PD to..... Sometimes traffic is actually backed up onto the [Highway] 99 so if they were to take parking, they are concerned that they would back traffic up even further and for the \$10,000 they may get they didn't feel it was worth the liability. They've talked about it recently and they can certainly revisit it again and they'd be happy to listen to people's opinions. Ms. Seay stated that she thinks the best way to do it if they were to go that route would be to hire a third party that has that experience of getting people in and out quickly and safely versus some of their part-time staff who don't have that parking experience.

Council Member Rodriguez stated that is something they can revisit later. He just wanted to ask a couple of questions in regards to those numbers she presented.

Ms. Seay stated they've also considered charging a gate fee. They spoke to the Chamber of Commerce in Kerman and they charge a gate fee. The problem is the golf course is open and people can just come from the almond orchards. They can come from all directions so it's tough to charge a fee with that layout.

Council Member Oliver stated he agreed. The 4<sup>th</sup> of July Spectacular is such a great opportunity to showcase the City and kind of the same level as the Pomegranate Festival and any time you bring 5,000 to a venue or a facility maybe there's some opportunities for additional exhibitors or rent booth space or something to that extent. He likes the questions as far as future maybe community partnerships whether it be with service clubs or the Chamber [of Commerce] or others that have stepped into those community event roles because it certainly is eye opening to see that \$17,000 cost figure.

Council Member Oliver asked if they were doing an analysis in regards to Facility Rental Fees, to see if they're in line or if they should be looking to increase fees for building rentals or to utilize the fields.

Ms. Seay stated they look at that on an annual basis and they do it in a number of ways. They look at their trend lines and they look at neighboring cities to see what they're doing. There have been times when they've actually reduced rental rates at locations to try to drive more rentals because they were sort of outpricing themselves to rent the Pan Am Community Center so they dropped the rental rates and saw more people take advantage of that opportunity. They analyze it on a pretty regular basis and they try to keep it on that borderline of being as high as they can go without driving people away.

Council Member Oliver asked if for the John Wells Youth Center they're not anticipating any rental revenues of the facility during this upcoming year.

Ms. Seay stated they don't have very many. One of the challenges to that is they have programs going on pretty much all the time. It really is coming to fruition so it's a difficult discussion but they have had some

in the past mainly by way of partnerships with the school district or [Valley] Children's Hospital; those kind of things.

Council Member Oliver stated school dances and things like that and Ms. Seay responded affirmatively.

Council Member Oliver asked how far the \$20,000 Capital expenditure would get them regarding the deferred maintenance required at the park's facilities as far as those repairs. He asked if that was going to benefit one or two playgrounds or is it really going to move the meter for those facilities.

Ms. Seay stated it would move the meter for now but recognizing that is on-going. The slides have been vandalized before. Now, she thinks it pretty well gets them full slide replacement and there are a couple of other apparatus that need to be replaced that aren't slides but that would pretty well get all of their tot lots and play features back to their original condition so to speak.

Mayor Medellin stated he and Ms. Seay have had extensive conversations going back to when he got on the Council and coming from the retail side of it cost recovery for him was if it cost \$1 and he sells it for \$1.38 he breaks even so the budget at the City where they are well below cost was a big question.

Mayor Medellin stated he's had a lot of conversations about that but Ms. Seay had explained to him the community service in the title Parks and Community Service and so when she talks about the value he doesn't think there's anybody up there that would disagree that there's not a program that they don't have in place right now that does not carry so much value in their community from the seniors to the meeting they had about a week or so ago where the John Wells [Youth] Center was packed from kids indoors and kids swimming outdoors so there is a lot of value and they do understand completely that it comes with a cost.

Mayor Medellin stated that at the same time Ms. Seay had stated that revenues are down and expenditures are up and it looks like an 888,000ish or so in revenue and for 4.89 million in expenditures or 12% of the budget. That's a large number when they are sitting there this evening to try to fill a million dollar hole. Mayor Medellin stated he agrees with his colleagues. He thinks it's a conversation to have and to really look at meticulously and find out where they can possibly raise revenue. He thinks he would like to go there first. It would be great to raise revenue before they make some cuts to the community and that value that they have.

Mayor Medellin stated they had the conversation about the 4<sup>th</sup> of July golf tournament, The Spectacular. People come from miles around from neighboring cities to Madera and it's hard to quantify what that value is. There is no charge because it's the community service and it's a wonderful, wonderful day but as a Council they are put up there to make difficult decisions and he thinks this may be an avenue that they're going to have to pursue in the short term.

Mayor Medellin stated he's not telling her anything she doesn't already know. She and her team do everything constantly to raise revenue but \$1.50 to \$1.65 or \$1.75 is not going to get them where they need to be. They will continue to work together. They will continue to hear from her on some other ideas and suggestions to fill this deficit that they so desperately need to fill and quick.

Mayor Medellin stated that it was very heartwarming to go to the John Wells [Youth] Center in the summer and see so many kids enjoying the amenities they have as well as Knox Park and at Pan Am [Community] Center and things of that nature. It's great. It really, really is.

Mayor Medellin asked if there were any other questions of Ms. Seay.

Council Member Holley stated they talked about the Extravaganza for the 4<sup>th</sup> of July. He's been dealing with this 4<sup>th</sup> of July issue over 20 years. He loves it.

Council Member Holley stated he's been going every year for the last 20 years when it was at [Lions] Town and Country Park. He was so fortunate to have a little trailer to where they called it a hayride.

Council Member Holley stated sometimes they look at things that are for kids. He knows they talk about cost efficient but when they try to inspire into their kids what can they do to make their community happy and the way they do that is make kids happy. Council Member Holley stated as they moved from [Lions] Town and Country Park out to the golf course that doubled in value.

Council Member Holley stated it brought on to safety as well. They had kids all around neighborhoods shooting off fireworks all over town. Fire hazards and fire things breaking out. When they moved it out there they saved a lot of hazard things going on because everyone was there shooting off their fireworks. Police and farmers didn't have to run all over town to put out major fires that were really occurring. So they talk about safety and they talk about things that value. Those are values. If they didn't do that, house caught on fire. There's money spent. They don't look at those little things but there's money spent out of somebody's pocket because of a fire hazard.

Council Member Holley stated they're looking at little pinching pennies and dollars of what they could save but they are already saving. They are already saving a whole lot for kids coming out at a one.... He had family come from all out of town just to be out there that one particular day.

Council Member Holley stated they bring a lot of value to the City plus they bring revenues for those who come to spend money. It may not be on the top dollar but as their businesses, they're still gaining.

Council Member Holley stated sometimes they want to figure out how they can cut and save but they're really not cutting and saving. They're really costing themselves when they do those kinds of things; when they take out certain programs or jack up the prices. When they jack it up, you eliminate other people.

Council Member Holley stated that as Mayor Medellin said they need to really look at it as a whole and see what the avenues are and what the value is for their community.

Mayor Pro Tem Foley Gallegos stated she looked at the Parks and Community Services Swimming Pool budget under Maintenance and Operation Other New Equipment. She knows their swimming pool is used by Madera Unified [School District], by swim lessons, open swim and they have party rentals there. She stated she didn't see it there and asked if a diving board is in the CDBG funds. They haven't had a diving board at that swimming pool in a few years if she's not mistaken.

Ms. Seay stated it is the second year they are absent a diving board and with the \$430,000 awarded in last year's CDBG appropriation they are going to replace the diving board.

Council Member Robinson stated he was thinking about revenues. They go to different places and they highlight their gift stores. They sell official City logos. For senior citizens they might have item/products that seniors could use. They might want to buy. They have people coming from other cities, they might want to bring home a gift so that might be something they can think about; a gift center.

Mayor Medellin stated to increase revenues and Council Member Robinson responded affirmatively.

Mayor Pro Tem Foley Gallegos stated they talked about increasing revenue. She asked if there were open office spaces on the bottom floor of the John Wells [Youth] Center that they could rent out and bring in some revenue.

Ms. Seay stated there are. They had co-locators in all four offices; Police Department being one and one by one they've all vacated. With more and more programming that they have, the after school programming, they find themselves with a need for those offices but part of the reduction in revenue is about order of magnitude \$8,000 from RSG for the year to rent the two offices that they vacated.

Mayor Pro Tem Foley Gallegos asked if they only have two offices that they can rent.

Ms. Seay stated that they have two offices that they could potentially rent.

Mayor Medellin asked if there were any questions of Ms. Seay. No questions were asked.

#### Grants

Ivette Iraheta, Grants Administrator stated that this section of the budget represents the CDBG funds. There aren't major changes in CDBG. As Mr. Przybyla mentioned earlier it is money, money out. She stated they plan their budget consistent with their allocations on a yearly basis. They are not making changes to personnel. Ms. Iraheta stated that the only increases are the standard salary and fringe raises that have already been approved.

Ms. Iraheta stated they will see some increases in Expenditures under 17/18 particularly in the Capital Outlay budget percentage and that has to do with carryover and Entitlement and Expenditures from previous years. That is why they see significant expenditures in some of the line items.

Ms. Iraheta stated that CDBG allocations were out last week, had released their numbers and their overall increase was about \$44,500 and as Council approved, that will be proportionately distributed across the activities. An example of that is before them is about a 5 to 6% increase; sidewalks projects, pedestrian safety. Hopefully that helps out different programs budgets a little bit this coming year.

Ms. Iraheta stated that in Administration the increase is \$8,000 so they will definitely make good use of that in this year's budget.

Ms. Iraheta stated that was all she had for them under this section.

Mayor Medellin asked if there were any questions of Ms. Iraheta. No questions were asked.

Mayor Medellin stated they skipped over the Graffiti.

Mr. Przybyla stated that Mr. Randall covered that Graffiti budget. He stated he is glad Mayor Medellin brought that up because they just talked about the CDBG budgets and as Mr. Randall indicated there's really no change in the Graffiti budget from last year to this year but in the prior year they lost the CDBG funding so it's just one of those things that is a step backward for them from the loss that they had of CDBG funds that helped to fund operational expenses including Graffiti.

Mr. Tooley stated that one of the trend lines that they all need to pay attention to is that increasingly it can be the restrictive nature of uses of Block Grant funds and their inability to use that to support the General Fund.

Mr. Tooley stated that in fact the next budget that they are going to hear, Neighborhood Revitalization, initially that department used to be paid for by 1/3 Redevelopment, 1/3 Block Grant and 1/3 General Fund. It is now 100% General Fund.

Mr. Randall stated that just to be clear, the budget in Public Works is just for the graffiti removal. [Neighborhood] Revitalization does a lot of work in the public side of it, programs for the school, etc. The cost that Council saw was just for the actual removal of the graffiti off the walls, etc.

#### Neighborhood Revitalization

Viola Rodriguez, Neighborhood Preservation Supervisor stated that the Neighborhood Revitalization Department is projected to see a slight increase in the overall budget.

Ms. Rodriguez stated that starting with the Revenue category, Code Enforcement as Mr. Tooley brought out, in the past was funded in part by 1/3 Redevelopment, CDBG and General Fund but since two of those

have gone away it's now totally dependent on the General Fund. She stated she'd like to point out at this time that in 2010 revenues from outside sources began reducing the level of General Funding and a major portion of the revenues were due to the foreclosure crisis.

Ms. Rodriguez stated that the next slide shows a significant amount of revenues that was received during the past seven years and of course a majority of this was from fines and penalties and also the foreclosure but because the foreclosure is slowing down they will see a decrease in revenues. She stated they will continue to see revenues from the registration fees, fines and penalties, the weed abatement and of course their grant programs will still be the same for the vehicles and the waste tire.

Ms. Rodriguez stated the next one is a hard one. They will see a 22% increase. That is because of personnel costs going up and also because they are asking Council to consider adding two full-time positions to the department. They have been short-staffed since 2012 and this is due to resignations and retirements within the department and since then they have been running with a staff of five. What that means is that they've divided the City into seven service areas among five staff members so that means that there are two staff members that are carrying a double load.

Ms. Rodriguez stated that looking at the anticipated Rental Housing Program if that is approved they will be looking at doing 1,000 inspections a year so that is going to add to the total caseload that they are currently carrying per staff member.

Ms. Rodriguez stated that Neighborhood Watch have continued with their meetings which has increased citizen engagement so that too has resulted in expectations that are relative to property maintenance standards so this is going to also increase the calls that they've had for service.

Ms. Rodriguez stated that in Maintenance and Operations, they see a decrease of 5%. No substantial changes. She stated they did go through a line by line item with Mr. Przybyla and his staff and they did make some changes to their budget. \$9,000 or 3% was attributed to the foreclosure reduction.

Ms. Rodriguez stated that in summary their department is going to continue to be vigilant in the foreclosure activity, Code Enforcement, neighborhood outreach activities and if it is approved the Rental Housing Inspections program.

Ms. Rodriguez stated she would entertain any questions.

Council Member Rigby asked if one of the two full-time staff positions was going to be specifically for the new ordinance or was that something that they will continue to split that up amongst those that are already in the office and everybody is going to take a bite out of the pie.

Ms. Rodriguez stated that they are going to put one person to a service area and that will include whatever rental housing inspections that are in that area will be inspected by that person.

Council Member Rigby asked if the department would still operate in a five service area or does she feel it will go to seven.

Ms. Rodriguez stated they will continue with their seven service areas with, if it's approved, one member for each area.

Council Member Rodriguez stated that the ordinance stipulated that these were homes that were built prior to 1970 and asked if she would say that there are some service areas that probably don't have that much case load and if so would that then help the other service areas. He asked if they can use these individuals to go to different service areas.

Ms. Rodriguez replied affirmatively. She stated their service areas are divided up according to the CDBG areas and there may be less inspections on the City's west side so that person would be used to help out in other areas.

Council Member Rodriguez asked if that in turn would alleviate the case load that they currently have or that they anticipate to have with that ordinance.

Ms. Rodriguez replied affirmatively.

Mayor Medellin stated he was looking at their revenues and expenditures just like he had stated for their Parks [and Community Services] Department. They have \$1.5 million in expenditures and almost \$900,000 in revenue. He stated that is a big deficit of \$700,000 or so.

Mayor Medellin stated one of the suggestions made that evening was a soft hiring freeze. He stated that with the additional two employees and still trying to figure out cost recovery.... He stated he certainly supports the rental inspection but maybe like Council Member Rigby was alluding to he asked if these two new people would not be specifically doing the 20 inspections a week which is about what she had said. Mayor Medellin asked if they would continue to help out in Code Enforcement and if so where does that put them on increased revenue versus expenditures. He asked if they were going to add more to their expenditures. He asked if he is getting cost recovery with two new employees.

Ms. Rodriguez stated that as far as the inspections are concerned, that will be divided up among all seven equally.

Mayor Medellin stated no one particular group, one or two people will be doing inspections. He stated all seven would be doing weed abatement, mattresses in alleys and rental inspections. They would all.....

Ms. Rodriguez replied affirmatively. She stated that everyone would be assigned a certain area and whether there is code enforcement for public nuisance or other issues that need to be addressed including the rental housing it will be performed by that staff.

Mayor Medellin stated he remembers the good ole days when they had foreclosures. It was a double edged sword. They had so many foreclosures that the department paid for itself at least the banks did. He stated that foreclosures are almost nil and so they are not relying on that \$3+ million and now they are adding personnel. He is not saying one way or another. He is just trying to be as fiscally responsible as possible and if they are going to consider a soft freeze this may fall under that particular definition. Mayor Medellin stated that again, he is looking for revenue. He is not looking for increased expenditures.

Ms. Rodriguez stated that when they were looking at their budgets one of the things they looked at were the fines and penalties along with the Rental Inspection Program and they expect to see over \$600,000 in their estimation of additional revenue.

Mayor Medellin stated that is what he was looking for. He stated that was new territory, some uncharted waters for them but that was her estimation.

Ms. Rodriguez responded affirmatively.

Mayor Medellin stated that was not including what the cost would be for two new employees.

Ms. Rodriguez responded that was correct. She stated that they are also looking at another avenue of income which would be the rental business license. There are estimated over 8,000 rentals and they believe that there is under Revenues for many of those that do have rentals but have not registered their business.



Mayor Medellin asked if that would fall under the same umbrella with the new additions or would the RDA be in charge of having them file for the business license that they don't have or....

Ms. Rodriguez responded affirmatively.

Council Member Rigby asked if that would fall under another operating cost for these new employees. He asked if it would be another task that would be added.

Ms. Rodriguez responded affirmatively. She stated that they do have a line item on that in the budget.

Council Member Rigby asked if as a cost recovery.

Mr. Przybyla stated they have included \$100,000 of revenue within their budget for business licensing. In reality that \$100,000 will be generated through the Business Licensing Division under Finance but the City ordinance does call for the revenue generated for rental business licenses to be directed towards their department. In reality they'll be upping the work done in Business Licensing. Mr. Przybyla stated a contract with Muni Services was recently approved. They will be doing an audit so they are looking to increase those revenues. That \$100,000 figure was what Ms. Rodriguez and her department have estimated for increased business license revenues related to rentals but in reality that should not be requiring additional staff work from Code Enforcement.

Mayor Medellin stated they had talked about this years ago. He thinks Ex-Mayor Brett Frazier was wanting to examine that same thing with the number of un-licensed businesses in town. He believes there is a lot to be generated through that audit. He's not sure if it is \$100,000 but they'll see.

Council Member Robinson stated he wanted to know about these people going around doing business without a license, selling food, and pushing carts for ice creams. He stated that is another revenue source. He stated that maybe they can inspect those people selling flowers on the block.

Mayor Medellin stated that Code Enforcement has their hands full with that as well.

Ms. Rodriguez stated they do.

Council Member Robinson stated that then they have to train for the inspecting of the housing; the personnel.

Ms. Rodriguez stated there will be a lot of training going on.

Council Member Robinson asked if that would be in-house training.

Ms. Rodriguez responded affirmatively and stated they as well have a CASIO, which is a Code Enforcement training program. It is an outside agency that trains.

Mayor Medellin asked if there were any other questions of Ms. Rodriguez. No questions were asked.

Mr. Przybyla stated that concluded the General Fund portion of tonight's discussions. He stated they would move on to the summary of Enterprise Fund expenses.

Mr. Przybyla stated if Council wanted to take a short break they could certainly do that.

Mayor Medellin stated a five minute break was in order.

Break commenced at 6:10 p.m.

Meeting reconvened at 6:17 p.m.

### Enterprise Funds

Mr. Przybyla stated they are looking at a summary of the major Enterprise funds. At the bottom right there is \$4.8 million deficit. They are not as much concerned about that in this case because most of that is related to Capital Outlay; major improvements that are being done primarily in the Sewer Fund which they will talk about in detail in just a minute. That is the big deficit. Sewer for all the Capital projects they have going on.

Mr. Przybyla stated Solid Waste has a \$658,000 deficit. That's kind of a general plan that's been taking place that former City Council agreed that they wouldn't raise rates for a number of years and they are coming to the end of that period where they will be considering raising rates and they've been fortunate because they got a very good contract with Sunset [Waste Systems] which they were lucky to have Mid-Valley [Disposal] buy out. That has kept the rates down for the citizens and there is a fund balance there that this is drawing down from.

Mr. Przybyla stated there's a surplus in Water with less Capital Outlay in 17/18.

Mr. Przybyla stated Drainage is a much smaller budget and is actually projecting a surplus also which is a turnaround thanks to some changes that Public Works made related to costs for drainage facilities moving them to Water for regeneration of water to the earth.

Mr. Przybyla stated those are the major funds.

Mr. Przybyla stated they have the non-major funds such as Airport, Golf Course, Dial-A-Ride and Fixed Route.

Mr. Przybyla stated Mr. Randall would present his portion of the Enterprise Fund budgets, then they would hear from Ms. Iraheta and he will provide a brief discussion of the Golf Course budget. He stated he would get that out of the way at this time.

### Golf Course

Mr. Przybyla stated they're looking like a slight surplus in there but there are a lot of moving pieces in this budget and this is one of the pieces that got away from them.

Mr. Przybyla stated there was about a \$55,000 swing in that budget so that will turn into a deficit to General Fund. The \$55,000 swing is an additional impact to the General Fund but like he said there are a lot of moving pieces so also today they found \$75,000 that was budgeted for something in Grants that they are not going to be expending so it's amazing how much things balance out here.

Mr. Przybyla stated this Golf Course budget will change. It will be shown as zeroing out but it will be because of a transfer in from the General Fund of roughly \$55,000.

Mayor Medellin asked Ms. Seay if there was a pump issue out there or what exactly was that.

Mr. Przybyla stated the swing in the budget has to do with them switching from MAIS to Tyler Munis and from account numbers to account numbers. There's a duplication of about \$70,000 in the revenue line items. It was showing up twice. They recognized that \$70,000 today as Eric Battles, Administrative Analyst was going through looking at the budgets and Ms. Seay was working closely with Mr. Battles. Mr. Przybyla stated that \$70,000ish of revenue was a duplication that will go away. Take that and add it to the \$16,000 surplus and they have a \$55,000 hit to the General Fund.

Mayor Medellin stated that it was just a duplication or a line item mistake that happened and Mr. Przybyla responded affirmatively.

Mr. Przybyla stated they will cover the Golf Course budget in more detail at the Final Budget presentation if it so merits.

#### Enterprise Funds – Airport, Solid Waste, Storm Drainage, Water and Sewer

Mr. Randall stated they have seven divisions. Six of those seven divisions deal with Enterprise funds. There are five different Enterprise funds so they all work off different sources of revenues. They are all outside of the General Fund.

#### Enterprise Fund - Airport

Mr. Randall stated the Airport is a significant Enterprise fund although it's a small operation. There are only two budgets; Operations and Capital Outlay. The revenues for the most part are fairly normal. They get revenue from leases, ag crops; they share in those profits, etc. so there's only about a \$20,000 minor adjustment which is based on better projections from previous years. Mr. Randall stated there is an additional \$496,000 in this year's budget but that's just a one-time increase from FFA and state grants and it offsets a \$525,000 pavement crack seal project at the Airport. It's not a normal operating cost. It's just the things they do when they get those grants which is fairly frequently; almost every year.

Mr. Randall stated there is no change in debt service. There are no new positions and there's no substantive change to the salary expenses. There are some minor changes in Operations due to increased cost in Contracted Services. Some of their contracts have gone up, etc. but it's not really that significant for them.

#### Enterprise Fund – Solid Waste

Mr. Randall stated that they have a fairly stable fund in Solid Waste budget because of the rates that they are able to keep consistent due to the savings. There are a number of minor budgets within it. There's also the obvious Municipal Disposal, Used Oil Recycling Beverage Containers, Solid Waste Recycling which is a separate grant, Tire Clean Up, Hazardous Waste Disposal and Street Cleaning. Mr. Randall stated that the street sweeper is actually in this budget. It's a provision under law that allows them to combine those funds.

Mr. Randall stated that there are no substantive changes in revenues. Rates are staying the same for their users.

Mr. Randall stated there is one new part-time position requested in this budget. It's a half of a Maintenance Worker I position. It's being requested to assist in the replacement and repair of their trash cans. He stated they have about 39,000 trash cans and as they are aging they need more and more care. They are out there all the time putting new wheels on, putting new lids on and they are not keeping up so they just need to add some part-time people to try to keep up with that. They have a great relationship with ARC who does some of that work for them but they can't keep up. They can only do so much.

Mr. Randall stated there are also some increases in salary costs for existing positions. These are just due to the normal Cost of Living increases, some merit cost increases and health benefits. The normal things that are going on and they have some minor adjustments on how they allocated some of their costs.

Mr. Randall stated there is no substantive M&O issues, no capital and no debt service in this budget.

#### Enterprise Fund – Storm Drainage

Mr. Randall stated that this budget is divided between Operations and Capital Outlay. Storm Drainage is fairly limited. There are no new positions requested. They are having some small adjustments on the salary cost based upon how they account for those things. The revenues unfortunately remains stable. There is no way to increase it. As they probably know, Storm Drainage fees can't be increased without an election versus a protest hearing. There is some legislation that might give them some relief but he wouldn't hold his breath. There are no capital projects in the fund and there is no debt service.

#### Enterprise Fund – Water

Mr. Randall stated they have a number of different budgets there. The Water Utility, Maintenance and Operations, Capital Outlay, Water Quality which also includes the Conservation Division and the debt service for the bonds.

Mr. Randall stated the revenues are increasing by \$1.7 million. This is in line with the scheduled rate increases.

Mr. Randall stated there is one new part-time position being requested for the Water Conservation unit. This is a half time Maintenance Worker I. It is to help them with maintenance work on the water meters. They now have about 13,000 meters and it takes a lot of work to keep those things constantly repaired and unfortunately that need will probably grow but right now they just need about half a position to keep their heads above water where they are at.

Mr. Randall stated there are no substantive changes in O&M.

Mr. Randall stated that regarding Capital Expenditures, they have a number of things they are doing within the department itself. These are sort of normal operational maintenance type of things but they are pretty expensive. Pump bowl replacements, some cranes that have to be replaced because of some new legislation, a chlorinator at Well 15, water meter programmers, some test equipment and about \$100,000 to replace some of their larger water meters that wear out and are very expensive. There is also about \$2.2 million in other Capital Projects that the Engineering Department takes care of for them. He stated he won't go into those because Mr. Helmuth knows all that stuff.

Mr. Randall stated there is no change in debt service for the Water fund.

#### Enterprise Fund - Sewer

Mr. Randall stated this is one of their larger issues this year. The Waste Water Treatment Plant as well as the Sewer Maintenance function in the Water Department which takes care of all the pipes the collection system for the sewer are both within the Sewer Fund. Revenues have increased by about \$900,000. This is due to a 9% scheduled increase in the user fees. There are some increases in Maintenance and Operation particularly at the Waste Water Treatment Plant. There are just some expenses that have gone up.

Mr. Randall stated that a number of years ago the City started taking a different approach. They've moved away from a reactive wait till it breaks and then fix it to a proactive trying to manage their assets, be ahead of the game, know what their liabilities, plan for them and look to optimize their costs.

Mr. Randall stated they started this in 2013 when the City funded Akel Engineering who did their infrastructure master plans. They went through and looked at all the issues that are relative to what is going on, what was wrong with their existing system, did they have any capacity issues and importantly what did they need to do when they grow to coincide with their land use plan. That gave them the basis of what they needed.

Mr. Randall stated that in 2015 at the Waste Water Treatment Plant they did an assessment. They hired a firm to go out and look at all the equipment, look at where it was and how likely it was to fail, etc. It was startling but they started trying to figure out exactly where they were.

Mr. Randall stated that in 2015 they also adopted new rates. Luckily the public was fairly receptive and they had for the first time rates that included money for replacement of equipment and infrastructure and doing some of the things they knew they had to do. Some of those numbers were soft because they didn't have really good data. They didn't have a lot of the information on their infrastructure so they had to use industry standards to approximate them. They are working towards that though.

Mr. Randall stated that in 2016 Council approved and they began the Infrastructure Assessment Study. It is a two year program that is looking at all the sewer and water distribution systems and collections system

and looking at what condition they are in. They had just started this when they had the Schnoor [Avenue] failure and that highlighted the need for this; that they indeed need to know where things are. This first year they've sort of begun that and next year is the end of it which will then give them a better idea of what they are looking at in terms of deferred maintenance and liabilities.

Mr. Randall stated that also in 2016 they developed a list of essential repairs that need to be done at the Waste Water Treatment Plant. It was based off what they did in 2015 and some operational issues that they are identifying and these are critical issues. These aren't just nice to have. They aren't painting the fire truck. They are putting wheels on it.

Mr. Randall stated they also put out bids to start the first project and they've hired an engineering firm to help them put out the rest of the items. They are large capital projects. It takes a lot of bid spec preparation and some good engineering knowledge to get it correctly so they are going to manage those projects for them and get this done.

Mr. Randall stated they began this year and they actually have completed the very first part of it which was cleaning Digester 1 and in this next year they will complete these essential repairs. Mr. Randall stated this was a bad one. It is about \$4 million. They need a new well at the Waste Water Treatment Plant. They normally have two wells; one for back-up. One has completely failed. The other one is on its last leg so they have to develop another well. They have three digesters and as he mentioned they began the cleaning of one. The other two still need to be done. They have three primary clarifiers. All three of those need to be rebuilt. The centrate line has to be replaced. It is necessary. There are a lot cost involved for the design and some contingencies.

Mayor Medellin asked if it was fair to say that if they were reactive and waited for these things to fail they may save a little bit of money now in the short term but pay a whole lot more than this down the road.

Mr. Randall responded affirmatively and stated they might be looking at another digit.

Mr. Randall stated that in their collection systems they have more operational type of things being done by their staff and Engineering [Department]. That includes some manholes maintenance work, some rings and covers replacement, completion of that sewer system assessment and videoing of the sewer system. Videoing of the sewer system is very important to figure out where those things are so they don't have those Schnoor Avenues. They have a project to do some repairs at part of the line from the lift station down to where they had that failure. They have an upgrade to the Fairground lift station. They have some software they are trying to put into place which is a computerized maintenance management system as well as an asset management system that takes all the information at the Waste Water Treatment Plant that they've generated and puts it into something that makes it more effective for their people to make sure they do what they are supposed to do.

Mr. Randall stated they discussed the \$4 million previously.

Mr. Randall stated there are currently nine people assigned to the Waste Water Treatment Plant. They have two vacancies. They are currently doing backgrounds on two candidates. It took them three recruitments to get to those two candidates. It is not easy to find people but they do have two potentials so they are hoping to be back to full staff however this has been an on-going problem of Waste Water Treatment Plants. It's a lot of work. There's a lot of equipment. It's a lot of operational things on a daily basis never mind the issues of maintaining equipment that is running 24/7.

Mr. Randall stated there were studies done in 1972, 2007 and more recently this year that indicate they need more staff to get this done. This year they used a program that's sort of nationally recognized to quantify some of those numbers and basically what it told them was that the existing nine positions only gives them enough staff to do normal operations but no time left to do any maintenance or preventative maintenance which is not a good outcome.

Mr. Randall stated that brings them to the big ask. They are asking for some new positions. They are asking specifically for one new Lead Operator, two Operators and half a Maintenance Worker. All these people are basically focused on maintenance activities and those types of things. They are using half a Maintenance Worker to take some of the non-technical stuff and take it away from staff that they are paying a lot more money to do more advanced work. They are also asking for two Operators in Training. The market for Waste Water Treatment Plant Operators is very, very tight. Even though they may be in the median in terms of what they pay their employees it is very hard to recruit unless they are in the very top percentiles of the market so one of the ways they are hoping to try to retain people is to recruit and build their own.

Mr. Randall states it take 2,000 hours for someone to work at a plant before they can test and become a certified operator and so the idea is to bring in these positions, keep them for a year and hopefully they'll be able to be there when they need them.

Mr. Randall stated they have two planned retirements this upcoming year so they'll be back to even if they can keep these people.

Mr. Randall stated there is no substantive change in debt service and stated that was all he had to say on the Enterprise funds.

Mr. Randall asked if they had any questions.

Council Member Holley stated he liked what Mr. Randall was doing on that training. He thinks that is looking ahead because they don't know what will happen in the future with anybody but it's good to have somebody back-up just in case. He stated he's always known these are key positions. He's been out there to look around and he wouldn't want to do it so for those who put in for those kinds of jobs are a special people especially a 24/7 job. To know he's training folks to get ready for those who might be retiring he thinks the City is really doing a great job in that avenue.

Mr. Randall thanked Council Member Holley.

Mayor Medellin asked if there were any questions of Mr. Randall. No questions were asked.

#### Enterprise Fund – Grants

Ms. Iraheta stated these grants represent mainly FDA grant funds and cover their service for Dial-a-Ride and their fixed route which is the MAX. This year they anticipate an increase in revenue to pay for their new Transit Facility as well as increase operational costs.

Ms. Iraheta stated Contracted Services will definitely see an increase given the anticipated route expansion to the Madera College [Madera Community College Center]. The Contracted Services is First Transit and they absorb about 50% of their budget.

Ms. Iraheta stated there are no changes in their Personnel Cost other than the standard salary fringe increases.

Ms. Iraheta stated that in Capital Outlay currently their Transit Facility's estimated cost is at 5 million. Construction alone is approximately 4.2 million. It seems like this keeps going up every quarter it seems like. Unfortunately, they cover the increases in the budget with grants. She is looking into increasing their revenues from FTA for the additional million that they haven't budgeted.

Ms. Iraheta stated they are in the process of purchasing four new buses. The cost is approximately 155,000 each. These four buses are funded by FTA, Federal Transit Administration. FTA increases for operations and for Transit Facility. Typically on an annual basis their operations increase about 5 to 7%. This year they are projecting a 10 to 12% because of the expanded route to the college.

Mr. Przybyla asked if they had any questions for Ms. Iraheta.

Council Member Oliver stated he is curious and asked how much of Ms. Iraheta and her team's time was proactive in looking at prospective grant opportunities that aren't currently being realized versus those that are already in the pipeline, that they are working on, that they know of. He asked if she could attribute a percentage or....

Ms. Iraheta stated it was low; probably 10% if that and the reason is because they've had some turnover in staff so they are mainly focusing on their current operations which Transit takes up 40% and then they are also overseeing other grants; housing and CDBG. Ms. Iraheta stated typically what they try to do is respond to requests that are coming in directly from departments other than generating new however they've recently hired a new Grants Manager and she is hoping that it will stabilize the staffing in the department.

Council Member Oliver stated he thinks that is something to look at if there's cost benefit there. If they were to invest in that department in the future knowing that it may allow for some more proactive searching of lucrative grant opportunities that may exist. He appreciates the information.

Mayor Medellin stated that was a good point.

Mr. Przybyla stated that concluded their Enterprise fund budgets.

#### Internal Service Budgets

Mr. Przybyla stated the Internal Services budgets provide and charge for services to the other departments. They have three Internal Service funds. There is Fleet, Facilities Maintenance, and [Information] Technology.

Mr. Przybyla stated that within the Fleet and Technology budgets they schedule replacement of equipment; vehicles, computers, servers, so on and so forth. What they've done since he got here is if a vehicle is to be replaced in 10 years they'll set aside one-tenth of that projected cost over the 10 years so that the money is there to replace it. It really levels out the cost that they realize but it makes sure that the funds are there when they need them as well, both for IT [Information Technology] and for Fleet.

Mr. Przybyla stated the budgets fluctuate with replacement activities so as they are setting aside a level amount each year, some year you spend a lot more, some year you spend a lot less so they should expect to see surpluses or deficits in at least those two budgets. Mr. Przybyla stated there is an \$81,000 deficit projected for the 17/18 proposed budget but again it's due primarily to the replacement of equipment.

Mr. Przybyla stated that Facilities Maintenance zeroes out. There's a slight surplus in Fleet so they're apparently not replacing as many vehicles this year as they might be in other years. There is a deficit in the [Information] Technology funds.

Mr. Przybyla stated Randy Collin, Fleet Manager would give his presentation, followed by Mr. Randall and then by Mark Souders, Information Services Manager.

#### Internal Service Budget - Fleet

Mr. Collin stated Fleet has two parts to it; Fleet Maintenance and Fleet Replacement.

Mr. Collin stated there are not a whole lot of changes on the Maintenance side. It is pretty much status quo. He did put in a little bit more for some training which really helps them with increased efficiencies and stuff so they are replacing the right part the first time. Those types of things where they don't spend extra funds there. Not a lot of changes there.

Mr. Collin stated that on the Equipment Replacement, the first item there is the one that's come up in a lot of these other discussions; the other departments. They've reinstated the General Fund Department Replacement Fees. That is what they charge them every year; their portion to replace those vehicles. Last

year they didn't charge that to help with the budget and so this year they've reinstated that. He knows a lot of the General Funds have mentioned that in their presentations. That is where that line is. Those fees are going up a little bit. Obviously with inflation, the prices of vehicles, and new technologies. There are quite a few vehicles with expiring CNG tanks. The other thing is Air Quality. They are always mandating turning to new equipment also. New cleaner burning engines so it's kind of mandated there that kind of put them in a bind where they have to go ahead and replace equipment that they may or may not want to do but Air Quality is mandating that.

Mr. Collin asked if there were any questions.

Mayor Medellin asked if there were any questions of Mr. Collin.

Council Member Oliver asked if the transfer-in from the General Fund was the 4355 first line item for 57,000.

Mr. Collin stated it is going to be the Interfund charges.

Mayor Medellin asked if there were any other questions.

Council Member Rigby asked if with all these changes because of environmental or that kind of issue, they have sought a grant from the San Joaquin Air Control Council [San Joaquin Valley Air Pollution Control District].

Mr. Collin stated they did get the five CNG cars with grant money from San Joaquin Valley [Air Pollution Control District] and he has a grant application for five more pick-ups and they are waiting for the California Air Resources Boards to go ahead and certify those engines. As soon as they certify the engines in the new trucks then they can go ahead and get that grant also.

Council Member Rigby asked if that would off-set any of these....

Mr. Collin stated it would off-set \$20,000 a vehicle for up to five vehicles.

Mayor Medellin stated that was pretty significant.

Council Member Rigby stated that was good to know.

Mr. Tooley stated he would like to take a moment to recognize that Mr. Collin and Mr. Przybyla have identified that they have some vehicles in their fleet that generate relatively low mileage from one year to the next. One of the alternatives they are going to evaluate in the current year is eliminating vehicles from the fleet and going to a pool system. They can't present that to Council at this time because the analysis had not been done. A lot of credit should go to these individuals who recognize that there are other opportunities for cost savings.

Council Member Rigby stated great job.

Mayor Pro Tem Foley Gallegos asked how many of their vehicles are CNG.

Mr. Collin stated he hadn't looked at that in a while.

Mayor Pro Tem Foley Gallegos stated an estimate is good.

Mr. Collin stated they had maybe 50; something like that.

Mayor Pro Tem Foley Gallegos asked if they are starting to fuel at Madera Unified [School District] because those pumps are up and running and doing well. They are looking to save some money and pinch some pennies. That would be a great savings for their City.



Mr. Collin stated he would check on that. He stated he didn't know the answer to that but he could find that out for her.

Mayor Medellin asked if there were any other questions. No questions were asked.

#### Internal Service Budget – Building Maintenance & Facilities

Mr. Randall stated this is an Internal Service fund which generally means that they take all the costs to provide these services and redistribute them out to the users who use those systems. There are no substantive changes in the Maintenance and Operation in this budget. There are no new positions. There are some minor changes in salaries. These are just the normal issues of merit increases, cost of living, insurance, etc. There are no Capital expenses or debt service. It's really a pretty standard budget. The only thing that changes from year to year is as the different departments change their needs they have to change how much is charged to them but the overall operation of the budget has stayed pretty much stable.

#### Internal Service Budget - Technology

Mr. Przybyla stated they are giving Mark Souders, Information Services Manager a pass this year because he came in so late in the game and Ted [Uyesaka former Information Services Manager] had a comfortable budget for Mr. Souders to inherit from last year so they left the budget pretty much the same so his presentation is going to be pretty much status quo but he's already got a lot of good ideas that he's very excited to hear.

Mr. Souders stated the overall status of the budget is unchanged like Mr. Przybyla said.

Mr. Souders stated that right now he is in the process of a thorough network evaluation. He ran some software on the network, checking all the server switches and everything for utilization instead of just looking at replacing an item because it's old. He asked if it can be re-used, does it need to be replaced this year, can it go another couple of years, is it out of warranty, is it end of life of its life cycle so really he is looking at opportunities to increase performance and the same time consolidate equipment, repurpose hardware and eliminate unnecessary expenditures.

Mr. Souders stated personnel costs have remained static.

Mr. Souders asked if they had any questions.

Mayor Medellin stated they did not and he appreciated and liked where he is going with that; new and innovative ideas.

Council Member Holley stated wait until next year.

Mr. Przybyla stated next year is guaranteed to be exciting in technology in IT.

Mr. Przybyla stated that Mr. Souders has a lot of good ideas. They'll be saving money in the future.

Mr. Przybyla stated one of the things they talked about was allocation of staff. Since PD has hired a network administrator with Measure K funds they may want to look at shifting Kevin [Newsome, Computer Technician's] time. Mr. Newsome spent a lot of time working for PD in the past. They still need to oversee that with Mr. Souders' staff but there may be an opportunity to shift some dollars out of the General Fund because of the Measure K hire and if they repurpose Mr. Newsome and use him in other areas. Mr. Przybyla stated that is just a side thought. It's just a point that they are always looking at ways to.....

Mayor Medellin stated he appreciated that.

Mayor Pro Tem Foley Gallegos stated she doesn't know if the question is for Mr. Przybyla or for Mr. Souders. She stated that Code Enforcement is looking to change over their program on how they report. They are going to need new tablets or iPads. She asked if that was included in the budget.

Mr. Souders stated that from his understanding when somebody or the department purchases an iPad it is put in the fund to be replaced at certain set point and time so if it's a new purchase the department would purchase it. If it's a replacement then Information Services would replace it when it gets aged.

Mr. Przybyla stated that in other words the original purchase is on their dime after that they set aside funds to replace it and IT charges them for the maintenance of those items.

Mr. Souders stated he can definitely look at what they are trying to do and replace those out.

#### Special Revenue Budgets

Mr. Przybyla stated the Special Revenue fund budgets are restricted for specific purposes as mandated by the funding sources. In FY 17/18 they anticipate \$15.4 million in revenue and \$14.9 million in expenses with any left over revenues being reprogrammed for the next fiscal year. These are mostly Capital projects that are funded by the special revenue sources.

Mr. Przybyla stated they do have \$2.6 million that is being transferred into Streets which is in the General Fund but as Mr. Randall mentioned Streets doesn't really impact the General Fund because every dollar that is spent is transferred in from these special revenue sources.

Mr. Przybyla stated that one of the interesting things coming up next year is that they've budgeted for a \$1.3 million new ladder truck which will be coming from the Development Impact Fees which is grouped under Special Revenue funds.

Mr. Przybyla stated there is also a \$1.3 million for housing programs which Ms. Iraheta will discuss briefly in just a minute.

Mr. Przybyla stated the last budget they see in all those pages of budgets will be all of the Landscape Maintenance Districts. He thinks there are about 80 of them in there.

Mr. Przybyla stated this is the summary of the major Special Revenue funds. They see that Transit Fixed Route is money in and out. The General Development Impact Fees in total will be spending \$272,000 more than they are bringing in in FY 17/18 per their projections.

Mr. Przybyla stated Special Gas Tax is coming close to having a balanced budget with \$66,000 more of expenses than revenues.

Mr. Przybyla stated that Local Sales Taxes are related only to Measure T at this point because Measure A has gone away now but that is reflecting \$425,000 more revenues than expenditures.

Mr. Przybyla stated that in total the Special Revenue funds are projecting an \$86,000 surplus.

Mr. Przybyla stated then they have a bunch of other Special Revenue funds.

Mr. Przybyla stated that in total the Special Revenue funds are projecting a \$483,000 surplus in FY 17/18. In other words more Development Impact Fees and other revenue sources are coming in than they will be spending on projects.

Mr. Przybyla stated he would have the Grants Administrator discuss her items related to Special Revenues. He thought it would be prudent rather than to go through all of the other budgets which are mostly Capital in nature. They have covered those in the summary level and staff can answer any specific questions they may have about any of the numerous budgets that are included in the detail.

#### Special Revenue Funds - Grants

Ms. Iraheta stated there are no significant changes as far as revenues and expenditures. She stated that as they complete a project they draw from the awarded fund so this doesn't impact General Fund. It doesn't change their budgets.

Ms. Iraheta stated they do not have any changes in personnel for the coming year. She stated she wanted to point out that the Grants Department has the potential to fund an additional part-time position if they so choose and it's approved. This would be funded under CalHome and HOME grants for the most part. This grant basically funds their administrative costs and as they complete a project they can draw administration so the more projects they complete the more administration they receive.

Ms. Iraheta stated they've applied for a HOME down payment assistant grant. Currently they are completing one final project. There will be no funds unless they receive the HOME grant this year.

Ms. Iraheta stated there is no change to the CalHome Manufactured Rehab line item.

Ms. Iraheta stated they do use that HOME Activity fund. She stated that when people pay their previous loans that they've borrowed they pay because sometimes they are selling the homes. They receive that amount and they can reuse it for both administration and new projects so it's a revolving account that they like to tap into.

Ms. Iraheta stated this was just to point out that they haven't included an additional 17,000 in administration for the HOME.

Ms. Iraheta stated she had already explained Transit Facility previously. She stated they also have other grants other than FTA that help them cover the Transit Facility expenditures as well as the buses. They have other revenues. They are CMAQ [Congestion Mitigation and Air Quality] and PTMISEA [Public Transportation Modernization, Improvement and Service Enhancement Account] that also help them purchase these buses and construct their facility.

Ms. Iraheta stated that this year they are applying for Cal OES [California Governor's Office of Emergency Services], LCTOP [Low Carbon Transit Operations Program], HOME [Investment Partnerships Program] and CalHome so they are looking for additional revenues particularly for the Transit Facility as well as to increase the amenities for their transit operations for bus shelters and for technology enhancements for the transit operations.

Ms. Iraheta stated she would answer any questions.

Council Member Rigby asked if the bus shelters were what they were building at Freedom [Industrial] Park or if these are bus stops.

Ms. Iraheta replied add bus stops.

Council Member Rigby asked if they were new or if they were refurbishing ones that they've already put in.

Ms. Iraheta stated they are new. They are receiving 21 new ones for this year.

Mr. Przybyla stated that Ms. Iraheta stated there is a possibility of maybe funding another position. It's one of the things that the City Administrator, Ms. Iraheta, he and others have discussed. He stated that for some of the housing type grants they can earn \$5,000 per loan that is made. The loans are a good deal. They can get a 30 year loan. They don't have to pay back for 30 years and there's no interest so when somebody sells this house before the 30 years is up then the money comes back into the system and they

loan it. They'll be looking for opportunities to improve the housing market in Madera through the use of such funds and they may be able to shift some staff from the General Fund into the Grants [Department] to help slightly with the General Fund.

Council Member Rodriguez stated he heard that when they get this money back they can reuse it for continued grants and administration and asked or if they are utilizing that money again for the same purpose of down payment assistance.

Ms. Iraheta stated it has to be for the same purpose for rehab or down payment assistance but they can get a portion for administration.

Council Member Robinson stated he attended the League of California Cities and they had a person that was sponsoring an agency called California Housing Financing and they finance single family or multi-family homes and they do first mortgages for first time homeowner low and moderate income and they can do tax credit project for multi-family and offer long term loans at low rates. He stated he can get her that information.

Mr. Przybyla stated that sounds similar to the programs that they have in place. He asked that Council Member Robinson please get that to himself and Ms. Iraheta and they'll make sure they are not missing out on some opportunities.

Mr. Przybyla stated he or staff would answer any questions they may on the remaining Special Revenue funds budgets. As mentioned he thought it would be in their best interest to leave it at the summary level at this point rather than going page by page over those couple of hundreds of pages.

Mayor Medellin asked if there were any additional questions. No questions were asked.

Mr. Przybyla stated they would go back to their discussion on how to balance the General Fund budget.

Mr. Tooley asked that Mr. Przybyla take them back to the summary slide.

Mr. Tooley stated that virtually everything is on the table. His sense is that the main event is the General Fund. He asked if there were any other funds or activities of the City that Council would like to go back to first. He stated maybe there is a question they'd wished they'd asked but didn't get a chance. He asked if there was anything else they wanted to return to.

Mayor Pro Tem Foley Gallegos stated she had a question on overtime. She looked at the overtime in all the departments and it came out to \$519,000. She knows they need it for emergency reasons in some areas but to her it is a lot of overtime when they are paying their employees to do their jobs and get the job done. She knows that when they have a break like on Schnoor [Avenue] she understands they need the overtime for that and they have an emergency for that but to her that is a lot of money in overtime. She looks at other professions where it has to be approved to have overtime because again just like their fireworks it's a holiday. They are paying a lot in overtime.

Mayor Medellin addressed Mayor Pro Tem Foley Gallegos and stated he was assuming that she meant in general and not any particular department; all departments combined.

Mayor Pro Tem Foley Gallegos responded affirmatively. She stated in general in all the departments.

Mr. Tooley stated that while they didn't ask a question he thinks the intent of their observation is that it is something they should take a critical look at. He stated that is a good catch and they will.

Council Member Robinson asked if the CNG vehicles had propane tanks.

Mr. Przybyla stated it was Compressed Natural Gas, CNG.

Council Member Robinson asked if it was reasonable in mileage instead of gas.

Mr. Przybyla stated that not only is it reasonable as far as mileage and the cost of fuel but with the [San Joaquin Valley] Air [Pollution] Control District paying them \$20,000 it significantly cuts their costs. It's a little more expensive to convert the pick-up trucks which is what they are in the most need of at this point but it's still a good savings when they can purchase them using the \$20,000 towards each vehicle that they purchase.

Council Member Robinson stated he's seen a lot of trucks going by checking to see who is violating the water usage in the yards. He asked if they were regular trucks. He stated he was wondering if instead of using those GM trucks they could use an electric vehicle. He asked if that would save on.... He stated because they are going down all the streets in the City. That's miles upon miles.

Mr. Przybyla stated is something that he'll definitely consider and discuss with Mr. Collin. A lot of that will depend on the department's needs and if they see they need to have a shovel in the back to dig up and fix something they may need a pick-up truck but.....

Council Member Robinson stated Redevelopment [Madera Redevelopment Agency] drive around in vehicles also.

Mr. Collin stated that a lot of the new vehicles they are buying for Water Patrol are hybrids as well as smaller vehicles. He stated they are really working hard and making sure they are sizing vehicles properly so they don't have big trucks running around with one shovel in the back. If they don't need a big truck they are trying to do that. He stated that as the fleet is overturned they are trying to do those things. They have to have structures, charging stations, and those kinds of things for electrification so that is something they would have to address as a whole package. As far as individual vehicles they are trying to do the hybrids to do those things that he was talking about.

Council Member Robinson stated he is trying to look at little things that accumulate and add to the cost.

Mr. Collin agreed that they all add up.

Council Member Rodriguez stated that at the beginning of the presentation he noticed that they were going over the General Fund expenditure history. In looking at some of those earlier years he noticed that the budgeted expenditures and the actuals varied anywhere from 8 to 5% and now they are tightening it. He asked what some of those variables or unknowns were that go in between the budgeted and the actual. He asked what some of those things were out there that they didn't catch and then they finally come back to see that there's probably a surplus or what have you. He thinks that initially Mr. Tooley had mentioned that there is a \$2.5 million and now they are down to 1.63 and asked what some of those unknowns are.

Mr. Tooley stated they are a service based organization so the majority of their costs are captured in terms of personnel expenses so during the course of the year they're going to have a certain amount of turn-over so hypothetically if someone is at the top step of their salary range and they hire someone at the bottom step of that salary range there is obviously going to be a cost savings.

Mr. Tooley stated when they prepare a new budget they also assume that everybody is going to take the most expensive healthcare alternatives that are available for a full family. Often they find out that's not necessarily the case and so there will be savings in that area as well.

Mr. Tooley stated as they are aware they will pursue grant funds during the course of the year so during the course of the year and Ms. Seay identified one that is going to be a go it adds an additional \$40,000 in terms of their ability to offset General Fund expenses so that's an immediate capture as well.

Mr. Tooley stated they are also going to be pursuing COPS grant funds this year. For each police officer they are awarded a grant for there is a \$125,000 over a three year basis. Hypothetically if they were successful and they got three positions under the COPS grant funds they would offset the Police Department budget by \$125,000 a year.

Mr. Tooley stated all of those are examples that push them above or below the expected expenditure revenue line. He stated this is one of those lessons he shares with Council Members fairly often. A 1% swing in a \$40 million budget is \$400,000 so if they come within 1% on revenues and 1% on expenditures they could be \$800,000 below the line or \$800,000 in a normal healthy budget. He never got a 99 or 100 in any of his tests but if he got a 99 he figured he was having a pretty good day. He stated 99% on their test is close to a million dollars.

Council Member Rodriguez stated Mr. Tooley brought up an interesting point as far as the contributions to the health benefits. He asked how early on in the year did they project certain amounts. He asked how late in the game did he know exactly that this is the amount that they need to actually budget for.

Mr. Tooley stated that if Council Member Rodriguez is talking about the rates that are charged to the City, those are adjusted on an annual basis and Ms. Silva would have to help him on the timeline.

Ms. Silva stated that the budget that is before them has current approved contributions as approved by City Council this past month when those side letters went before them in the resolutions. What Mr. Tooley is referring to is if a position is vacant they budget for the maximum exposure. They may have a situation where when they finally do hire someone maybe they are at two party or maybe they waive insurance and so it's a lesser amount. There's no specific timeline where they know they are going to capture those savings. It's the point of time when they hire someone and they enroll and then they find out. They don't get to screen for that in the application.....you know they'll take everyone that waives as opposed to those with family enrollment, right.

Council Member Rodriguez stated that wouldn't constitute a really big number then.

Ms. Silva stated the difference between family and waivers is over \$20,000 so depending on how many vacancies they had when they were budgeting it could be a significant number.

Council Member Rodriguez asked how many vacancies on average the City has at any given point for the General Fund.

Ms. Silva stated that specific to General Fund right now not too many.

Mr. Tooley stated he doesn't know how many they have but he knows that within their prospective budget he thinks the only unfilled positions are either in Public Safety or Code Enforcement so there's not a lot of room to make other kinds of adjustments.

Mr. Tooley stated that maybe he misunderstood the Council Member's question. He stated to Ms. Silva that they get rate quotes on an annual basis and asked her when those take place in relation to their collective bargaining process.

Ms. Silva stated that rates come in in May. Their collective bargaining agreements generally follow the fiscal year. They don't have to. They do right now.

Mr. Tooley stated that was the answer he was searching for.

Council Member Rodriguez stated the original question he thinks he answered the first time around. That's what he was referring to. He thanked Mr. Tooley.

Mayor Medellin stated if there were no other questions, he would have Mr. Tooley continue with his presentation.

Mr. Przybyla asked Mr. Tooley if he could point out something.

Mr. Przybyla stated they asked how they are coming closer to budget. They are actually looking at people that they know will be filling positions primarily Measure K employees and other people that PD is looking at to hire and they are dialing that down to the level of health benefits that they know those positions will require. That is just one way they are trying to dial in closer to budget.

Mr. Przybyla stated that Mr. Tooley is correct. The big gaps in the past have been when they were unable to fill a lot of positions primarily PD at one point in time. What they don't want to do is say they saved \$500,000 last year so let's add two positions and all of sudden they have all those positions filled plus two more and they end up with a big deficit.

Mr. Tooley stated they would segue way to the next portion of their discussion.

Mr. Tooley stated they are in the process now particularly on Measure K where they know who they are going to hire so they are able to drill down pretty precisely on what those personnel costs are going to look like. What that means is there is even less wiggle room in their expenditure plan than there has been in previous years. They are able to be more precise on what they put in front of them.

Mr. Tooley stated whereas in the past years they might be able to close a budget gap of a million to a million four he is going to tell them it is highly unlikely they are going to do that in the future. If they give him an operating allowance of \$500,000 there's a reasonable expectation he can close that. If they start going much above that they're essentially assuring that they're going to have another operating loss.

Mr. Tooley stated he thinks the discussion Council has this evening is how much risk they want to take in terms of the budget they see in front of them. The 1.63 million they see on the screen is basically a structural deficit. It's not a miss. It's not a one-time thing. It's a structural deficit and they should expect that to get progressively worse unless they begin to address that.

Mr. Tooley stated there are a number of alternatives in front of them. He won't go through them in detail. He will answer their questions. He will say a soft hiring freeze is not a management plan. It's a coping strategy. It's management by chance.

Mr. Tooley stated if Council Member Oliver retires, if it's a critical position they are probably going to refill it anyway. If it's not he's not making a decision based on the needs, he's making a decision based on chance. Mr. Tooley stated that is not his favorite approach.

Mayor Medellin stated nor is it his and that's why he had questions about Code Enforcement. It certainly wasn't necessarily the need but the chance.

Mr. Tooley stated he thinks it behooves the Council to identify what their priorities are and then they build their service delivery plan around that.

Mr. Tooley stated he would make a few brief remarks about the bullet point about making use of 16/17 Measure K funds. They do not have a spending plan for the Measure K funds that are going to be generated in the current fiscal year. That's plus or minus \$800,000. He does not recommend that they use that as a one-time plug for their operating expenses because that's kicking the can down the road. That's going to make the next year worse. If they want to split it up into two years that's probably a more responsible approach or in the alternative they can just reserve it all for their Capital program for their fire station. There are some choices for them.

Mr. Tooley stated he thinks he should stop at this point. He'll respond to questions but he thinks now is the time that Council has the discussion.

Mayor Medellin thanked everybody for their presentations, for answering their questions, for staying that long and getting this budget handled. He thanked them for their input.

Mayor Medellin asked if there were any other questions, discussions or clarifications regarding the budget and Mr. Tooley's suggestions.

Mayor Medellin stated he is looking at the suggestions. He stated he thinks the soft hiring freeze is prudent at this point. He thinks the 3% M&O in every department across the board; \$300,000 is \$300,000. He thinks it's good management to do so. His assumption is that 2% is \$200,000 and 4% is \$400,000 that it is a fair number and a fair assessment that they can use to reduce M&O and still maintain their service delivery.

Mr. Tooley stated that as long as they don't take a vote from his direct reports in the audience, he believes that is a reasonable expectation.

Mayor Medellin stated as far as cost reduction and again he does this at his business if they have to lower the heater and wear jackets or cut where they can cut be it paper clips and pencils it's got to be cut slash, cut slash do what they can to reduce their costs in any way they can. He thinks they do it with their home budgets. He thinks they do it in business and he thinks that's just where they are at this point.

Mr. Tooley stated that regardless what they decided tonight everybody in the room already knows he's going to drop the hammer on the expenditure plan. The answer begins with no.

Mayor Medellin stated that as far as cut backs on programs and reduce staff he is not a fan of reducing staff. They talked a little bit of some programs in the Parks [and Community Services] Department. He thinks they can revisit that discussion. Personally he doesn't think it's anywhere he wants to go this evening. Possibly not with Parks [and Community Services Department] but they need to look in the mirror and do a financial assessment as to where they are going in the future and continue those discussions.

Mayor Medellin stated that as far as Measure K funds and he will open this up to his colleagues because they do have a couple of viable options that he thinks they can do. He thinks splitting it is an option or using it as a reserve. He'd like to get some input from his colleagues on how they feel they should proceed.

Council Member Holley stated he concurs with Mayor Medellin. He believes it should be split in the two years of the \$400,000. He doesn't think it should all be used at one-time. As far as cut backs he is not a fan of cutting or reducing programs because they've been cut enough and if they cut any more they are really going to have a bad year. He concurs with what he sees in front of him.

Mayor Pro Tem Foley Gallegos stated Mr. Tooley was talking about using Measure K funds and asked for what as she was not real clear on that.

Mr. Tooley responded Public Safety. He stated the promise they made to the public was Public Safety.

Mayor Pro Tem Foley Gallegos stated it was what Chief Frazier put up for the lieutenants, police officers, dispatch and all that and asked if it was for that.

Mr. Tooley stated those Measure K funds are coming in next year. They are going to have some collections in the current year. He stated this is a policy issue for the Council. As long as they use it for Public Safety even current expenses. A part of what's happened is they've lost some COPS grant funding. If they use it to backfill that or some portion of the fire contract he believes it to be consistent with the promise they made the public. They said Public Safety.



Mayor Pro Tem Foley Gallegos stated he talked about using it all for capital for the new fire station.

Mr. Tooley stated an alternative is that they can reserve it for the new fire station or other capital that the Police and Fire [Departments] may need. Their trade-off is if they use it for operations right now or do you save it for future capital.

Mayor Medellin stated they started collecting in April, the second quarter of the month which is the last quarter of their fiscal year so that is why it is going to be in the 16/17 budget but it will definitely be used for Public Safety it just falls in their last quarter.

Mr. Tooley stated it's actually one of those odd aha moments where they realized they hadn't made a plan yet for that portion of the money.

Mayor Medellin stated that just to be clear it is still Public Safety money. It's just the when and where.

Mayor Pro Tem Foley Gallegos stated that is what she needed to hear.

Council Member Oliver stated he thought that answered his primary question. Just to confirm that is where it would be designated and of course they would see some level of expenditure plan to go with that money if they were to go half and half and he would be open to that \$400,000 for Public Safety purposes.

Council Member Oliver thanked staff for racking their heads and for the team working together to find any and all corners that can be cut to maximize as much savings as possible. He realizes that this is a very difficult exercise. It is one that is not easy every year particularly this year especially with the prospect of the elimination funds like COPS programs.

Council Member Oliver stated that looking at the structural deficit he is in agreement of the recommendation of the 3% reduction in M&O costs and asked at what point they cross the bridge to look at other reductions. He asked if that was going to be done up there. He asked if they were going to direct the team to come back to the table to say worse-case scenario if they have to come back with a 3% reduction which may yield \$1 million in savings or so. He asked at what point they cross that bridge. He stated he is not sure how they bridge that gap in the meantime.

Council Member Robinson stated he thinks the thorn in their side is CalPERS and health. It's going up percentage wise. It's the elephant in the room.

Mayor Medellin stated they had a discussion years ago about contracting services. Again with Parks [and Community Services Department], they were contracting services for their Landscape Maintenance zones and things of that nature and the decision was to hire within, create jobs and bring it in-house but he got an overwhelming theme this evening on contracted services so that discussion may need to come to a head again and to who and what they continue to contract out and possibly more in the future.

Mr. Tooley stated that just as a point of reference there is a fair body of case law now as well as an AG's [Attorney General's] opinion that it is not a management right that they can determine that they want to contract something out as opposed to do it in-house. It is clearly a collective bargaining issue.

Mayor Medellin stated understood.

Mayor Medellin asked if there were any other questions or comments.

Council Member Rodriguez stated his comment was on the balance for 17/18. He stated he is assuming that this is for this upcoming year. He knows he talked about how they can increase revenues and they've had the discussion prior on what other sources of revenue they can bring in to off-set some of this.

Council Member Rodriguez stated they went to the taxpayers for that Measure K. There are built in rate increases in their water bills and he's sure that's going to come up again for discussion there at the City Council so that will probably be another increase that they'll have to address.

Council Member Rodriguez stated that a lot of the recommendations are very prudent and he thanked staff for doing a great job but he would also like to see in the future a discussion in regards to the other elephant in the room which is that ordinance for the cannabis that nobody really wants to ..... He knows they are talking about but he'd like to see that implemented and see what those types of revenues can bring in so they can off-set a lot of these cut backs.

Council Member Rodriguez stated that one of the last things he'd want to do is definitely reduce staff and cut programs and services that are essential to their community. A lot of these things are they being on the guard just defending.....they have to protect what they currently have to be able to continue to service their community but at some point or another he thinks they still have to see how they move forward.

Council Member Rodriguez stated he knows they are anticipating the casino and the Love's [Travel] Center. He doesn't know when they can see those actual dollars maybe in the 19/20 budget but they have something that's in front of them that potentially can increase a big tax base definitely assess values of properties that can be up in the millions of dollars and can definitely increase their revenues. He knows there are conversations going on and he hopes that is something that they can hopefully discuss soon and they can put some type of plan in play to see if they can bring in more revenue.

Mayor Medellin stated he agrees with Council Member Rodriguez. He thinks it is incumbent upon them to find any way they can to increase revenues. He thinks they're barely scratching the surface. He believes Mr. Tooley has reached out to a couple of other communities that are also having that conversation or possibly implementing but he will agree if that is something that could generate revenue in their community he definitely thinks it would be incumbent upon them to at least do the research and start the discussion.

Mr. Tooley stated that there is an internal project team that is in the process of doing the research and will prepare a workshop for them. They are going to send a representative to Colorado and talk to their law enforcement there so that they have the context of the Colorado experience. They are going to visit local operations in California and they are going to look at best practices from other cities. They will present that for Council consideration and at that point Council will be in a position to give them informed direction.

Council Member Rodriguez stated that he did say he would feed them through a hose and this pretty much was that so he appreciated every one of them for taking the time to address the questions and concerns they've had and also their presentations. He stated it's quite a bit to take in but at the end of the day these are some of the recommendations and with the exception of some of those cut backs he thinks it is a prudent way to go forward and definitely manage a business or in this case a City. He thanked Mr. Tooley and his staff for the time they put into this.

Mayor Medellin asked Mr. Tooley if there was one advantage one way or the other with the 16/17 Measure K funds to split it up into two equal parts or just kick that money down the road. He asked what would be the best use of that money.

Mr. Tooley stated there is no bright line answer. He prefers to split it if they are going to spend it for operations because it imposes a little more fiscal discipline on them that they have to be prepared for the following year as well. The alternative argument is that they spend all the most restrictive money first and preserve their flexible money. If they spend it all this year whatever their hole is next year it's that plus \$800,000.

Council Member Rigby stated he too wanted to thank staff for working diligently to see that they have as much information available to them to make the decisions that they have to make. He thinks if anything it has opened his eyes to wanting to work harder at the job that he does to ensure that revenue streams are a little bit more accessible to the City, different revenue streams and thinking outside of the box.

Council Member Rigby stated that although he is not opposed to hearing suggestions of cannabis and what that looks like he also doesn't want to be chasing the gold pot at the end of the rainbow.

Council Member Rigby thinks that there are a lot of things that they have built within their city that they may not be utilizing to the fullness of its capacity.

Council Member Rigby stated he is a proponent of actually pushing all funding from Measure K into next year rather than splitting it although listening to Mr. Tooley's suggestions he thinks those are admirable. He is just kind of one to spend what they got while they have it and then have a little bit more in savings. He doesn't want to split and use funding for operational funds this year that they might not have accessible to them later on down the road and then get in a tough spot because they are spending now and then they are stuck having to fund an operation that they might not have that funding for. He asked if that made sense.

Mr. Tooley stated he was not following precisely.

Mr. Tooley stated if they spend it to support their Public Safety operations this year it's not available in any form next year and they are going to have to find new money.

Council Member Rigby stated he had been misunderstanding.

Mr. Tooley stated that Measure K funds for Police are spoken for this year and largely spoken for the next year.

Council Member Rigby stated he understood.

Mr. Tooley stated the only unknown right now is going to be the cost of Fire operations and Fire operations are largely related to the new facility which they also promised.

Council Member Rigby stated with that being said he is still a proponent of taking that \$800,000 and putting it towards Fire [Department] only because that's what he said he would do. He'll leave it to further debate with his colleagues but that's where he is sitting on that.

Council Member Rigby stated he also supports the 3% M&O savings across the board but he too shares the same questions that his colleague Council Member Oliver brought up: what's going to happen later on down the road and to what extent do they allow themselves not to cross that line.

Mayor Medellin asked if there were any other comments or questions. No comments or questions were made.

Mayor Medellin stated that what he thinks they are clear on is the implementation of a soft hiring freeze and the 3% savings with M&O. He stated that internally Mr. Tooley with everyone will implement a cost reduction plan. They know where they sit with collective bargaining and he thinks they are all in agreement as well on no reduction in staff or any programs at this time.

Mayor Medellin stated that last would be the 16/17 Measure K funds. He stated that he agrees with Mr. Tooley in having it split. He thinks that is the prudent thing to do.

Mr. Tooley stated he probably needs some straight up direction from the Council understanding that right now he thinks there is a division of opinion.

Mayor Medellin stated he believes that is the only bullet point they need to continue to discuss.

Council Member Rigby asked Mr. Richardson if they are allowed to take an action item on this.

Mr. Tooley stated he thinks they can provide him direction. He stated their action will be the approval of the budget itself.

Council Member Oliver asked if they would have enough time by the next July budget meeting to have a proposed expenditure plan to look at. He stated he'd imagine that staff would want to chew on this a little bit to look at maybe possible one-time expenses that could be utilized with this funding or.....

Mayor Medellin asked if that was for the July 5<sup>th</sup> meeting.

Council Member Oliver stated he knows it most likely will have to be buttoned up by then but if there's.....

Mayor Medellin stated pretty much so.

Mr. Tooley asked if Council Member Oliver would provide him a little more clarification. He stated he's found every \$400,000 pot he can.

Council Member Oliver stated sure.

Mr. Tooley stated the only alternative at this point would be that he would reserve the whole \$800,000 and they would provide him direction when they adopt the budget.

Mayor Medellin asked as to how.... He stated it is Public Safety money so that's not the question.

Mr. Tooley agreed it's not the question.

Mayor Medellin stated it's just what do they spend it on so to speak.

Mr. Tooley stated they have 175 that they've set aside for the new fire station. He had a conversation with the Fire Chief. The Fire Chief thinks they can move a fire station ahead more quickly. They are just going to have to see. But if it goes into 2019 as opposed to 2018 they are going to collect progressively more Measure K money for that asset as well. He stated there are two areas of flexibility for Measure K. The \$800,000 they are talking about and the timing on the fire station.

Mayor Medellin asked Chief Frazier if he had anything to add.

Chief Frazier stated he just wanted to add that Council needs to be aware that they've cut M&O for the past five years and he just wants to make sure they are aware that the departments face a deficit each year like what they are seeing this year and really the only place they can cut is M&O. He knows that 3% doesn't seem like much but it's more than they think and literally they are talking about pens and paper and things like that that will disappear and he knows he is not alone when he shudders at the thought of having to reduce 3% of his M&O budget.

Chief Frazier stated that the City Administrator has pointed out on Public Safety if they use that half and half....if they put it towards Fire they are not using it to reduce their budget deficit. That's for cost to come down the road but they don't impact that so the 3% is not going to go as far and then their 400,000 won't be used to reduce that at all so then they are going to be looking for money to make that happen.

Chief Frazier stated they asked for his opinion.

Mayor Medellin stated he appreciated his honesty and his candor. He stated the 400,000 is not to fill a hole per se.

Chief Frazier stated it's to reduce the impact of a \$1.6 million deficit this year and a like kind number next year. If they don't use any of that then they have a bigger hole to fill than not using it. If that makes any sense.

Mayor Medellin stated this year's hole or next year's hole; pick one.

Mr. Tooley stated that at some point in time either money falls out of the sky, they get a lucky break or Council is going to engage in the difficult discussion about how they reduce their service delivery plan. It's really that simple.

Mayor Medellin stated understood. He stated he doesn't rely on luck when it comes to tax payer money.

Mayor Pro Tem Foley Gallegos asked Mr. Tooley for the timeframe of the Love's [Travel] Center. She asked if they had anything or were they just in a holding pattern.

Mr. Tooley stated it was a little speculative but he heard the beginning of construction either November or January. If that takes place, assume a nine month construction period which effectively puts them into the 18/19 fiscal cycle before revenues begin flowing in. At full build out they estimate that Love's [Travel Center] represents maybe \$300,000 to them. He stated it's a significant sum of money but it doesn't fill a \$1.6 million...

Mr. Tooley stated let them assume that they actually missed the mark by 50%. It's only an \$800,000 hole. It's going to get progressively larger because of their [Cal]PERS issue.

Council Member Oliver stated that obviously it's a difficult back and forth and certainly he wants to see that they are putting those Measure K dollars to work. Sooner than later he wants to see also that they're stewards and being prudent as well. He thinks if it's for Public Safety purposes he would be amenable to the 400,000 and reserving the remainder. At the same time though he feels like they need to be going to the table so to speak and thinking in the future some of those worse-case scenarios. He hates to say it. He understands Chief Frazier's point about M&O budget and realize its significance and realize that there isn't one magic bullet so to speak when it comes to this budget process and he thinks they have look out strategically over time as to where potential additions as well as reductions may be necessary. He would be amenable to the 400,000 at the front end.

Mayor Medellin asked if he was saying not to split it.

Council Member Oliver said to split it.

Mayor Medellin reiterated to split it.

Council Member Rigby stated he guesses he is just confused to where the allocation goes. He asked if it just goes into Public Safety and it just sort of...

Mr. Tooley stated they would assign cost to the specific Measure K fund so by way of example they might assign some police officers to the Measure K fund and pay for it out of that. That is the most straight forward way to do it and it also demonstrates they are reserving the funds for Measure K for Public Safety activity.

Mayor Medellin stated Measure K dollars being put to use sooner rather than later.

Mr. Tooley responded affirmatively.

Mayor Medellin stated that was kind of his direction.

Mr. Tooley stated to think of it from a larger policy issue too. Over the course of time the cost for police officers is going to go up a lot because of the [Cal]PERS cost. He asked if they were going to spend

Measure K dollars just on new stuff or are they going to spend them to maintain the workforce they have now. He stated that realistically they are going to spend some of that for existing police officers and their retirement cost in years two, three or four.

Mayor Medellin stated they got a taste of that in the presentation on what's up and coming.

Mayor Medellin asked if they were ok with splitting that money. He asked if there was any objection to that.

Council Member Robinson stated as long as they are transparent.

Mayor Medellin stated absolutely and that it was a good point. He stated he thinks they have been and they will continue to be transparent.

Mayor Medellin asked if there was anything else.

Council Member Rodriguez asked Mr. Tooley when he would have something for Council as far as what these recommendations will squeeze this down to. He asked if they will have a number or something they can look forward to.

Mr. Tooley stated that as he understood the direction right now Council is going to look for a 3% M&O savings out of the budget as currently presented and as Chief Frazier correctly points out this is going to be a greater hardship on some departments than others. They are going to have to work as a team to figure out what that looks like for Council. Some departments have to carry more than 3% by way of an example. Mr. Tooley stated that secondarily Council will see the allocation of cost to Measure K in the amount of \$400,000 so between those two Council will see their budgeted deficit at \$900,000 and change.

Mr. Tooley stated that for a budget presentation standpoint they are going to include a figure to demonstrate that they are going to close that gap. That may or may not happen. Once they approve the budget a majority of the discussion at the staff level is going to be about continuing how they reduce cost.

Mr. Tooley stated they will show Council a balanced budget but in the back of Council's mind they need to know they are still going to have a \$930,000 structural deficit but really they have a structural deficit bigger than that because the \$400,000 is just to plug this next year and the year thereafter. If their revenues don't catch up they are still kicking the can down the road.

Mayor Medellin stated they need to have that revenue discussion which they did tonight.

Council Member Rodriguez stated that was not what he wanted to hear.

Mayor Medellin stated that was not what any of them wanted to hear.

Mr. Tooley stated he thought they wanted to hear an accurate description.

Mayor Medellin thanked everybody for their reports and for their facts and figures. He stated it is not easy for all of them but they certainly rely on what they bring before them and it was not just a one day thing. It's been all year. He knows everybody has been working very hard on their budgets already. He gave a special thank you to Mr. Przybyla for the past handful of months that he's brought them in increments and great presentations. Mayor Medellin thanked his colleagues for all of their input, direction and questions. He thinks it is a great dialogue and they had some great discussion this evening.

Mayor Medellin asked if Mr. Tooley had direction. He believes he does.

## 2. Council Reports

Council Member Robinson stated he had nothing to report.

Mayor Pro Tem Foley Gallegos stated she had nothing to report.

Council Member Rigby stated he had nothing to report.

Council Member Holley stated he attended the extravaganza for the realtors out there. It was a well-organized group of people. He saw a lot of realtors that he didn't know they had in Madera. It was well attended.

Council Member Rodriguez stated there were also lenders in the extravaganza. They didn't know but there were probably more lenders than there were realtors. It was a nice event. It had a big turn out; a lot bigger than last year. It's growing. He doesn't know if the City generates anything out of that or not. He knows it helps a lot of people especially the residents of Madera when they are shopping for services: homes or lending. He did see Council Member Holley.

Council Member Holley stated Council Member Rigby was there.

Council Member Rodriguez stated they had a booth out there with some of the department heads and unfortunately, he didn't know they had a booth out there so when he visited out there it was a little late and he thinks they had already cleaned up.

Council Member Oliver stated he had nothing to report.

Mayor Medellin stated he had nothing to report. He stated they would see them in a couple of days.

### **ADJOURNMENT**

The meeting was adjourned by Mayor Medellin at 7:48 p.m.

### **CONSISTENCY WITH THE VISION MADERA 2025 PLAN**

Approval of the minutes is not addressed in the vision or action plans; the requested action is also not in conflict with any of the actions or goals contained in that plan.

---

SONIA ALVAREZ, City Clerk

---

ANDREW J. MEDELLIN, Mayor

---

Prepared by:  
ZELDA LEÓN, Deputy City Clerk

City of Madera

Council Meeting Of May 2nd, 2018  
Agenda Item No. B-2

Memorandum To: The Honorable Mayor,  
City Council and City Administrator

From: Office of the Director of Finance

Subject: Listing of Warrants Issued

Date: 05/02/2018

Attached, for your information, is the register of the warrants for the City of Madera covering obligations paid during the period of:

April 10th, 2018 to April 23rd, 2018

Each demand has been audited and I hereby certify to their accuracy and that there were sufficient funds for their payment.

General Warrant:	17256-17481	\$	810,435.92
Wire Transfer	Union Bank Payroll and Taxes	\$	613,058.93
Wire Transfer	SDI	\$	2,336.58
Wire Transfer	Cal Pers	\$	-

Respectfully submitted,



Tim Przybyla  
Financial Services Director



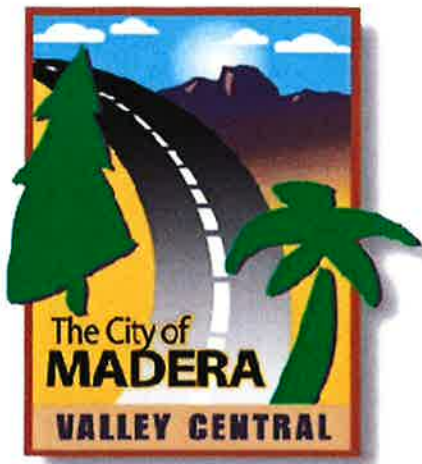
**CITY OF MADERA**  
**REGISTER OF AUDITED DEMANDS FOR BANK #1-UNION BANK GENERAL ACCOUNT**  
**April 23rd, 2018**

CHECK	PAY DATE	ISSUED TO	DESCRIPTION	AMOUNT
17256	04/13/2018	ADMINISTRATIVE SOLUTIONS INC.	FUNDS ON DEPOSIT FOR MEDICAL CLAIMS 04/18	40,000.00
17257	04/13/2018	AMERICAN MOBILE SHREDDING	SHREDDING SERVICES	280.00
17258	04/13/2018	AT&T	03/18 CALNET 3 SVS 9391026415	1,783.96
17259	04/13/2018	WORLD PASSAGES LLC	CANCELLED BUSINESS LICENSE #53743	54.00
17260	04/13/2018	CEDERQUIST, BRENT	TUITION REIMBURSEMENT	400.00
17261	04/13/2018	CITY OF MADERA	HOSE BIB FAUCET LOCK APPLY TO ACCOUNT 9914178	19.98
17262	04/13/2018	CITY OF MADERA	DRIP IRRIGATION REBATE APPLY TO 9901510	50.00
17263	04/13/2018	CITY OF MADERA	MULCH REBATE APPLY TO ACCT 9905819	100.00
17264	04/13/2018	CITY OF MADERA	HOSE BIB TIMERSAPPLY TO ACCOUNT 9914178	100.00
17265	04/13/2018	CITY OF MADERA	DISHWASHER REBATE APPLY TO 9901510	200.00
17266	04/13/2018	CITY OF MADERA	TOILET REBATE APPLY TO ACCOUNT 4460035	348.00
17267	04/13/2018	CORELOGIC INFORMATION SOLUTIONS INC	REALQUEST 03/18	175.00
17268	04/13/2018	CORNERSTONE ENVIRONMENTAL CONTRACTORS, INC.	YOUTH CENTER IRRIGATION PUMP REPAIRS	1,359.33
17269	04/13/2018	CREATIVE COPY	BUSINESS CARDS SETS PD	151.55
17270	04/13/2018	DIAMOND COMMUNICATIONS	PAN AM FIRE ALARM MONITORING	32.00
17271	04/13/2018	DIAMOND COMMUNICATIONS	SECURITY ALARM MONITORING MAY-JUL	255.00
17272	04/13/2018	DIAMOND COMMUNICATIONS	YOUTH CENTER SECURITY ALARM MONITORING MAY-SEP	560.00
17273	04/13/2018	ENNIS TRAFFIC SAFETY SOLUTIONS	Waterborne Traffic Paint	47,930.41
17274	04/13/2018	ENTENMANN-ROVIN CO	BADGES	379.92
17275	04/13/2018	ESPINOZA SEWER SERVICE	PORTABLE TOILET SVS	50.00
17276	04/13/2018	EUROFINS EATON ANALYTICAL, INC.	WATER SAMPLES	1,335.00
17277	04/13/2018	EUROFINS EATON ANALYTICAL, INC.	WATER SAMPLES	4,987.00
17278	04/13/2018	FORENSIC NURSE SPECIALISTS, INC.	FRESNO SART	1,400.00
17279	04/13/2018	KLEINFELDER, INC.	CONSTRUCTION MATERIALS TESTING	2,732.50
17280	04/13/2018	LYNN PEAVEY COMPANY	EVIDENCE SUPPLIES	71.17
17281	04/13/2018	MADERA COUNTY WORKFORCE INVESTMENT CORPORATION	CDBG-FUNDED 2017/2018 BRIDGE TO CAREERS AUG-SEP	7,945.00
17282	04/13/2018	MADERA RADIO DISPATCH, INC.	TOWER RENT	310.24
17283	04/13/2018	MADERA UNIFIED SCHOOL DISTRICT	CNG FUEL CHARGES FOR MARCH 2018	240.71
17284	04/13/2018	MADERA UNIFORM & ACCESSORIES	UNIFORMS FOR POLICE DEPARTMENT	63.52
17285	04/13/2018	MID VALLEY DISPOSAL INC.	WASTE DISPOSAL SERVICE FEBRUARY 2018	312,576.14
17286	04/13/2018	MOORE TWINING ASSOCIATES, INC	PROFESSIONAL GEOTECHNICAL ENGINEERING INVESTIGATIO	3,025.00
17287	04/13/2018	NUNEZ, MARK	MILEAGE REIMBURSEMENT WWTP 3/22/18	82.40
17288	04/13/2018	PACIFIC GAS & ELECTRIC	03/18 SVS 5225647713-5	56.61
17289	04/13/2018	PIERCE CONSTRUCTION	Remove and replace damaged asphalt	13,216.18
17290	04/13/2018	POLYDYNE INC.	WATER AND WASTEWATER TREATING	4,481.55
17291	04/13/2018	PUBLIC SAFETY CENTER, INC.	JACKETS FOR PD	28.02
17292	04/13/2018	RONALD J. MANFREDI	BILLING CONTRACT ITEMS 3	2,500.00
17293	04/13/2018	ROSEL, JOHN	PER DIEM CHILDO ABUSE/SEXUAL ASSAULT TRAINING	272.00
17294	04/13/2018	SERVICEMASTER BY J&C BROWN	VCT CLEANING AT YOUTH CENTER	1,340.85
17295	04/13/2018	SERVICEMASTER BY J&C BROWN	JANITORIAL SERVICE APRIL 2018	13,041.31
17296	04/13/2018	TERRAFORM POWER, LLC.	03/18 ELECTRIC UTILITIES SVS	17,360.10
17297	04/13/2018	TEMPLE CONSULTING GROUP, LTD	CUSTOMIZATION - UTILITY BILLING	450.00
17298	04/13/2018	TRANSUNION RISK & ALTERNATIVE DATA SOL.	DATABASE ACCESS MARCH 2018	118.66
17299	04/13/2018	ANZALDO ALICIA	Utility Billing Credit Refund	210.44
17300	04/13/2018	ARENAS DE MORALES DOMINGA AND MORALES BERNARDO	Utility Billing Credit Refund	132.52
17301	04/13/2018	AVILES JENNESSA	Utility Billing Credit Refund	80.07
17302	04/13/2018	BERMAN EDWARD	Utility Billing Credit Refund	145.05
17303	04/13/2018	BERRY CONSTRUCTION	Utility Billing Deposit Refund	55.87
17304	04/13/2018	BOEHM CHRISTINA	Utility Billing Credit Refund	110.57
17305	04/13/2018	CARDENAS OCHOA DANIELIA	Utility Billing Credit Refund	192.64
17306	04/13/2018	CHAVEZ MARTINEZ MARIA	Utility Billing Credit Refund	157.06
17307	04/13/2018	CITY OF MADERA OR VILLANUEVA JAMES	Utility Billing Credit Refund	104.29
17308	04/13/2018	CLAVIJERO-MORA NOE	Utility Billing Credit Refund	98.40
17309	04/13/2018	DOMINGUEZ ADRIANA	Utility Billing Credit Refund	101.68
17310	04/13/2018	DVP LP	Utility Billing Credit Refund	13.85
17311	04/13/2018	EVERHOME MORTGAGE	Utility Billing Credit Refund	249.29
17312	04/13/2018	FELIU KORTNI	Utility Billing Credit Refund	161.72
17313	04/13/2018	GARY PRENTISS	Utility Billing Credit Refund	10.42
17314	04/13/2018	GILL AJIT S	Utility Billing Deposit Refund	32.07
17315	04/13/2018	GONZALEZ MIGUEL AND LUPE	Utility Billing Credit Refund	46.65
17316	04/13/2018	HALGREN MICHELLE	Utility Billing Credit Refund	279.63
17317	04/13/2018	HUARTE STEVE	Utility Billing Credit Refund	147.41
17318	04/13/2018	INGHAM VICTORIA AND DAVID	Utility Billing Credit Refund	154.69
17319	04/13/2018	KAUR SUKHWINDER AND BALWINDER SINGH	Utility Billing Credit Refund	275.03
17320	04/13/2018	LOPEZ RUDOLFO	Utility Billing Credit Refund	131.09
17321	04/13/2018	MAGANA MANUEL AND FRANCISCA	Utility Billing Credit Refund	174.97
17322	04/13/2018	MARCIAL GIRON YOLANDA OR CITY OF MADERA	Utility Billing Credit Refund	150.77
17323	04/13/2018	MCKAY CATHY	Utility Billing Deposit Refund	57.59
17324	04/13/2018	MEZA EDGAR	Utility Billing Credit Refund	34.92
17325	04/13/2018	MILLAN MARTHA AND JESUS C/O MADERA MANAGEMENT COMP	Utility Billing Deposit Refund	82.71

17326	04/13/2018	MILLER JEANINE AND TIM	Utility Billing Credit Refund	99.87
17327	04/13/2018	MONTES ALMA	Utility Billing Credit Refund	237.31
17328	04/13/2018	NATIONSTAR MORTGAGE LLC	Utility Billing Credit Refund	166.62
17329	04/13/2018	NAVARRO NAOMI	Utility Billing Credit Refund	159.99
17330	04/13/2018	NORIEGA MARY	Utility Billing Credit Refund	67.30
17331	04/13/2018	PLEASANTON FITNESS, LLC DBA FITNESS EVOLUTION	Utility Billing Credit Refund	1,960.97
17332	04/13/2018	RAMIREZ RICH	Utility Billing Credit Refund	102.85
17333	04/13/2018	SANCHEZ JAIME	Utility Billing Deposit Refund	17.42
17334	04/13/2018	SCOTT KALIM AND RACHEL EADES OR CITY OF MADERA	Utility Billing Credit Refund	151.33
17335	04/13/2018	SHEIKH KHUBAIB	Utility Billing Deposit Refund	11.96
17336	04/13/2018	SORELLE KENNETH	Utility Billing Deposit Refund	69.58
17337	04/13/2018	TARLTON PROPERTIES LLC	Utility Billing Deposit Refund	40.12
17338	04/13/2018	THE SALVATION ARMY	Utility Billing Credit Refund	158.54
17339	04/13/2018	WATERMAN DARRALD	Utility Billing Deposit Refund	25.11
17340	04/13/2018	VILLA GARDENING SERVICE INC	MARCH GARDENING SVS	275.00
17341	04/13/2018	WATERTALENT, LLC	WWTP Temp Operator	4,000.00
17342	04/13/2018	WEST COAST ARBORISTS, INC.	PARK TREE MAINTENANCE 03/01/18-03/15/18	10,800.00
17343	04/13/2018	ZEE MEDICAL SERVICE CO.	MEDICAL SUPPLIES	133.53
17344	04/20/2018	ACRO SERVICE CORPORATION	Temporary Draftsman fr FY18/19	2,272.32
17345	04/20/2018	ACRO SERVICE CORPORATION	TEMPORARY CONSTRUCTION MANAGER	2,720.00
17346	04/20/2018	ANTHEM BLUE CROSS	CITY PAID RETIREE MEDICAL BILL MAY 2018	1,730.64
17347	04/20/2018	ANTHEM BLUE CROSS	CITY PAID RETIREE PRESCRIPTION BILL 05/18 - SKEELS	169.80
17348	04/20/2018	ARAMARK UNIFORM SERVICES	03/18 UNIFORM SERVICES	4,338.43
17349	04/20/2018	AT&T	03/18 CALNET 3 SVS 9391026397	567.49
17350	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180720	85.10
17351	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180718	85.10
17352	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180710	85.10
17353	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180716	85.10
17354	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180708	85.10
17355	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180706	85.10
17356	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180704	85.10
17357	04/20/2018	JIMS A/C	CANCELLED PERMIT #20180702	85.10
17358	04/20/2018	THE BUSINESS JOURNAL	LEGAL DIRECTORY	20.00
17359	04/20/2018	CALIFORNIA DEPARTMENT OF JUSTICE	FINGERPRINT APPS	2,499.00
17360	04/20/2018	CALIFORNIA SURVEYING AND DRAFTING SUPPLY	OFFICE SUPPLIES	478.98
17361	04/20/2018	CITY OF MADERA	HOSE BIB FAUCET LOCK APPLY TO ACCOUNT 9901510	28.50
17362	04/20/2018	CITY OF MADERA	MULCH REBATE APPLY TO ACCT 4614004	31.50
17363	04/20/2018	CITY OF MADERA	04/18 UTILITIES ACCT# 003040421-6	53.47
17364	04/20/2018	CITY OF MADERA	DRIP IRRIGATION REBATE APPLY TO 6725051	60.25
17365	04/20/2018	CITY OF MADERA	RAINWATER BARRELL - APPLY TO ACCT 9909743	75.64
17366	04/20/2018	CITY OF MADERA	04/18 UTILITIES ACCT# 003040431-8	77.27
17367	04/20/2018	CITY OF MADERA	04/18 UTILITIES ACCT# 003040441-0	84.38
17368	04/20/2018	CITY OF MADERA	REFUND PERMIT FEES #20180722	85.10
17369	04/20/2018	CITY OF MADERA	MULCH REBATE APPLY TO ACCT 9897357	100.00
17370	04/20/2018	CITY OF MADERA	MISAPPLIED PAYMENT APPLY TO A/R ACCT #6049	117.28
17371	04/20/2018	CITY OF MADERA	MULCH REBATE APPLY TO ACCT 6725051	158.00
17372	04/20/2018	CITY OF MADERA	MULCH REBATE APPLY TO ACCT 9921687	175.00
17373	04/20/2018	CITY OF MADERA	TOILET REBATE APPLY TO ACCOUNT 5714002	179.50
17374	04/20/2018	CITY OF MADERA	TOILET REBATE APPLY TO ACCOUNT 9109001	195.00
17375	04/20/2018	CITY OF MADERA	SMART IRRIGATION CONTROLLER - APPLY TO ACCT 9901510	199.00
17376	04/20/2018	CITY OF MADERA	DISHWASHER REBATE APPLY TO 6831603	200.00
17377	04/20/2018	CITY OF MADERA	TOILET REBATE APPLY TO ACCOUNT 9405201	200.00
17378	04/20/2018	CITY OF MADERA	CLOTHES WASHER REBATE - APPLY TO ACCT 9923000	200.00
17379	04/20/2018	CITY OF MADERA	TOILET REBATE APPLY TO ACCOUNT 6831603	294.00
17380	04/20/2018	COLGAN CONSULTING CORPORATION	Professional Services Related	5,100.00
17381	04/20/2018	CONCENTRA MEDICAL CENTERS	PRE EMPLOYMENT PHYSICAL	712.00
17382	04/20/2018	CORELOGIC INFORMATION SOLUTIONS INC	METRO SCAN 03/18	150.00
17383	04/20/2018	CWEA-CSJ SECTION	FEE FOR CLASS FOR KEN LEE	20.00
17384	04/20/2018	CWEA-CSJ SECTION	FEE FOR CLASS FOR ANTHONY MUNOZ	25.00
17385	04/20/2018	CWEA-CSJ SECTION	FEE FOR CLASS FOR ALEX MACHADO	25.00
17386	04/20/2018	DEMSEY, FILLIGER & ASSOCIATES, LLC	GASB 45 Actuarial Valuation	3,500.00
17387	04/20/2018	DIAMOND COMMUNICATIONS	TELEPHONE ANSWERING SERVICE - APR	115.00
17388	04/20/2018	ECN POLYGRAPH AND INVESTIGATIONS	POLYGRAPH FOR PD RECRUITMENTS	2,700.00
17389	04/20/2018	R MITCH COVINGTON	RELEASE OF CASH BOND FOR UN-SET MONUMENTS	10,800.00
17390	04/20/2018	FIRE SAFETY SOLUTIONS, LLC	FIRE PROTECTION ENG SVS 04/01/18-04/15/18	2,962.50
17391	04/20/2018	FIRST TRANSIT INC.	FIRST TRANSIT FEBRUARY 2018	70,605.44
17392	04/20/2018	FRESNO BEE, THE	RECRUITMENT ADS	719.80
17393	04/20/2018	FRESNO REPROGRAPHICS	PRINT JOB	468.56
17394	04/20/2018	GUARDIAN WESTERN SWEEPING INC.	Weekly Street Sweeping of Down	569.00
17395	04/20/2018	HERC RENTALS	Misc equipment rental	1,586.95
17396	04/20/2018	HOUSING AUTHORITY OF THE CITY OF MADERA	REIMBURSE EXPENSES - POMONA RANCH HOMELESS SHELTER	29,611.18
17397	04/20/2018	INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE	MEMBER NO. 1888353 - LAWSON / 2018	150.00
17398	04/20/2018	JORGENSEN COMPANY	FIRE EXT SERVICE	31.17
17399	04/20/2018	KEY TRACER SYSTEMS INC.	KEY CONTROL SYSTEM; VEHICLES,	7,838.26

17400	04/20/2018	LANGUAGE LINE SERVICES, INC.	TRANSLATION SERVICES	72.87
17401	04/20/2018	LARS ANDERSEN & ASSOCIATES, INC.	ENGINEERING SERVICES RELATING	510.00
17402	04/20/2018	MADERA CLEANERS AND LAUNDRY INC.	YOUTH CENTER MAT SERVICE	32.30
17403	04/20/2018	MADERA TRIBUNE	P.C. NOTICE APR.	836.00
17404	04/20/2018	MADERA UNIFORM & ACCESSORIES	UNIFORMS FOR POLICE DEPARTMENT	23.65
17405	04/20/2018	NICHOLS CONSULTING ENGINEERS, CHTD.	STATE MANDATED COST CONSULTING SERVICES	1,200.00
17406	04/20/2018	FLORES, CHRIS	TURF REPLACEMENT REBATE - 1214 CRYSTAL WAY	800.00
17407	04/20/2018	HANSEN, MICHAEL & ASHLEY	TURF REPLACEMENT REBATE - 692 BLUEBERRY LN	1,953.00
17408	04/20/2018	MEINZER, CRAIG	TURF REPLACEMENT REBATE - 1331 MONTEREY	2,103.05
17409	04/20/2018	MEINZER, CRAIG	TURF REPLACEMENT REBATE - 1259 SENECA	2,965.36
17410	04/20/2018	PACIFIC GAS & ELECTRIC	03/18 SVS 8675479583	25,904.95
17411	04/20/2018	ARTEAGA, RUBEN	PARK DEPOSIT REFUND	50.00
17412	04/20/2018	AVILA, ALANE	PARK DEPOSIT REFUND	50.00
17413	04/20/2018	GUERRA, CASSANDRA	FACILITY DEPOSIT REFUND	50.00
17414	04/20/2018	GUTKNECHT, JANE	PARK DEPOSIT REFUND	50.00
17415	04/20/2018	JAUREGUI, AMELIA	FACILITY DEPOSIT REFUND	50.00
17416	04/20/2018	JUAREZ, ALBERTO	PARK DEPOSIT REFUND	100.00
17417	04/20/2018	LECHUGA, MARYANN	FACILITY DEPOSIT REFUND	100.00
17418	04/20/2018	MEJIA, SANDI	PARK DEPOSIT REFUND	50.00
17419	04/20/2018	MOUNT ZION MISSIONARY BAPTIST CHURCH	PARK DEPOSIT REFUND	50.00
17420	04/20/2018	TISCARENO, JOSUE	PARK DEPOSIT REFUND	50.00
17421	04/20/2018	VEGA, ANGIE	FACILITY DEPOSIT REFUND	100.00
17422	04/20/2018	WE CONNECT C/O MARTHA ZARATE	OVERPAYMENT FOR NON-PROFIT - PAN AM PARK	7.50
17423	04/20/2018	PRAXAIR DISTRIBUTION, INC.	CYLINDER DEMURRAGE RENTAL	468.44
17424	04/20/2018	PROVOST & PRITCHARD CONSULTING GROUP	PROFESSIONAL ENGINEERING DESIGN	3,909.15
17425	04/20/2018	RON'S TOWING & ROAD SERVICE	TOW SVS	490.00
17426	04/20/2018	SEABURY, COPELAND & ANDERSON	AIRPORT LIABILITY - 3RD INSTALL	8,230.00
17427	04/20/2018	SPARKLETT'S	LAB & DRINKING WATER	83.64
17428	04/20/2018	STATE WATER RESOURCES CONTROL BOARD	ANNUAL PERMIT FEE	1,400.00
17429	04/20/2018	SUPERIOR VISION INC.	MARCH 2018 VISION INSURANCE	2,435.58
17430	04/20/2018	T-MOBILE USA, INC.	TOWER DUMP 02/19/18	50.00
17431	04/20/2018	TAMARACK PEST CONTROL	APRIL 2018 PEST CONTROL SVS	510.00
17432	04/20/2018	TESEI PETROLEUM, INC.	FUEL	1,077.79
17433	04/20/2018	TESEI PETROLEUM, INC.	FUEL CHARGES 03/21-03/31/18	11,863.06
17434	04/20/2018	TRANSIGN LLC	Replacement Roller Signs	4,595.00
17435	04/20/2018	TUCKNESS, MATTHEW	ADVANCED DISABILITY PENSION PAYMENT - APRIL 2018	2,900.10
17436	04/20/2018	BRAVO SIMON AND PETROLINA	Utility Billing Credit Refund	170.34
17437	04/20/2018	CAPELLUTI LOURDES	Utility Billing Credit Refund	163.17
17438	04/20/2018	CEVASCO SANDRA AND WILLIAM OR THE CITY OF MADERA	Utility Billing Credit Refund	151.34
17439	04/20/2018	CITY OF MADERA OR LOMELI ALVAREZ KARINA	Utility Billing Credit Refund	150.91
17440	04/20/2018	CITY OF MADERA OR RAMIREZ KATHERINE	Utility Billing Credit Refund	198.19
17441	04/20/2018	CORREA MELISSA	Utility Billing Credit Refund	58.78
17442	04/20/2018	GONZALEZ SANDRA	Utility Billing Credit Refund	44.81
17443	04/20/2018	HOULDING JERRY AND LOUISE	Utility Billing Deposit Refund	26.56
17444	04/20/2018	KEY CHARLES	Utility Billing Deposit Refund	84.98
17445	04/20/2018	LOMELI ALMA	Utility Billing Deposit Refund	68.61
17446	04/20/2018	LOPEZ MARIA CRUZ	Utility Billing Credit Refund	160.98
17447	04/20/2018	MADERA MANAGEMENT COMPANY INC	Utility Billing Deposit Refund	115.30
17448	04/20/2018	MAGALLANES JOSE JR OR CITY OF MADERA	Utility Billing Credit Refund	151.45
17449	04/20/2018	MAGGIORE JACOB	Utility Billing Credit Refund	171.54
17450	04/20/2018	MANZANO JOSEFINA OR CITY OF MADERA	Utility Billing Credit Refund	150.91
17451	04/20/2018	MARTINEZ SABINA OR THE CITY OF MADERA	Utility Billing Credit Refund	151.47
17452	04/20/2018	MEDINA ERNESTO C	Utility Billing Deposit Refund	52.00
17453	04/20/2018	MOLINA MARIA C	Utility Billing Credit Refund	12.59
17454	04/20/2018	NGUYEN NAOMI	Utility Billing Credit Refund	54.15
17455	04/20/2018	OLIVA PEDRO JR AND LATIMER MONIQUE D	Utility Billing Credit Refund	312.10
17456	04/20/2018	POPIEL WESLEY P AND DOLORES	Utility Billing Deposit Refund	40.46
17457	04/20/2018	RIOS SONIA S	Utility Billing Credit Refund	44.88
17458	04/20/2018	ROBLES-CASTRO CARLOS ALBERTO OR THE CITY OF MADERA	Utility Billing Credit Refund	152.13
17459	04/20/2018	SPRAGUE RASHELL	Utility Billing Deposit Refund	52.04
17460	04/20/2018	STATON STACEY	Utility Billing Credit Refund	69.46
17461	04/20/2018	STONERIDGE APARTMENTS H2 PROPERTIES	Utility Billing Credit Refund	3,967.22
17462	04/20/2018	TORNERO MIGUEL ANTONIO OR CITY OF MADERA	Utility Billing Credit Refund	150.68
17463	04/20/2018	TRUJILLO ELY SALVADOR	Utility Billing Credit Refund	124.73
17464	04/20/2018	TUCK JEFF	Utility Billing Credit Refund	149.06
17465	04/20/2018	VAZQUEZ BALDEMAR	Utility Billing Credit Refund	194.14
17466	04/20/2018	VELAZQUEZ RICARDO OR CITY OF MADERA	Utility Billing Credit Refund	133.71
17467	04/20/2018	VILLANUEVA JAMES	Utility Billing Deposit Refund	43.31
17468	04/20/2018	VON FLUE STEVEN D AND JERILYN	Utility Billing Credit Refund	373.95
17469	04/20/2018	UNITED RENTALS, INC	Misc. equipment rental	973.99
17470	04/20/2018	WATERTALENT, LLC	WWTP Temp Operator	4,000.00
17471	04/20/2018	WEST COAST ARBORISTS, INC.	PARK TREE MAINTENANCE 03/16/18-03/31/18	14,250.00
17472	04/20/2018	HARRY D. WILSON INC.	2014 HONDA SERVICE	90.00
17473	04/20/2018	YAMABE & HORN ENGINEERING	PROFESSIONAL ENGINEERING SERVICE	6,897.71

17474	04/20/2018	YAMABE & HORN ENGINEERING	PROVIDE SURVEYING SERVICES	1,687.50
17475	04/20/2018	ALL VALLEY ADMINISTRATORS	MEDICAL & CHILD CARE EXPENSE ACCT 04/20/18 PAYROLL	984.19
17476	04/20/2018	CA DEPARTMENT OF CHILD SUPPORT	CHILD SUPPORT DEDUCTIONS FOR 04/20/18 PAYROLL	2,071.80
17477	04/20/2018	COLONIAL LIFE & ACCIDENT INSURANCE CO	E700482-3 FOR 04/20/18 PAYROLL	994.79
17478	04/20/2018	N.P.C.-ORCHARD TRUST COMPANY	PLAN #340227-02 FOR 04/20/18 PAYROLL	2,141.30
17479	04/20/2018	N.P.C.-ORCHARD TRUST COMPANY	PLAN #340227-01 FOR 04/20/18 PAYROLL	9,495.47
17480	04/20/2018	STATE OF CALIFORNIA	FRANCHISE TAX DEDUCTIONS FOR 04/20/18 PAYROLL	238.12
17481	04/20/2018	VANTAGEPOINT TRANSFER AGENTS-457	PLAN #302351 CONTRIBS FOR 04/20/18 PAYROLL	24,130.44
Bank # 1 - Union Bank General Account Total				810,435.92



## REPORT TO CITY COUNCIL

MEETING DATE: May 2, 2018

AGENDA ITEM NUMBER: B-3

Approved By:

  
\_\_\_\_\_  
INTERIM PUBLIC WORKS DIRECTOR

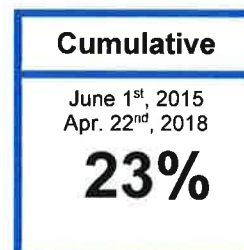
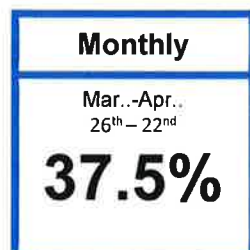
  
\_\_\_\_\_  
CITY ADMINISTRATOR

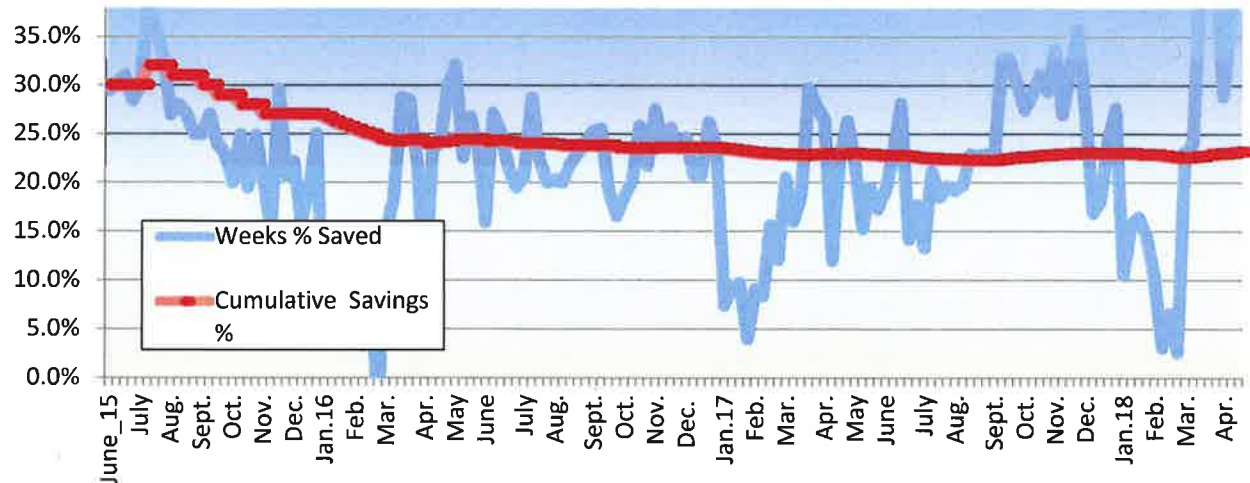
**SUBJECT:** Water Conservation Report for March 26th through April 22<sup>nd</sup>

**RECOMMENDATION:** Staff recommends that Council review the attached report of water conservation activities and progress in reducing residential water consumption.

**BACKGROUND:** This report addresses the four different areas of focus: water conservation & education, water patrol activity, water meter maintenance activities, and information on the overall capacity of the water wells, the amount of production, and reserve production capacity.

**WATER CONSERVATION:** As illustrated in the chart, the City's average monthly water conservation rate for March 2018 is increased at 37.5% from 22% in April 2017. Below is the most current water conservation data.





**CONSERVATION OUTREACH:** As part of our local outreach and education, water conservation presentations were made at the following events.

#### Conservation Outreach

Pershing Elementary School (80 Students)

Earth Day Event – 4/21/18 (250 Contacts)

**WATER PATROL:** The division is preparing for peak irrigation watering season and assuring that all staff is trained and proficient in using the new electronic citation entry system. The water patrol staff made a total of 104 individual public contacts. Below is the most current enforcement data.

#### ENFORCEMENT

<b>Individual Contacts</b>	<b>104</b>	<b>1<sup>st</sup> offenses (\$75)</b>	<b>16</b>
<b>Verbal Warnings</b>	<b>5</b>	<b>2<sup>nd</sup> offenses (\$200)</b>	<b>0</b>
<b>Correction Notices</b>	<b>12</b>	<b>3<sup>rd</sup> or more offense (\$500)</b>	<b>0</b>

**WATER METERS:** In addition to the monthly reading of the manual read meters and the service interruptions due to delinquency during this reporting period, the water meter staff performed various repair and/or meter programming at 54 properties. Customer concern investigations were conducted and the investigations resulted in discovery of leaks at 5 properties and need for irrigation timer adjustment at one property. Notification of possible leak were sent out to 6 additional properties.

**REBATE PROGRAM:** This reporting period, the division has received a total of 28 new applications for various rebate opportunities. To date, a total of approximately \$77,800 rebate dollars have been awarded this fiscal year compared to \$27,120 total rebate dollars awarded for fiscal year 16/17.

**SYSTEM CAPACITY:** Attached is a table which shows the daily quantity of water pumped and performance of the City's system of water wells and its ability to provide fire flow between March 26<sup>th</sup> and April 22<sup>nd</sup> 2018. The system has continued to produce adequate flows to meet our peak demand and maintain reserve fire flow capacity.

**FINANCIAL IMPACT:** The expenses for implementing and administering these water conservation activities occur within the Water Fund and do not impact the General Fund.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:** The report is consistent with the Madera Vision Plan, specifically Strategy 434: Water Quality and Usage: ensure continued water supplies to meet the demands of all Maderans through innovative reclamation, conservation and education on water use.

CITY OF MADERA  
**STATUS REPORT March 26th APRIL 22nd, 2018** DEPARTMENT OF PUBLIC WORKS  
**WATER PRODUCTION AND RESERVE FIRE FLOW CAPABILITY** WATER DIVISION

Dates	Day	Peak Temp	MG Pumped	Peak Hour	Lowest Pressure*	Lowest Tank Storage **	Wells Available	Wells On During Peak Hours	Wells in Reserve During Peak Hours	Reserve GPM at Peak	Reserves Meets Fire flow for			
											Residential 1,500 GPM	Commercial 2,500 GPM	Industrial 3,500 GPM	Hospital 4,500 GPM
3/26/2018	Mon	63	4.152	5pm-6pm	46	820,000	14	3	11	14031	Yes	Yes	Yes	Yes
3/27/2018	Tues	69	5.015	10pm-11pm	46	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
3/28/2018	Wed	75	5.361	8pm-9pm	32	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
3/29/2018	Thurs	80	5.002	8pm-9pm	44	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
3/30/2018	Fri	82	4.934	1pm-2pm	45	780,000	14	4	10	13361	Yes	Yes	Yes	Yes
3/31/2018	Sat	80	5.626	10pm-11pm	46	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/1/2018	Sun	79	5.575	10pm-11pm	45	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
4/2/2018	Mon	75	4.838	7pm-8pm	42	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/3/2018	Tues	79	5.965	10pm-11pm	43	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/4/2018	Wed	80	5.806	7pm-8pm	43	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/5/2018	Thurs	74	5.107	6pm-7pm	44	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/6/2018	Fri	68	4.379	7pm-8pm	43	780,000	14	3	11	14152	Yes	Yes	Yes	Yes
4/7/2018	Sat	71	5.451	10pm-11pm	44	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/8/2018	Sun	69	5.594	10am-11pm	44	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/9/2018	Mon	79	4.488	9pm-10pm	46	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
4/10/2018	Tue	79	5.653	8pm-9pm	45	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
4/11/2018	Wed	73	5.517	8pm-9pm	46	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
4/12/2018	Thu	63	4.935	10pm-11pm	43	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
4/13/2018	Fri	69	4.908	8pm-9pm	43	780,000	14	4	10	13942	Yes	Yes	Yes	Yes
4/14/2018	Sat	78	6.421	10pm-11pm	43	780,000	14	5	9	13121	Yes	Yes	Yes	Yes
4/15/2018	Sun	81	6.733	10pm-11pm	44	820,000	14	5	9	13121	Yes	Yes	Yes	Yes
4/16/2018	Mon	61	4.535	3pm-4pm	45	780,000	14	4	10	14691	Yes	Yes	Yes	Yes
4/17/2018	Tue	63	5.657	9pm-10pm	46	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/18/2018	Wed	65	5.813	6pm-7pm	45	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/19/2018	Thu	70	5.213	8pm-9pm	45	780,000	14	5	9	12131	Yes	Yes	Yes	Yes
4/20/2018	Fri	77	5.094	10pm-11pm	46	780,000	14	4	10	13121	Yes	Yes	Yes	Yes
4/21/2018	Sat	83	6.152	10pm-11pm	46	820,000	14	5	9	11793	Yes	Yes	Yes	Yes
4/22/2018	Sun	86	7.380	9pm-10pm	44	680,000	14	6	8	10593	Yes	Yes	Yes	Yes

\* Goal is to keep system above 30 psi., below 20 cause regulatory issue.

\*\* Elevated tank has a 1,000,000 gallon maximum capacity.

18 **Total Wells**

4 **Wells Not Available**

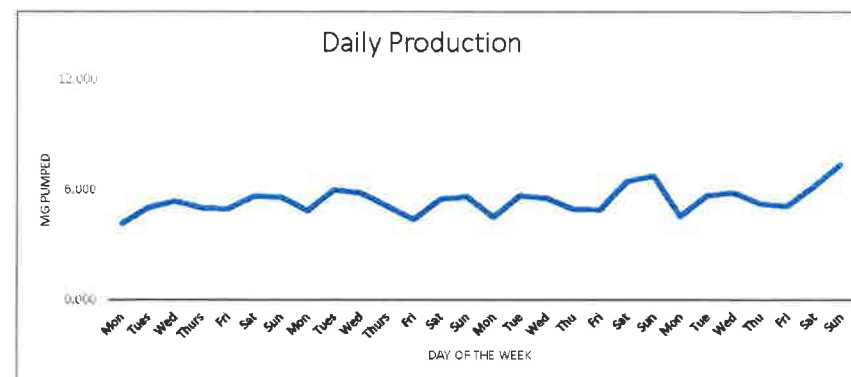
#16 Being Retrofitted for Submersible Pump to Gain 500 gpm

#20 Air intrusion

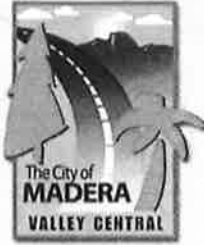
#26 Pulled as of 11/2/2017

#27 Redevelopment in process

14 **Number of Wells Available**







## REPORT TO CITY COUNCIL

Council Meeting of May 2, 2018

Agenda Item Number B-4

Approved By:

Mary Anne Seay,  
Parks & Community Services Director

Steve Frazier, City Administrator

**SUBJECT:** CONSIDERATION OF A RESOLUTION AUTHORIZING AMENDMENTS TO THE FY 2017-2018 BUDGET APPROPRIATING \$35,135.09 FROM THE FUNDS DESIGNATED FOR GOLF COURSE EMERGENCY REPAIR ACCOUNT TO CAPITAL OUTLAY EQUIPMENT REPLACEMENT IN THE GOLF COURSE FUND FOR REPAIRS TO THE GOLF COURSE WATER WELL

**RECOMMENDATION:**

Staff recommends Council approve the Resolution Authorizing Amendments to the FY 2017-2018 Budget Appropriating \$35,135.09 from the funds designated for Golf Course Emergency Repair account to Capital Outlay Equipment Replacement in the Golf Course Fund for repairs to the golf course water well.

**SUMMARY:**

The City of Madera and Sierra Golf Management (SGM) entered into an operation and management Lease Agreement in October of 2009. One of the terms of the Agreement (Term 5.5 on Page 5) states the City shall retain a reserve account for emergency maintenance work at the golf course and the funds therein are to be made available should the need arise. SGM found it necessary to contract emergency well work to adequately maintain the course. The resolution brought before you would reimburse SGM for their expenditures related to this work.

**SITUATION:**

There are three wells located on the Madera Municipal Golf Course property: one that services the clubhouse and banquet facilities with potable water and two that provide irrigation water to the golf course. The well on the north side of the driving range (near Avenue 17) was not functioning and SGM contracted Madera Pumps to assess the situation and make the repairs.

Madera Pumps inspected the site and found severe deterioration of the well casing using a video survey. This deterioration is allowing sand to enter the column and severely limit the life of the pump due to the pumping sand. After repairs totaling \$35,135.09, the pump is currently operational. It is critical, however, to call out the complete findings from Madera Pumps. Essentially, the system is old and has structural issues leading experts to assume that a new well will be needed soon. There is no precision to predicting the remaining life of the system, experts estimate a new well may be needed within the next 1-3 years. The cost of a new well is anticipated to be approximately \$150,000 - \$200,000.

While the life expectancy of the well is not immediately known, there is good news in that the Madera Irrigation District has purchase water available this year. As such, SGM staff plan to use the recently repaired well as little as possible to extend its usable life. The availability of purchase water year over year is tenuous, at best and two working wells are required to protect the infrastructure at the course.

Below is Term 5.5 of the Agreement between the City and SGM as it relates to the Capital Improvement Account:

*Commencing on the Effective Date and continuing through the Initial Term and Renewal Term, the City shall hold in reserves \$90,000 in the Golf Course Capital Improvement Account and shall make such funds available exclusively for capital improvement projects at the Leased Premises as an emergency action in case of catastrophic failure of systems at the golf course not within the maintenance and improvement responsibilities of SGM as set forth in this Lease Agreement, including such items as well and pump stations.*

**FINANCIAL IMPACT:**

Pursuant to the terms of the Agreement with SGM, the City is responsible to maintain a \$90,000 balance in a Capital Improvement Account to cover emergency and catastrophic failures. The revenue for this account is generated by payments from SGM in the form of base and per round revenue. Base rent is currently \$40,000 per year and revenue from rounds played has escalated from \$1.00 per round at the beginning of the contract to \$2.00 per round now.

The total expenditures for this work were \$35,135.09. The unspent portion of this appropriation and golf course revenues will make up the balance of the \$90,000 account. Since golf course revenues are typically used to make bond payments, additional General Fund resources may be needed to make that payment, depending on the ultimate revenues paid by SGM.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

Strategy 333 – Ensure affordable, high-quality sports programs for people of all ages.

Strategy 411 – Enhance and expand recreational opportunities available to Maderans.

**RESOLUTION NO. 18-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA AUTHORIZING AMENDMENTS TO THE FY 2017-2018 BUDGET APPROPRIATING \$35,135.09 FROM THE FUNDS DESIGNATED FOR GOLF COURSE EMERGENCY REPAIR ACCOUNT TO CAPITAL OUTLAY EQUIPMENT REPLACEMENT IN THE GOLF COURSE FUND FOR REPAIRS TO THE GOLF COURSE WATER WELL**

**WHEREAS**, the City has a Lease Agreement with Sierra Golf Management (SGM) for the Operation and Management of the Madera Municipal Golf Course (MMGC); and

**WHEREAS**, Term 5.5 of said Lease Agreement requires that the City maintain \$90,000 in a Capital Improvement Account to be used in the event of emergency Capital Work; and

**WHEREAS**, the City of Madera has need to repair a City water production well at the MMGC due to a failure; and

**WHEREAS**, City and SGM Staff determined that the existing well failure qualified as emergency use as defined by the terms of the existing agreement; and

**WHEREAS**, Change of Appropriation transfers must be made within City Budget accounts to make expenditures; and

**WHEREAS**, staff has prepared Exhibit AA which is incorporated by reference herein, to reflect the appropriate accounts and amounts to be transferred within the budget.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF MADERA** hereby finds, orders and resolves as follows:

1. The above recitals are true and correct.
2. The budget is hereby amended in accordance with Exhibit AA, attached to this resolution.
3. The City Clerk is hereby authorized and directed to forward a copy of this resolution to the Director of Finance, who is authorized to take such action as necessary to implement the terms of this resolution.
4. This resolution shall be effective immediately upon adoption.

\* \* \* \* \*

**EXHIBIT AA**

**CITY OF MADERA**

**Appropriation Adjustment:**

**Emergency Repairs to Water Well at the Golf Course**

<b>FUND</b>	<b>ORG CODE</b>	<b>OBJECT CODE</b>	<b>DESCRIPTION</b>	<b>(+)</b>	<b>(-)</b>
<b><u>Golf Course Operations (2060)</u></b>					
2060	20606290	7000	Vehicles and Equipment	35,135.09	
2060		3311	Fund Balance Designated for Capital		(35,135.09)
				<b><u>35,135.09</u></b>	<b><u>(35,135.09)</u></b>

Note: Funding for these emergency repairs will be coming from 2060-3311 - Designated for Capital (Green Fee Rounds), which is a balance sheet account with funds set aside and designated for such projects.

# Madera Pumps, Inc.

# Invoice

11884 Rd. 29  
P.O. Box 1302  
Madera, Ca. 93639  
(559)674-0096

Date	Invoice #
4/19/2018	17257

Bill To
Sierra Golf Management P.O. Box 788 Chowchilla, CA 93610

P.O. ...	Terms	Net 30
Make	Johnston	Pump N... 40 HP
Location	Madera Municipal Golf Course	
Meter #	1010238319	

CT & S	Setting	SWL	Depth	Well Size	Bowls
8x2x1 1/4	320'	245'	445'	12.25"	8 Stage 10"

Qty	Description	Amount
3	8" x 20' Butt T & C	1,757.14
16	2" x 1 1/4" x 20' Floway LH T & S	6,742.86
1	Top T & S Assy.	632.00
8	Spiders & Oil	240.00
1	8 Stage 10" Bowl Assy.	8,974.95
1	8" x 98' Suction Flow Control Device	3,851.77
320	ft. 3/8" Ailine & Bracket Assy.	215.10
ADDITIONAL MATERIAL NEEDED OUTSIDE OF ESTIMATE:		
1	8" x 24" Nipple	135.71
1	Bowl Brg. Adapter	428.57
1	Sq. Tubing Spacer	23.14
	Taxable Sub Total	23,001.24
	Labor to Pull Pump	1,622.50
	Video Well	650.00
	Shop/Welding Labor	1,170.00
	Airlift & Brush Well	3,245.00
	Labor to Re-Install Pump	1,917.50
ADDITIONAL LABOR PERFORMED OUTSIDE OF ESTIMATE:		
	Shop/Welding Labor	1,003.75
	Crane Labor	405.00
	Airlift Well	295.00
	Labor to Inspect Panel, Set Lateral	42.50

Thank you for your business.

**Sales Tax (7.75%)**

**Due Date**

**5/19/2018**

**Total**

11884 Rd. 29  
P.O. Box 1302  
Madera, Ca. 93639  
(559)674-0096

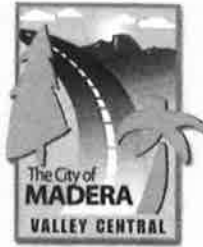
RECEIVED  
APR 23 2010

Date	Invoice #
4/19/2018	17257

Sierra Golf Management  
P.O. Box 788  
Chowchilla, CA 93610


P.O. ...	Terms	Net 30
Make	Johnston	Pump N... 40 HP
Location	Madera Municipal Golf Course	
Meter #	1010238319	

CT & S	Setting	SWL	Depth	Well Size	Bowls
8x2x1 1/4	320'	245'	445'	12.25"	8 Stage 10"
Qty	Description			Amount	
	Job #57349				
Thank you for your business.			Sales Tax (7.75%)		\$1,782.60
	Due Date	5/19/2018	Total		\$35,135.09



## REPORT TO CITY COUNCIL

COUNCIL MEETING OF May 2, 2018  
AGENDA ITEM NUMBER B-5

  
PREPARED BY: Mary Anne Seay, Director  
Parks & Community Services Department

  
APPROVED BY: Steve Frazier, City Administrator

**SUBJECT:**      **CONSIDERATION OF A RESOLUTION APPROVING A FACILITY USE AGREEMENT  
WITH FRESNO COUNTY OFFICE OF EDUCATION (FCOE) FOR USE OF SCOUT ISLAND  
OUTDOOR EDUCATION CENTER AND AUTHORIZING THE MAYOR TO EXECUTE THE  
AGREEMENT ON BEHALF OF THE CITY**

**RECOMMENDATION:**

Staff recommends Council adopt a resolution approving a Facility Use Agreement between the City and the Fresno County Office of Education (FCOE) for use of Scout Island Outdoor Education Center. Staff further recommends that Council authorize the Mayor to execute the Agreement on behalf of the City.

**DISCUSSION:**

Even though natural wonders such as Yosemite and Kings Canyon National Parks are within close proximity to Madera, surprisingly many of the youth who participate in the Parks and Community Services (PCS) after school recreation programs have little experience beyond their urban environment. PCS has a programmatic offering that provides a day trip into a more natural surrounding away from the confines of the city landscape. Apart from the recreational opportunities, the day trips are designed to promote the practice of life and environmental science which among others, offers the following benefits, which in turn are our program goals:



1. Provides an opportunity for hands-on, interactive learning.
2. Provides a venue beyond the classroom with a direct connection to the learning material.
3. Begins or continues a dialogue about how environmental issues affect the daily lives of ordinary people.
4. Enhances the promotion of healthy lifestyle activities.
5. Helps students make connections between social, ecological, science, economic, cultural and political issues.

In addition to the benefits listed above, offering life and environmental science programming and excursions has been an integral part of the PCS recreation curriculum for some time.

Programming at after school sites as well as local recreation centers includes Project Wild curriculum. This specific outdoor day trip program has been planned to ignite an enthusiasm among the youth participants for outdoor recreation as well as life and environmental science.

Fresno County Office of Education (FCOE) operates field trips out of their Scout Island Outdoor Education Center on the San Joaquin River. The trips encompass both recreational and educational elements. PCS has requested two days of field trips with the intention of taking after school recreation program participants to canoeing, a birds of prey exhibition, nature walks and other river based activities. FCOE requires Scout Island user groups including the City to execute a Facility Use Agreement in order to participate in their program. The Agreement defines insurance requirements, transfer of liability and terms and charges for use.

**FINANCIAL IMPACT:**

FCOE is charging a total of \$1,475.00 for the two day use of the Education Center. Specific funding for these excursions has been provided by Madera Unified School District as part of an after school program agreement between the District and the City. The cost has been anticipated in the Council approved FY 2017-18 Recreation Budget (10206200).

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

The recommended actions support the following Vision Madera 2025 strategies:

- Strategy 332:** Youth Services: Expand comprehensive services for Madera's youth, including employment opportunities, community activities, sports programs, performing arts and after-school programs.
- Strategy 404:** Promote increased community wellness.
- Strategy 411:** Enhance and expand recreational activities available to Maderans.

**RESOLUTION NO. 18 - \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING  
A FACILITY USE AGREEMENT WITH FRESNO COUNTY OFFICE OF EDUCATION  
(FCOE) FOR USE OF SCOUT ISLAND OUTDOOR EDUCATION CENTER AND  
AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF  
THE CITY**

**WHEREAS**, outdoor recreation and life and environmental science have demonstrated benefits for the youth of a community; and

**WHEREAS**, the City through the Parks and Community Services Department offers a program to the youth of Madera that encompasses elements of recreation and education in a natural environment; and

**WHEREAS**, FCOE operates field trips out of Scout Island Outdoor Education Center on the San Joaquin River that align with the objectives of the recreation and education program provided to Madera's youth; and

**WHEREAS**, the City's Parks and Community Services Department wishes to provide field trips at the Scout Island facility; and

**WHEREAS**, FCOE has prepared a Facility Use Agreement that specifies the responsibilities of the FCOE and the City pertaining to the use of the Scout Island Education Center; and

**WHEREAS**, the Facility Use Agreement is in the best interest of the City, FCOE and the youth of Madera.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA, HEREBY**, finds, orders and resolves as follows:

1. The above recitals are true and correct.
2. The Facility Use Agreement with Fresno County Office of Education, a copy of which is on file in the office of the City Clerk and referred to for particulars, is hereby approved.
3. The Mayor is authorized to execute said Agreement on behalf of the City.
4. This resolution is effective immediately upon adoption.

\* \* \* \* \*



# SCOUT ISLAND OUTDOOR EDUCATION CENTER



*fresno county superintendent of schools*

## APPLICATION & AGREEMENT FOR FACILITIES USE

Organization/School: City of Madera Parks & Community Services Department # Attendees: 60 Day 1 (D1) and 40 Day 2 (D2)  
Event Date: June 20 and 21, 2018 Start-End Time: D1-8:00am to 2:00 D2-8:00am to 2:00pm  
Contact Person: Jennifer Schneider Contact Phone: (559) 662-4986  
Contact Email: jschneider@cityofmadera.com Contact Cell: (559) 871-1649

**EVENT INFORMATION:** D1 - Grades K-3 activities: Birds of Prey (if Falconer is Available), Draw the River, and I Spy.

D2 - Grades 4-8 activities: Canoeing, Birds of Prey, Service Learning, Suitcase for Survival (if time permits).

**SPECIAL INSTRUCTIONS:** Your organization will need to submit a Certificate of Liability Insurance that meets the requirements outlined in paragraph 1 (Insurance) of the facility use agreement. Please carpool.

**RESERVATION AREA(S):** TBD

EVERYONE PARTICIPATING IN CANOEING AND THE SERVICE LEARNING PROJECT MUST HAVE A SIGNED LIABILITY WAIVER.

## SCOUT ISLAND FEES

Facility Use: \$ 300.00 Teacher(s): \$ 1,000.00 Canoeing: \$ 175.00 Other: \$ 0.00 Total: \$ 1,475.00

**PLEASE BRING A CHECK MADE PAYABLE TO FCSS-SCOUT ISLAND ON THE DAY OF YOUR FIELD TRIP OR SEND A COMPLETED PURCHASE ORDER TO 559-265-4063 OR MSTEWARD@FCOE.ORG. IF YOU SEND A COMPLETED PURCHASE ORDER AN INVOICE WILL BE MAILED TO YOUR FINANCE OFFICE.**

## TRANSPORTATION

Scout Island is accessed by a one lane road. Please drive carefully, observe the 25 mph speed limit and watch out for pedestrians, golf carts, bicycles and children. Parking at Scout Island is limited. Carpooling, van and/or bus usage is requested for all events. Please list the number of vehicles that will be used to transport attendees to the site.

BUSSES: 1 VANS: 0 PRIVATE VEHICLES: 5

## OPERATING HOURS AND ACCESS

Operating Hours: Scout Island operates Monday – Friday 8 a.m. – 4:30 p.m. Saturday events are limited and require special permission. Access to Scout Island is controlled by electric gates. Please coordinate your access with Scout Island Staff.

## LIABILITY WAIVER

Liability waivers are required for all participants in Service-Learning projects, Canoeing, and the Ropes Course. Please contact the coordinator for the proper form to be completed prior to your event.

**Contact for questions and information:**

Matt Stewart  
(559) 265-4062 / mstewart@fcoe.org

Reset

SCOUT ISLAND OUTDOOR EDUCATION CENTER  
FACILITY USE AGREEMENT

Organization/School: City of Madera Parks & Community Services Department  
Event Date: June 20 and 21, 2018

# Attendees: 60 Day 1 (D1) and 40 Day 2 (D2)  
Start-End Time: D1-8:00am to 2:00 D2-8:00am to 2:00pm

Terms & Conditions

**INSURANCE:** (*Please check with Scout Island Staff to determine if an Insurance Certificate is required*). The Organization I agrees to obtain at its sole expense and to provide evidence of liability insurance providing for minimum liability coverage of \$1,000,000 for bodily injury or property damage arising from the use of the facility. Such policy must provide coverage on an occurrence basis. Except as to those organizations exempt from such a requirement, by law, such liability insurance policy or policies shall name the Fresno County Office of Education (FCOE), its officers, agents, and employees, individually and collectively, as ADDITIONALLY INSURED with respect to all matters relating to or arising out of this agreement. Such coverage for additional insured shall apply as primary insurance. Any other insurance, or self-insurance, maintained by FCOE, its officers, agents, and employees, individually and collectively, shall be excess only and noncontributing with insurance provided under Organization's policies. Organization's insurance shall not be canceled or changed without a minimum of thirty (30) days advance written notice given to FCOE.

**LIABILITY:** The Organization will be liable for injuries resulting from the negligence of the Organization during the use of the facilities or grounds and for all other resulting damages or injury except those for which FCOE is held to be specifically liable by a court of competent jurisdiction. To the extent permitted by law, the Organization hereby agrees to indemnify and hold harmless FCOE, its agents and employees, from all claims, actions, demands, liability, responsibility, damages, loss, cost and expense of any nature whatsoever arising from the Organization's use of FCOE's facilities or grounds, including the cost of defending FCOE, its agents and employees, against claims, actions or demands with respect to which the Organization is held to be solely liable. This section excludes any liability for injuries arising or resulting from the sole negligence of FCOE in the ownership and maintenance of the facilities or grounds. FCOE shall only be liable for injuries arising or resulting from the sole negligence of FCOE in the ownership and maintenance of those facilities or grounds used by the Organization. The Organization will also be liable for any destruction of FCOE Property and may be charged an amount equal to all damages and further use of facilities may be denied.

**USE CHARGE:** FCOE shall grant the use of any FCOE facilities or grounds under its control when an alternative location is not available. Charges not to exceed direct costs shall be invoiced only in those organizations that promote school and youth activities. The foregoing does not apply if such organization is using FCOE facilities for fund-raising activities which are not beneficial to youth of Fresno County. If FCOE authorizes the use of FCOE facilities or grounds by any church or religious organization which has no suitable meeting place for the conduct of the services, FCOE shall charge the church or religious organization an amount not to exceed its direct costs. In the case of entertainments or meeting where admission fees are charged or contributions are solicited and the net receipts are not expended for the welfare of the pupils of Fresno County or for charitable purposes, a charge shall be levied for the use of school facilities or grounds which shall be equal to fair rental value. "Fair rental value" is the direct costs to FCOE plus the amortized costs of the school facilities or grounds used for the duration of the activity authorized.

**IMPROPER USE:** Any use by an individual, society, group, or organization for the commission of any act intended to further any program or movement the purpose of which is to accomplish the overthrow of the government of the United States or of the State by force, violence, or other unlawful means shall not be permitted or suffered.

**PROTECTION OF PROPERTY:** FCOE property must be protected from damage or mistreatment, and each third party user must be responsible for the condition in which it leaves the FCOE facilities or grounds. In the event FCOE property is damaged or must be cleaned as a result of such use, the cost shall be paid for or reimbursed by the Organization. The Organization agrees to accept fees and other charges as noted above for facility use according to the FCOE Fee Schedule and other costs incurred. Information on fees is available at the FCOE Facilities Department. This Agreement is not effective until approved by Scout Island staff.

**FACILITY USE/LEAVE NO TRACE GUIDELINES:** Organization/School agrees to abide by the Scout Island Facility Use and Leave No Trace Guidelines.

Date: \_\_\_\_\_ Applicant's Signature/Title \_\_\_\_\_

Date: \_\_\_\_\_ Principal Signature/Phone \_\_\_\_\_

Date: 1/31/2018

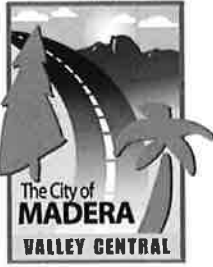
  
Director, Scout Island Education Center

Submit Use Application by fax or email with signature(s) no later than two working weeks prior to the event.

Forward To: Matt Stewart

7695 North Van Ness Ave. Fresno. CA 93711 / (559) 265-4062 / Fax (559) 265-4063 / mstewart@fcoe.org

## Report to City Council



Council Meeting of May 2, 2018

Agenda Item Number B-6

Approved by:

*Wendy Silva*  
Department Director

*Steve Froyen*  
City Administrator

### **Consideration of a Minute Order Approving Settlement of a Claim with Progressive Casualty Insurance Company for Property Damage.**

#### **RECOMMENDATION**

Staff recommends Council provide authority to settle the City's claim against Progressive Casualty Insurance Company on behalf of their insured Bhinder Paramijt Singh for \$5,557.62.

#### **HISTORY**

On September 5, 2017, Bhinder Paramijt Singh was involved in a motor vehicle accident involving damage to City property. Mr. Singh was found at-fault in the vehicle accident.

#### **SITUATION**

Mr. Singh is insured by Progressive Casualty Insurance Company. On September 5, 2017, he was traveling westbound on Kennedy Street towards Schnoor Avenue. Mr. Singh made an unsafe right turn onto Schnoor Avenue causing his Freightliner to collide into a City signal light.

The Madera Police Department (MPD) was called to the scene and determined Mr. Singh was at-fault. Based on the MPD Report #17M-07351, he caused the collision by violating CVC 22107, unsafe turning movement.

The City is in receipt of a damage report from the Public Works Department. The following allocations determined the signal light's total cost: personnel hours worked \$1,346.59, City equipment used \$611.72, and material used \$3,599.31. These allocations bring the total cost associated with replacing the signal light to \$5,557.62. On April 4, 2018, Progressive offered the City \$5,198.62 to resolve the claim. They

requested a 10% reduction on materials for depreciation. However, the City denied the offer and demanded full payment since their insured was 100% at-fault. Progressive has responded that they will make payment for the full amount.

It is recommended, Council provide authority to settle this claim with Progressive Casualty Insurance Company in the amount of \$5,557.62 to reimburse the City for all costs associated with the replacement of the signal light.

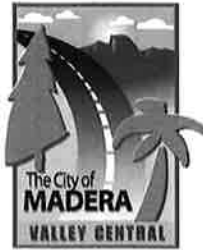
**FISCAL IMPACT**

Reimbursement for replacing the signal light will be designated to the Facilities Division Refunds and Reimbursement account in the amount of \$5,557.62.

**VISION MADERA 2025 PLAN**

Settlement of claims is not included in the Vision Madera 2025 Vision and Action Plan, nor is the requested action in conflict with the plan.

# REPORT TO THE CITY COUNCIL



## Groundwater Sustainability Agency

COUNCIL MEETING OF:

May 2, 2018

AGENDA ITEM NUMBER:

B-7

Approved By:

  
Community Development Director

  
City Administrator

**SUBJECT: Consideration of a Resolution Approving the Madera Subbasin Groundwater Sustainability Agencies Madera Subbasin Coordination Committee Charter**

### RECOMMENDATION:

Staff recommends that the City Council, acting as the Groundwater Sustainability Agency, adopt a resolution approving the Madera Subbasin Groundwater Sustainability Agencies Madera Subbasin Coordination Committee Charter.

### SUMMARY AND DISCUSSION:

At its March 7<sup>th</sup> meeting, the City of Madera Groundwater Sustainability Agency (GSA) appointed Council members and staff to be its representatives on the Madera Subbasin GSA Coordination Committee. The Council was also asked to review and provide comment on the recommended draft of a Charter that outlines the function, structure, and operating characteristics of the Coordination Committee. No comments or recommended changes to the Charter were requested. Each GSA has now been asked to formally approve the Charter. The resolution under consideration with this item would take that action.

The purpose of the Madera Subbasin Coordination Committee is to advise the Madera Subbasin GSAs on groundwater sustainability plan (GSP) development, implementation, and public engagement consistent with the respective policies of each GSA. The Committee is comprised of 12 seats, including 1 board member and 1 technical expert from each of the six GSAs working collaboratively on the single GSA. Coordination Committee meetings is subject to the Brown Act and, as noted above, will be based on developing consensus amongst its members on the issues that are presented. The Committee does not have the ability to bind any member to any outcome that his or her GSA does not agree with. Authority to act and implement will be retained with individual GSAs.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

Strategy 434 - Ensure continued water supplies to meet the demands of all Maderans through innovative reclamation, conservation and education on water-use.

**FINANCIAL IMPACT:**

No direct or substantive financial impact has been identified with regard to the proposed Coordination Committee Charter. Staff time dedicated to SGMA compliance has grown since its adoption and will likely continue to grow through the GSP development process.



GSA Resolution No. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AS THE CITY OF MADERA  
GROUNDWATER SUSTAINABILITY AGENCY APPROVING THE MADERA SUBBASIN  
GROUNDWATER SUSTAINABILITY AGENCIES MADERA SUBBASIN COORDINATION  
COMMITTEE CHARTER

Whereas, in September of 2014, the Governor signed into law the Sustainable Water Management Act (SGMA), which imposes new requirements on local agencies focusing on sustainable groundwater management at the groundwater basin level; and

Whereas, the City of Madera adopted a resolution to establish the City of Madera Groundwater Sustainability Agency (GSA) on August 17, 2016 and became the exclusive GSA within its boundaries on February 16, 2017; and

Whereas, the City of Madera GSA adopted a resolution on October 18, 2017 approving a Memorandum of Understanding formalizing its intent to work collaboratively with five other GSAs within the Madera Groundwater Subbasin to prepare a single GSP in order to comply with the requirements of SGMA; and

Whereas, the six GSAs within the Madera Groundwater Subbasin working together to prepare a single GSP have established a Coordination Committee to facilitate their collaboration on the preparation of the GSP; and

Whereas, a Charter for the Coordination Committee has been prepared and reviewed by each of the six GSAs that will sit on the Committee, including the City of Madera GSA which reviewed the recommend charter at its March 7, 2018 meeting.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY finds, orders and resolves as follows:

1. The above recitals are true and correct.
2. The Madera Subbasin Groundwater Sustainability Agencies Madera Subbasin Coordination Committee Charter, a copy of which is on file with the office of the City Clerk, is hereby adopted.
3. This resolution is effective immediately upon adoption.

\* \* \* \* \*

## Madera Subbasin Groundwater Sustainability Agencies

### **Madera Subbasin Coordination Committee Charter**

*Draft 2.16.2018*

#### **Coordination Committee Charge**

The purpose of the Madera Subbasin Coordination Committee ("Coordination Committee") is to advise the Madera Subbasin Groundwater Sustainability Agencies' ("GSAs" or "Agencies") Boards of Directors and decision-makers (collectively "Boards") on groundwater sustainability plan (GSP) development, implementation, and public engagement consistent with the Agencies' respective policies. The intent of the Coordination Committee is to provide a forum for GSAs to share perspectives and participate in review and discussion of elements for GSP development. The Coordination Committee will identify areas of agreement, issues requiring more in-depth GSA discussion or consideration, and make recommendations that the GSA Boards will consider in their decision-making.

The Coordination Committee may review or provide recommendations to the Boards on the following groundwater-related issues:

- Development, adoption, or amendment of the groundwater sustainability plan (GSP)
- Sustainability goals and objectives
- Technical and reporting standards, including best management practices, data management and reporting
- Monitoring programs
- Annual work plans and reports (including mandatory 5-year milestone reports)
- Modeling scenarios
- Inter-basin coordination activities
- Project and management actions to achieve sustainability
- Grant funding proposals
- Community outreach and engagement
- Local regulations to implement SGMA
- Fee proposals
- General Coordination in response to GSA inquiries

The Coordination Committee will not make recommendations to individual Agencies' about their budgets or day-to-day operations, such as personnel staffing or contracting.

#### **Open Process and Conflicts of Interest**

All meetings of the Coordination Committee shall be open to the public. The Coordination Committee will announce meetings on the respective Agencies' websites and through regular communication channels.

The Coordination Committee shall adopt a schedule and location for regular meetings, and meeting agendas shall be posted consistent with SGMA and Brown Act requirements.

All Coordination Committee meetings shall provide for public comment consistent with the Brown Act, including non-agenda public comment and public comment on individual agenda items. Public comment will generally be limited to 3 minutes, but the time may be adjusted based upon meeting circumstances. Special and emergency meetings need not provide for non-agenda public comment, but such comment may be allowed in the Coordination Committee's discretion.

Members of the Coordination Committee are subject to all applicable conflict of interest laws including Government Code section 1090 and the California Political Reform Act.

### **Ad Hoc Workgroups**

The Coordination Committee may form ad hoc or temporary workgroups as needed for limited purposes. Workgroups shall consist of less than a quorum of the GSA Board members or legislative bodies, or they shall fall under the advisory group guidelines. A workgroup is intended as an ad hoc group. It is not a standing group with designated participants. The workgroup shall be formed for limited purposes (e.g. reviewing specifically technical components of the GSP development) on an as needed basis.

The Coordination Committee will review and assess any recommendations made by workgroups along with stakeholder input prior to sharing any recommendations with the GSA Boards for consideration in their decision-making. This does not forestall recommendations or stakeholder input being shared directly with GSAs.

### **Term**

This Coordination Committee is intended to serve as the coordinating body for the Madera Subbasin GSAs through development of the Madera Subbasin GSP(s). On or before October 2019, the Coordination Committee will evaluate the effectiveness of the Coordination Committee for coordination purposes and determine whether to form an alternate group. Unless the GSAs chose otherwise, the Coordination Committee shall remain active throughout the coordination of Madera Subbasin GSAs for GSP development and implementation.

### **Coordination Committee Representation**

The Coordination Committee shall consist of two (2) members to represent each of the six coordinating GSA member agencies in the Madera Subbasin: Madera County Subbasin GSA, City of Madera GSA, Madera Irrigation District GSA, Root Creek Water District GSA, Madera Water District GSA, and Gravelly Ford Water District GSA. New Stone GSA shall attend meetings for information sharing only for a total of twelve (12) seats. Each Coordinating GSA Board shall designate two Committee representatives as follows:

- One member capable and authorized to speak on behalf of the GSA Board for coordination purposes. A GSA board member, CAO, City Manager, Executive Director, or General Manager is recommended to serve in this capacity to ensure better coordination between the committee and individual GSA Boards. Final determination of the committee member is at the discretion of the individual GSA Boards.
- One member providing technical expertise or knowledge (when logistically possible).
- GSAs may appoint an alternate.

Coordination Committee members must live or work within or represent an organization with a presence in the Madera Subbasin, identified by the Department of Water Resources current Bulletin 118. The GSA Boards will determine if alternates are necessary, and if so, the appointment process.

Coordination Committee members serve without compensation.

## **Member Roles and Responsibilities**

### **GSA Board of Directors**

GSA Board members commit to the value of the Coordination Committee and will consider Coordination Committee recommendations when making policy decisions for their GSA. It is recommended that each GSA shall designate one Board member, CAO, City Manager, Executive Director, or General Manager to sit on the Coordination Committee for these purposes. GSA Board members may also designate an alternate member, with equal authority, to sit on the Coordination Committee.

### **Coordination Committee Membership**

The purpose of the Coordination Committee is to develop and refine recommendations for GSA consideration. Likewise, the Coordination Committee offers an opportunity to incorporate community and stakeholder interests into recommendations on SGMA implementation in the Madera Groundwater Basin for the GSA Boards to consider in their decision-making process.

Coordination Committee members represent the diverse interests of the GSAs and groundwater users. The criteria for Coordination Committee members are to:

- Serve as a strong effective advocate for GSAs and their beneficial users
- Work collaboratively with others
- Commit time needed for ongoing discussions
- Attend every meeting or appoint an alternate
- Collectively reflect diversity of interests
- Have the requisite content knowledge and/or capacity to contribute to discussions on behalf of GSAs.
- Reflect and present Coordination Committee discussions and recommendations to GSA Boards

### **Coordination Committee Chair**

The Coordination Committee will appoint a Chair and Vice-Chair. The Chair for the Coordination Committee agrees to:

- Work with the Agencies' administrators to develop the agenda for all meetings.
- Assist in framing issues so members are able to have a productive conversation and develop recommendations.
- Develop a summary of meeting agreements and discussions.

As resources are available and until such time as a Coordination Committee Chair is designated, the Madera Subbasin SGMA Facilitator shall perform the duties of the Chair and Vice-Chair.

### **Coordination Committee Secretary**

The Coordination Committee will appoint a secretary either from membership or from individual GSA staff to record meeting minutes, capturing agreements, areas of requiring additional discussion and matters for individual GSA review and discussion.

### **Technical Experts (TE)**

Among the Coordination Committee members are the Technical Experts ("TE"). GSAs may appoint Technical Experts from GSA Staff to participate in Coordination Committee and Ad Hoc Workgroup meetings as needed. These TE shall facilitate discussion among the GSAs on technical aspects or elements during the GSP development process, during implementation of the GSP, as well as on Agencies' policies related to groundwater management and monitoring data. The TE shall assist the GSP technical consultant retained by the Madera Subbasin GSAs for GSP development (hereinafter referred to as GSP Technical Consultant) and facilitate incorporation of community input on technical components of GSP development. The TE may form ad hoc working groups to facilitate inter-GSA review and discussion of technical elements for the GSP during plan development as needed, as well as during implementation of management practices. The ad hoc TE workgroups may discuss GSP Technical Consultant recommendations and report out discussions to the full Coordination Committee.

The TE members represent the technical interests of the GSAs. The criteria for TE members are to:

- Serve as a technical and subject matter experts and advisors related to groundwater data and GSP development
- Understand SGMA and GSP requirements
- Work collaboratively with others
- Commit time needed for ongoing discussions

### **Member Terms**

The initial Coordination Committee will include 12 seats with three -year terms ending in January 31, 2020. Following initial Committee terms, all terms will be two years and end in December. If a vacancy occurs the GSAs will appoint a new individual to complete the term. GSAs may remove Committee members in their own discretion at any time.

### **Madera Subbasin Roundtable Meeting Participation**

The Madera Subbasin Public Engagement and Outreach Plan anticipates the incorporation of Public Round Tables or similar sessions for public discussion. These sessions shall be scheduled to coincide with Coordination Committee meetings and GSP planning meetings with the GSP Technical Consultant, as appropriate. One or more members of the Coordination Committee shall participate in every stakeholder roundtable meeting and report back to the Coordination Committee regarding perspectives shared and discussed during those roundtable meetings. This will facilitate incorporating Stakeholder input into recommendations put forth by the Coordination Committee to the GSA Boards.

### **Decision-Making**

To inform GSA Boards' decision-making, the Coordination Committee Secretary will provide written recommendations in reports that reflect the outcome of Committee discussions, including input received during roundtable meetings. Coordination Committee members shall prepare individual board reports, confirming areas of agreements and discussion through meeting notes and highlights. These individual board reports shall be consistent with the Committee written recommendation. The recommendation reports will identify areas of agreement and disagreement. The Committee may request that one or more Committee and TE members present its recommendations to the GSA Boards, including areas of agreement and disagreement, consistent with Committee deliberations. The GSA Boards will consider Coordination Committee recommendations when making decisions. If any GSA Board does not agree with the recommendations of the Coordination Committee, that Board

shall state the reasons for its final decision(s) to facilitate discussion and revisions of recommendations by the Coordination Committee or through the GSA Dispute Resolution process determined among the GSAs under separate agreement.

The Coordination Committee will strive for consensus in all of its deliberations. Working toward consensus is a fundamental principle. Consensus means that all Committee members either fully support or can live with the recommendation or overall plans and believe that their GSAs and its constituents can as well. Committee minutes shall reflect variations in consensus. The consensus must be feasible to receive GSA approval. In reaching consensus, some Committee members may strongly endorse a particular proposal while others may accept it as "workable." Others may be only able to "live with it." Still others may choose to "stand aside" by verbally noting a disagreement, yet allowing the group to reach a consensus without them if the decision does not affect them or compromise their interests. Any of these actions still constitutes consensus. When unable to reach consensus on recommendations, the Committee will outline the areas in which it does not agree, providing some explanation to inform GSA Boards' decision-making.

The Coordination Committee relationship to Madera GSAs and the overarching Madera Subbasin decision-making structure is demonstrated in Diagram 1.

### **Consensus Process**

In seeking consensus on an interim or final recommendation, Coordination Committee members will voice their opinions with specific proposals along the way, rather than waiting until a final recommendation has been developed. At all times, Committee members will ensure that they are providing input commensurate to their prescribed role and GSA. The basic consensus-seeking process is as follows:

- **Straw Polls:** Committee members will use straw polls to assess the degree of preliminary support for an idea before the group submits it as a formal proposal for final consideration. Representatives may indicate only tentative approval for a preliminary proposal without fully committing to its support.
- **Draft and Final Recommendations:** A group will use the following three levels to indicate member's degree of approval and support for any proposal being considered and to determine the degree of consensus.
  - ☐ **"Thumbs Down:"** I do not agree with the proposal. I feel the need to block its adoption and propose an alternative. Examples; a representative believes they cannot get a consensus of his/her GSA decision-makers as proposed
  - ☐ **"Thumbs Sideways:"** I am not enthusiastic about it, but I can accept the proposal.
  - ☐ **"Thumbs Up:"** I think this proposal is the best choice of the options available to us.
  - ☐ **"Abstention:"** At times, a pending recommendation may be infeasible for a representative to weigh in on. For example, this could include but is not limited to: a topic that has policy implications that GSA representative cannot be on record conflicting with, and therefore cannot offer a proposal or opinion; and other similar conditions.

The goal is for Committee members to be in the 'Thumbs Up' level of agreement. This agreement must be consistent with what the Committee members feel can be approved by their GSA boards. If any Coordination Committee member is at a 'Thumbs Down' level, that member is encouraged to provide a counter proposal that legitimately attempts to achieve their interest and the interests of the other Committee members. The Coordination Committee will then evaluate how best to proceed. Committee

members that abstain from particular proposals are encouraged to explain why abstention is in their GSAs best interest as well as in the interest of achieving the Madera Subbasin goal to comply with SGMA within the requisite timeframes.

## Process Agreements

To conduct a successful process, the parties agree to the procedures that the Coordination Committee will use as well as define individual behaviors or ground rules.

- ✓ **Everyone agrees to negotiate in good faith.** All participants agree to participate in decision making, to act in good faith in all aspects of this effort and to communicate their interests during meetings. Good faith also requires that parties not make commitments they do not intend to follow through with, and that parties act consistently in the meetings and in other forums where the issues under discussion in these meetings are also being discussed.
- ✓ **Everyone agrees to address the issues and concerns of the participants.** Everyone who is joining in the Coordination Committee is doing so because s/he has a stake in the issue at hand. For the process to be successful, all the parties agree to validate the issues and concerns of the other parties and strive to reach an agreement that takes all the issues under consideration. Disagreements will be viewed as problems to be solved, rather than battles to be won.
- ✓ **Everyone agrees to inform and seek input from their constituents about the outcome of the facilitated discussions.** To the extent possible, scheduling will allow for participants to inform and seek input from their constituents, scientific advisors, and others about discussions.
- ✓ **Everyone agrees that parties can meet with other organizational or interest group members.** Coordination Committee members may find it helpful to meet with other organizations or interest group members and to consult with constituents outside of the meeting so the member is better able to communicate community concerns on the issues at hand.
- ✓ **Everyone agrees to attend all the meetings to the extent possible or to appoint an alternate.** Continuity of the conversations and building trust are critical to the success of the Coordination Committee. Participants are encouraged to turn off cell phones and focus on the issue at hand. Agency staff or the facilitator will coordinate the meeting schedule. Alternates are encouraged to attend Coordination Committee meetings.
- ✓ **Everyone agrees that decisions made at prior meetings will not be revisited due to the absence of a Committee member or appointed alternate.** It is critical to the success of the Coordination Committee as well as to the GSP process and timeline that recommendations are made in a timely manner. Therefore, decisions on recommendations will not be postponed or revisited due to absences during regularly scheduled Committee meetings.

## Participation Agreements

The facilitator and participants, including the Committee members and the public shall be asked to follow these agreements.

### Use Common Conversational Courtesies

**All Ideas and Points of View Have Value**

All ideas have value in this setting. We are looking for innovative ideas. The goal is to achieve understanding. Simply listen, you do not have to agree. If you hear something you do not agree with or you think is "silly" or "wrong," please remember that the purpose of the forum is to share ideas and perspectives.

**Be Honest, Fair, and as Candid as Possible**

Help others understand you and work to understand others.

**Avoid Editorials**

It will be tempting to analyze the motives of others or offer editorial comments. Please talk about *your own* ideas and thoughts. Avoid commenting on why you believe another participant thinks something.

**Honor Time and Be Concise****Think Innovatively and Welcome New Ideas**

Creative thinking and problem solving are essential to success. "Climb out of the box" and attempt to think about the problem in a new way.

**Invite Humor and Good Will****Be Comfortable**

Please feel help yourself to refreshments or take personal breaks. If you have other needs please inform the facilitator.

## **Communication**

**Media**

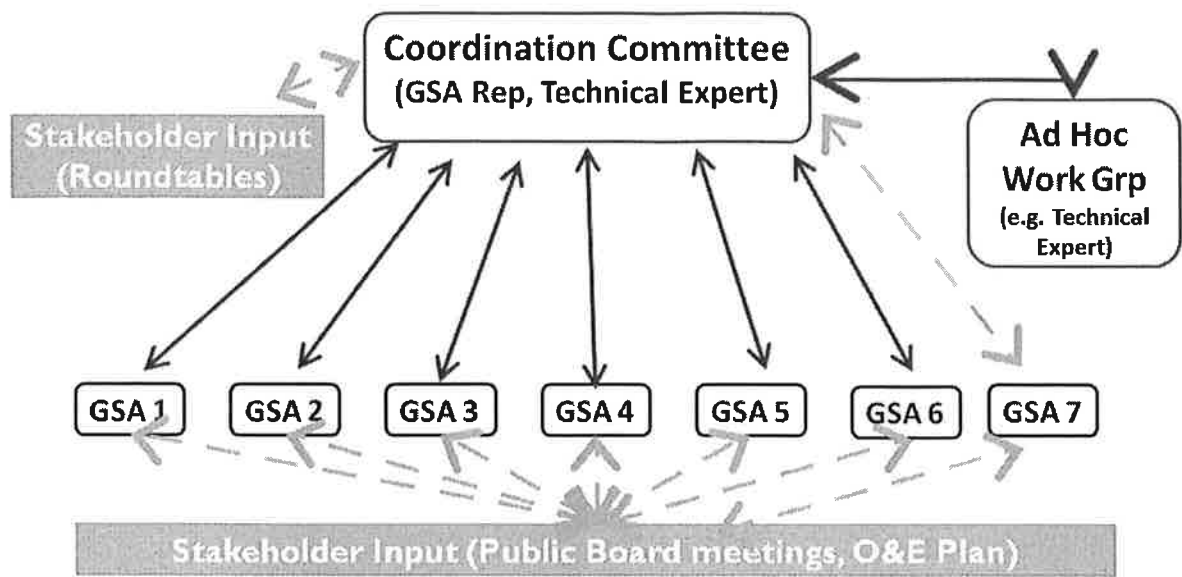
Members are asked to speak only for their organization or themselves when asked by external parties, including the media, about the Coordination Committee's progress, unless there has been a formal adoption of a statement, concepts, or recommendations by the Coordination Committee. Members will refer media inquiries to the GSA listserv and website administrators and reserve freedom to express their own opinions to media representatives. Members should be careful to present only their own views and not those of other Committee members. The temptation to discuss someone else's statements or position should be avoided.

## **Amendments**

The Coordination Committee can recommend future changes to the charge. The GSA Boards may amend the charge when needed using its decision-making procedures.



Diagram 1





[Return to Agenda](#)

## REPORT TO CITY COUNCIL

Approved By:

  
Department Director

  
City Administrator

Council Meeting of May 2, 2018

Agenda Item Number B-8

**SUBJECT:** CONSIDERATION OF MINUTE ORDER REJECTING ALL BIDS FOR  
PROJECT NO. R-74: RECLAMITE APPLICATION ON VARIOUS CITY  
STREETS

### **RECOMMENDATION:**

That the City Council:

1. Reject all bids for Project No. R-74: Reclamite Application on Various City Streets and readvertise project.

### **SUMMARY:**

The Engineering Department received bids for a Project R-74: to provide the application of Reclamite to various City streets on March 20, 2018. Staff has determined that the bids must be rejected and the project be readvertised.

### **DISCUSSION/BACKGROUND:**

The Reclamite Application on Various City Streets project was prepared by the Engineering Department. Plans and specification utilizing contract documents from similar projects successfully completed in past years were used as the application of Reclamite is typically done in different areas of the City every several years.

Reclamite application on various streets consist of furnishing all labor, material, and equipment necessary to perform all operations for the application of an asphalt rejuvenating agent to existing asphalt paved surfaces. The rejuvenation of the street surface shall be by spray application of

**Engineering**

205 W. Fourth Street • Madera, CA 93637 • TEL (559) 661-5418 • FAX (559) 675-6605

[www.cityofmadera.ca.gov](http://www.cityofmadera.ca.gov)

cationic rejuvenating agent composed of petroleum oils and resin emulsified with water. Reclamite is a rejuvenating agent that extends the useful life of the street and delays the need for future street resurfacing.

### **SITUATION:**

The "Notice Inviting Bids" was duly noticed. Plans and Specifications were distributed to local building exchanges and made available to contractors and sub-contractors. The Plans and Specifications were also posted on EBidBoard.com, a projects listing service for contractors. On March 20, 2018, the City received bids.

All bids were checked for accuracy with the bidding requirements of the specifications, and for validity of licenses and bid security. Staff has determined that all bids should be rejected and readvertised, in accordance with Government Code 20166.

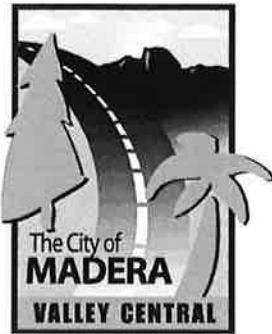
### **CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

Action 126.0 – The Reclamite Application project will provide for safe, clean and attractive streets consistent with the Madera Vision 2025 Plan.

### **FINANCIAL IMPACT:**


Funds for this project have been budgeted for FY 2017/18 and are available in the Public Works Streets Account No. 10203010-7050.

## Report to City Council



**Council Meeting of May 2, 2018**  
Agenda Item Number B-9

**Approved by:**

  
\_\_\_\_\_  
Department Director

  
\_\_\_\_\_  
City Administrator

### Informational Report on Personnel Activity

#### **REQUESTED ACTION**

This report is provided at the request of the City Council and is for informational purposes only.

#### **SUMMARY OF PERSONNEL ACTIVITY**

The Civil Service Commission held a regular meeting on April 3, 2018, certifying eligibility lists for the following job classifications:

- Recruitment 18-02: Water & Sewer Operations Manager
- Recruitment 18-04: Wastewater Treatment Plant Operator III

The following individuals began employment with the City since our last report:

<b>Name</b>	<b>Position</b>	<b>Department</b>	<b>Effective Date</b>
John Coronado	Part Time Maintenance Worker	Public Works – Water Division	3/27/2018
Peter Gallegos	Wastewater Treatment Plant Lead Operator	Public Works – WWTP	3/28/2018
John Luthey, Jr.	Wastewater Treatment Plant Lead Operator	Public Works – WWTP	4/2/2018
Gustavo Ramirez-Valdez	Park Aide	Parks & Community Services	4/3/2018
Ulysses Gonzalez	Park Aide	Parks & Community Services	4/4/2018
Jose Medina, Jr.	Park Aide	Parks & Community Services	4/4/2018

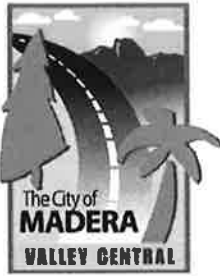
The following promotions occurred:

<b>Name</b>	<b>Position</b>	<b>Department</b>	<b>Effective Date</b>
Eric Brooks	Water & Sewer Operations Manager (prior position: Water System Supervisor)	Public Works	4/16/2018

The following employees separated from employment with the City since our last report.

<b>Name</b>	<b>Position</b>	<b>Department</b>	<b>Effective Date</b>
Rosanna Garcia	Program Leader I	Parks & Community Services	3/12/2018
Leonel Barajas	Program Leader II	Parks & Community Services	3/19/2018
James Oliveri	Part Time Maintenance Worker	Public Works – Airport Division	3/21/2018
Oscar Vargas	Part Time Maintenance Worker	Public Works – Water Division	3/21/2018
Alec Martinez	Part Time Maintenance Worker	Public Works – Water Division	3/21/2018
Valentin Hernandez	Part Time Maintenance Worker	Public Works – Water Division	3/21/2018
Pedro Torres	Part Time Maintenance Worker	Public Works – WWTP	3/21/2018
Rory Hutchings	Part Time Maintenance Worker	Public Works – Airport Division	3/21/2018
Lavida Nash	Part Time Maintenance Worker	Public Works – Water Division	4/4/2018
Shawndee Dix	Paralegal Office Administrator	City Attorney's Office	4/12/2018

## Report to City Council



Council Meeting of May 2, 2018  
Agenda Item Number B-10

Approved by:

Wendy Silva  
Department Director

Steve Francisco  
City Administrator

### **Consideration of a Resolution Setting the Rate of Compensation for the Legal Assistant Classification**

#### **RECOMMENDED ACTION**

It is recommended Council adopt the resolution setting the rate of compensation for the Legal Assistant classification.

#### **BACKGROUND**

Prior to 2013, the City Attorney's office was staffed with three positions:

1. City Attorney
2. Deputy City Attorney
3. Legal Assistant

In 2013, the Deputy City Attorney position was vacant and City Attorney Brent Richardson recommended elimination of the position and reclassification of the Legal Assistant to recognize additional duties that would be taken on by this position due to the reduction from three staff members to two. At that time, the Human Resources Department conducted a job analysis and recommended the position be reclassified to Paralegal Office Administrator. The assigned salary range was increased at that time to reflect the additional duties.

#### **SITUATION**

The Paralegal Office Administrator has resigned her position to move out of state. After evaluating the local candidate pool and office needs, the City Attorney is recommending the position be filled with the less-experienced Legal Assistant classification at this time. The Legal Assistant classification does not currently have an assigned salary range as the classification has not been used; in order to recruit and fill the position, a salary range will need to be assigned.

Prior to the reclassification in 2013, the Legal Assistant position was compensated similarly to the classification of Executive Secretary. The Human Resources Department used the current Executive Secretary assigned salary range and looked

at similar Legal Assistant-type positions in surrounding agencies that have internal legal departments. The review indicated that if the Legal Assistant classification is placed on the City's salary schedule at the same range as Executive Secretary, the base salary will likely be slightly low however total compensation when considering benefits was comparable. This position is represented by the City's Mid Management bargaining unit and benefits are defined in the Memorandum of Understanding for that unit; the City cannot modify the benefits for an individual position.

The recommended salary range for the position is City of Madera Salary Schedule M, Range 330, which is as follows:

Range	Bi-Weekly Pay Rate					
	A	B	C	D	E	F
330	\$1,703.48	\$1,788.68	\$1,877.79	\$1,971.81	\$2,070.22	\$2,174.03

Staff presented the proposed salary range to be assigned to the affected bargaining unit for review and comment. The bargaining unit had no objections to the proposal.

#### **FISCAL IMPACT**

The current position of Paralegal Office Administrator is set at Range 372 and is 23% more than the proposed range for Legal Assistant. Filling the position as a Legal Assistant may provide a savings to the City in salary, but actual savings will be dependent on the new employee's CalPERS formula (whether they are considered Classic or are under the Public Employee's Pension Reform Act) and what level of health benefits are selected at hire.

#### **CONSISTENCY WITH THE VISION MADERA 2025 PLAN**

Assignment of salary ranges is not addressed in the Vision or Action plan; the requested action is also not in conflict with any of the actions or goals contained in that plan.

RESOLUTION No. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA  
SETTING THE RATE OF COMPENSATION FOR THE LEGAL ASSISTANT CLASSIFICATION**

NOW, THEREFORE, the City Council of the City of Madera hereby resolves, finds, and orders as follows:

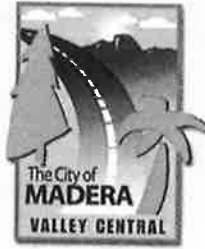
**SECTION 1.** The assigned salary range for the Legal Assistant classification is hereby set on City of Madera Salary Schedule M to Range 330:

Range	Bi-Weekly Pay Rate					
	A	B	C	D	E	F
330	\$1,703.48	\$1,788.68	\$1,877.79	\$1,971.81	\$2,070.22	\$2,174.03

**SECTION 2.** This resolution is effective immediately upon adoption.

\* \* \* \* \*

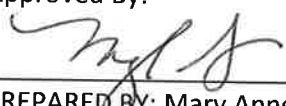




## REPORT TO CITY COUNCIL

COUNCIL MEETING OF May 2, 2018  
AGENDA ITEM NUMBER C-1

Approved By:

  
PREPARED BY: Mary Anne Seay, Director  
Parks & Community Services Department

  
APPROVED BY: Steve Frazier, City Administrator

**SUBJECT:**      **CONSIDERATION OF A RESOLUTION APPROVING A RENTAL AGREEMENT WITH THE 21-A DISTRICT AGRICULTURAL ASSOCIATION FOR THE COLLABORATIVE USE OF THE MADERA FAIRGROUNDS AND ASSOCIATED FACILITIES FOR THREE ONE-WEEK SUMMER DAY CAMP PROGRAMS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY**

**RECOMMENDATION:**

Staff recommends Council adopt a resolution approving a Rental Agreement between the City and the 21-A District Agricultural Association (referred to as the Madera District Fair for the remainder of this report) for the collaborative use of the Madera Fairgrounds and associated facilities for three one-week summer day camp programs. Staff further recommends that Council authorize the Mayor to execute the Agreement on behalf of the City.

**DISCUSSION:**

There is an African proverb that says "If you want to go fast, go alone. If you want to go far, go together." The item before the Council this evening is one that formalizes an Agreement with a key community partner so that we can go further together than either the City or the Madera District Fair (MDF) could go alone.

A partnership with staff from the City and MDF has been building for several years. After the Pomegranate Festival in the fall of 2017, staff from the MDF asked to meet with the Parks & Community Services (PCS) team to discuss the potential for introducing a “fair camp” to Madera’s youth. At an initial meeting in the late winter of 2018, staff from both agencies met to discuss how this new idea might work.

The result has been a generous sharing of resources to achieve several goals that benefit the community. In addition to checking the boxes for innovation, cross-marketing and leveraging resources, the partnership provides for the use of indoor and outdoor space for the City’s day camp program in the month of June. This will help staff mitigate the challenge of overcrowding at the John W. Wells Youth Center in the early part of the summer. In addition to swimming programs, heavy use of the new accessible playground, and drop-in recreation programming, PCS hosts Science Camp at the facility during this time. Science Camp is the result of an Agreement between the City and the Madera Unified School District to provide Science, Technology, Engineering, Arts and Mathematics (STEAM) programming to Families in Transition (FIT) and Foster Youth.

The City will also benefit from the interesting features on the MDF property as well as the Fair team’s connections and ideas. Camp activities may include (but are not limited to) livestock, floriculture, crafts, cooking, a tour of the race track, etc.

Both parties will realize benefits from this partnership. The MDF has a goal to engage younger Maderans in the rich and deep traditions of local fairs, particularly the Madera Fair. They also hope to innovate ways to get and keep families coming to and participating in the fair. By way of one example, art projects created by day-campers will be exhibited during the run of the fair this fall encouraging participants to return with their families to share what they have done and learned. The attached Rental Agreement formalizes the roles of the partnership, including insurance details.

#### **FINANCIAL IMPACT:**

The City has budgeted for day camp programming throughout the summer. Moving to the Madera District Fairgrounds will not result in additional program expenses. The City already maintains insurance that meets the State’s requirements for events at MDF, so there will be no additional expense in that respect.

#### **CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

The recommended actions support the following Vision Madera 2025 strategies:

**Strategy 332:** Youth Services: Expand comprehensive services for Madera’s youth, including employment opportunities, community activities, sports programs, performing arts and after-school programs.

**Strategy 404:** Promote increased community wellness.

**Strategy 411:** Enhance and expand recreational activities available to Maderans.

RESOLUTION NO. 18 - \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING A RENTAL AGREEMENT WITH THE 21-A DISTRICT AGRICULTURAL ASSOCIATION FOR THE COLLABORATIVE USE OF THE MADERA FAIRGROUNDS AND ASSOCIATED FACILITIES FOR THREE ONE-WEEK SUMMER DAY CAMP PROGRAMS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY**

**WHEREAS**, summer recreation programs have demonstrated benefits for the youth and the community as a whole; and

**WHEREAS**, the City through the Parks and Community Services Department offers a summer day camp program to the youth of Madera that encompasses elements of recreation and education; and

**WHEREAS**, the 21-A District Agricultural Association (Association) has indoor and outdoor facilities to accommodate the City's summer day camp program; and

**WHEREAS**, Madera's PCS Department and the Association wish to collaborate to provide summer programming that connects residents to the rich tradition of the Madera Fair; and

**WHEREAS**, the Association has prepared a Rental Agreement that specifies the responsibilities of the Fair and the City regarding use of the facilities; and

**WHEREAS**, the Rental Agreement is in the best interest of the City, the Association, the Madera District Fair and the youth of Madera.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA, HEREBY**, finds, orders and resolves as follows:

1. The above recitals are true and correct.
2. The Rental Agreement with 21-A District Agricultural Association, a copy of which is on file in the office of the City Clerk and is referred to for more particulars, is hereby approved.
3. The Mayor is authorized to execute said Agreement on behalf of the City.
4. This resolution is effective immediately upon adoption.

\* \* \* \* \*

## RENTAL AGREEMENT

☐ Fairtime ☒ Interim

THIS AGREEMENT by and between the **21-A District Agricultural Association,** hereinafter  
called the Association, and **City of Madera** hereinafter called the Renter,

**WITNESSETH:**

1. **THAT WHEREAS**, the Renter desires to secure from the Association certain rights and privileges and to obtain permission from the Association premises beginning on **June 11, 2018** and ending on **June 29, 2018**.
2. **NOW, THEREFORE**, Association hereby grants to the renter the right to occupy the space(s) described below for the purposes hereinafter set forth, subject to the terms and conditions of this agreement **See Exhibit "E" Terms and Conditions. Set up and tear down days are included when paid for or approved by Fair manager.**  
  

**Bounce Houses Are Not Allowed At Any Event, Unless Required Insurance Is Provided**
3. The purposes of occupancy shall be limited to: **Kids Camp** and shall be for no other purposes whatsoever.
4. Renter agrees to pay to Association for the rights and privileges hereby granted, the amounts and in the manner set forth below:
  - **Staff and programing provided in lieu of rental fees.**
  - **General Liability Certificate (see Exhibit "A") and Setup are due in the office on or before**
5. Renter agrees to pay fees required by Association for: **See Exhibit "E" Terms and Conditions** and to guarantee the payment of:
  - (a) Any money which may be payable to Association under this agreement;
  - (b) Any damage to Association property; and utility charges, if any;
  - (c) Removal of all property and the leaving of the premises in a condition satisfactory to Association.
6. Association shall have the right to audit and monitor any and all sales as well as access to the premises.
7. Renter further agrees to indemnify and save harmless Association and the State of California their officers, agents, servants and employees from any and all claims, causes of action and suits accruing or resulting from any damage, injury or loss to any person or persons, including all persons to whom the renter may be liable under any worker's compensation law and renter him/herself and from any loss, damage, cause of action, claims or suits for damages, including but not limited to loss of property, goods, wares or merchandise, caused by, arising out of or in any way connected with the exercise by renter of the privileges herein granted.
8. Renter further agrees that he/she will not sell, exchange or barter, or permit his/her employees to sell, exchange or barter, any permits issued to renter or his/her employees hereunder.
9. It is mutually agreed that this contract or the privileges granted herein, or any part thereof, cannot be assigned or otherwise disposed of without the written consent of Association.
10. It is mutually understood and agreed that no alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the parties hereto, and that no oral understandings or agreements not incorporated herein

and no alterations or variations of the terms hereof, unless made in writing and signed by the parties hereto, shall be binding upon any of the parties hereto.

11. The "Rules and Regulations" printed on page 2 of this document are incorporated herein and made a part of this agreement. Renter agrees that he/she has read this agreement and the said "Rules and Regulations" and understands that they shall apply, unless amended by mutual consent in writing of the parties hereto.
12. In the event renter fails to comply in any respect with the terms of this agreement and the "Rules and Regulations" referred to herein, all payments for this rental space shall be deemed earned and non-refundable by Association and Association shall have the right to occupy the space in any manner deemed for the best interest of Association.
13. Special Provisions: The CFSA Insurance Statement (if applicable) is attached and incorporated into this agreement.
  - **Exhibit "A" Insurance Statement**
  - **Exhibit "B" Rental Policy**
  - **Exhibit "C" Standard Contract Terms and Conditions**
  - **Exhibit "D" Terms and Conditions**Actual costs may vary due to additional equipment, labor, damages, security, and/or other unanticipated costs.
14. This agreement is not binding upon association until it has been duly accepted and signed its authorized representative, and approved (if required) by the Department of Food and Agriculture, Division of Fairs & Expositions, and the Department of General Services.
15. **FORCE MAJEURE.** If either Contractor or the 21-A DAA will be delayed or prevented from the performance of any act required hereunder by reason of acts of God, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement) or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Nothing in this Paragraph shall excuse Contractor from prompt payment of any rent, taxes, insurance or any other charge required of Contractor, except as may be expressly provided in this Agreement.

**IN WITNESS WHEREOF**, this agreement has been executed, by and on behalf of the parties hereto, the day and year first above written.

**21-A District Agricultural Association**  
Address 1850 W. Cleveland Ave., Madera, CA 93637

**City of Madera, Renter**  
Address 701 E. 5<sup>th</sup> St., Madera, CA 93638

By \_\_\_\_\_  
Title Tom Mitchell, CEO Date \_\_\_\_\_

By \_\_\_\_\_  
Title Andrew J. Medellin, City Mayor Date \_\_\_\_\_



## RULES AND REGULATIONS GOVERNING RENTAL SPACE

1. No renter will be allowed to open until all the preliminary requirements herein set forth have been complied with.
2. Renter will conduct his/her business in a quiet and orderly manner, will deposit all rubbish, slop, garbage, tin cans, paper, etc., in receptacles provided by the Association within said concession plot for such purpose, and will keep the area within and surrounding said concessions free from all rubbish and debris.
3. All buildings, tents, or enclosures erected under the terms of the "Rental Agreement" shall have the prior approval of Association and local fire suppression authorities. All eating concessions not restricted to specific items will submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation.
4. Upon request, renter will furnish Association with a list of all sales prices and other charges of any kind whatsoever to be charged by the Renter in said space(s).
5. Upon request, renter must furnish receipts for license fees, tax deposits, insurance, etc., prior to event.
6. Renter will conduct the privileges granted in the "Rental Agreement" according to all the rules and requirements of the State Department of Health Services and local health authorities, and without infringement upon the right and privileges of others; will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is sold by Association, nor engage in any other business whatsoever upon or within said premises or fairgrounds, except that which is herein expressly stipulated and contracted for; will confine said transactions to the space and privileges provided in the "Rental Agreement", and that any and all exclusives granted renter shall not include the carnival and the carnival area.
7. Renter will cause to be posted in a conspicuous manner at the front entrance to the concessions, a sign showing the prices to be charged for all articles offered for sale to the public under the "Rental Agreement"; the size of said sign, manner and place of posting to be approved by Association.
8. Association will furnish necessary janitor service for all aisles, streets, roads and areas used by the public, but renter must, at his/her own expense, keep the concession space and adjacent areas properly arranged and clean. All concessions must be clean, all coverings removed, and the concessions ready for business each day at least one hour before the Association is open to the public. Receptacles will be provided at several locations to receive renter's trash, and such trash must not be swept into the aisles or streets or any public space.
9. All sound-producing devices used by renter within or outside his/her space must be of such a nature and must be so operated as not to cause annoyance or inconvenience to his/her patrons or to other concessionaires or exhibitors and the decision of Association as to the desirability of any such sound-producing device shall be final and conclusive. Sound-amplification equipment may be installed within or outside any space only by first obtaining written permission thereof from Association.
10. Renter agrees that there will be no games, gambling or any other activities within the confine of his/her space in which money is used as a prize or premium, and that he/she will not buy and/or permit "buy backs" for cash, any prizes or premiums given away to patrons in connection with the use of the space. Only straight merchandising methods shall be used and all methods of operations, demonstration and sale, shall be subject to the approval of the Association and the local law enforcement officials.
11. Renter is entirely responsible for the space allotted to renter and agrees to reimburse Association for any damage to the real property, equipment, or grounds used in connection with the space allotted to renter, reasonable wear and tear and damage from causes beyond renter's control excepted.
12. Association may provide watchman service, which will provide for reasonable protection of the property of renters, but Association shall not be responsible for loss or damage to the property of renter.
13. Each and every article of the space and all boxes, crates, packing material, and debris of whatsoever nature used in connection with the space and owned by renter must be removed from the buildings and grounds by renter, at his/her own expense, not later than a date specified by Association. It is understood in the event of renter's failure to vacate said premises as herein provided, unless permission in writing is first obtained, Association may and is hereby authorized and made the agent of renter to remove and store the concession and all other material of any nature whatsoever, at the renter's risk and expense, and renter shall reimburse Association for expenses thus incurred.
14. No renter will be permitted to sell or dispose of anywhere on the fairgrounds alcoholic beverages as defined in the Alcoholic Beverage Control Act, except in the concession space. Even such limited sales are not to be made unless Association authorizes renter in writing and unless he/she holds a lawful license authorizing such sales on said premises.
15. All safety orders of the Division of Industrial Safety, Department of Industrial relations must be strictly observed.
16. Failure of Association to insist in any one or more instances upon the observance and/or performance of any of these rules and regulations shall not constitute a waiver of any subsequent breach of any such rules and regulations.
17. This "Rental Agreement" shall be subject to termination by either party at any time during the term hereof by giving the other party notice in writing at least 30 days next prior to the date when such termination shall become effective. Such termination shall relieve the Association of any further performances of the terms of this agreement.
18. Renter recognizes and understands that this rental may create a possessory interest subject to property taxation and that the renter may be subject to the payment of property taxes levied on such interest.
19. The Association shall have the privilege of inspecting the premises covered by this agreement at any time or all times.
20. The parties hereto agree that renter, and any agents and employees of renter, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of Association.
21. Time is of the essence of each and all the provisions of this agreement, and the provisions of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

## California Fair Services Authority

## INSURANCE REQUIREMENTS

**I. Evidence of Coverage**

The contractor/renter shall provide a signed original evidence of coverage form for the term of the contract or agreement (hereinafter "contract") protecting the legal liability of the State of California, District Agricultural Associations, County Fairs, Counties in which County Fairs are located, Lessor/Sublessor if fair site is leased/subleased, Citrus Fruit Fairs, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees, from occurrences related to operations under the contract. This may be provided by:

- A. Insurance Certificate - The contractor/renter provides the fair with a signed original certificate of insurance (the ACORD form is acceptable), lawfully transacted, which sets forth the following:
  1. List as the Additional Insured: "That the State of California, the District Agricultural Association, County Fair, the County in which the County Fair is located, Lessor/Sublessor if fair site is leased/subleased, Citrus Fruit Fair, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees are made additional insured, but only insofar as the operations under this contract are concerned."
  2. Dates: The dates of inception and expiration of the insurance. For individual events, the specific event dates must be listed, along with all set-up and tear down dates.
  3. Coverages:
    - a. General Liability - Commercial General Liability coverage, on an occurrence basis, at least as broad as the current Insurance Service Office (ISO) policy form #CGL 001. Limits shall be not less than: \$5,000,000 per occurrence for Fairtime Carnival Rides; \$5,000,000 per occurrence for Motorized Events all types; \$3,000,000 per occurrence for Rodeo Events all types with a paid gate and any Rough Stock events; \$2,000,000 per occurrence for Rodeo Events All Types without a paid gate and with any Rough Stock events; Swap Meets/Flea Markets; \$1,000,000 per occurrence for Rodeo Events All Types without any Rough Stock Events; \$2,000,000 per occurrence for Interim Carnival Rides, Fairtime Kiddie Carnival Rides of up to 6 rides; \$2,000,000 per occurrence for Concerts with over 5,000 attendees, Rave Type Events All Types, Cannabis Festivals/Trade Shows, Mechanical Bulls, Extreme Attractions All Types that require a DOSH permit to operate, and Simulators; \$1,000,000 per occurrence for all other contracts for which liability insurance (and liquor liability, if applicable) is required.
    - b. Automobile Liability - Commercial Automobile Liability coverage, on a per accident basis, at least as broad as the current ISO policy form # CA 0001, Symbol #1 (Any Auto) with limits of not less than \$1,000,000 combined single limits per accident for contracts involving use of contractor vehicles (autos, trucks or other licensed vehicles) on fairgrounds.
    - c. Workers' Compensation - Workers' Compensation coverage shall be maintained covering contractor/renter's employees, as required by law.
    - d. Medical Malpractice - Medical Malpractice coverage with limits of not less than \$1,000,000 per occurrence shall be maintained for contracts involving medical services.
    - e. Liquor Liability - Liquor Liability coverage with limits of not less than \$1,000,000 per occurrence shall be maintained for contracts involving the sale of alcoholic beverages.
  4. Cancellation Notice: Notice of cancellation of the listed policy or policies shall be sent to the Certificate Holder in accordance with policy provisions.
  5. Certificate Holder:
    - For Individual Events Only - Fair, along with fair's address, is listed as the certificate holder.
    - For Master Insurance Certificates Only - California Fair Services Authority, Attn: Risk Management, 1776 Tribute Road, Suite 100, Sacramento, CA 95815 is listed as the certificate holder.

6. Insurance Company: The company providing insurance coverage must be acceptable to the California Department of Insurance.
7. Insured: The contractor/renter must be specifically listed as the Insured.

OR

- B. CFSA Special Events Program - The contractor/renter obtains liability protection through the California Fair Services Authority (CFSA) Special Events Program, when applicable.

OR

- C. Master Certificates - A current master certificate of insurance for the contractor/renter has been approved by and is on file with California Fair Services Authority (CFSA).

OR

- D. Self-Insurance - The contractor/renter is self-insured and acceptable evidence of self-insurance has been approved by California Fair Services Authority (CFSA).

## **II. General Provisions**

1. Maintenance of Coverage - The contractor/renter agrees that the commercial general liability (and automobile liability, workers' compensation, medical malpractice and/or liquor liability, if applicable) insurance coverage herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires or is cancelled at any time or times prior to or during the term of this contract, contractor/renter agrees to provide the fair, prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of California Fair Services Authority, and contractor/renter agrees that no work or services shall be performed prior to the giving of such approval. In the event the contractor/renter fails to keep in effect at all times insurance coverage as herein provided, the fair may, in addition to any other remedies it may have, take any of the following actions: (1) declare a material breach by contractor/renter and terminate this contract; (2) withhold all payments due to contractor/renter until notice is received that such insurance coverage is in effect; and (3) obtain such insurance coverage and deduct premiums for same from any sums due or which become due to contractor/renter under the terms of this contract.
2. Primary Coverage - The contractor/renter's insurance coverage shall be primary and any separate coverage or protection available to the fair or any other additional insured shall be secondary.
3. Contractor's Responsibility - Nothing herein shall be construed as limiting in any way the extent to which contractor/renter may be held responsible for damages resulting from contractor/renter's operations, acts, omissions or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve contractor/renter of liability in excess of such minimum coverage, nor shall it preclude the fair from taking other actions available to it under contract documents or by law, including, but not limited to, actions pursuant to contractor/renter's indemnity obligations. The contractor/renter indemnity obligation shall survive the expiration, termination or assignment of this contract.
4. Certified Copies of Policies - Upon request by fair, contractor/renter shall immediately furnish a complete copy of any policy required hereunder, with said copy certified by the underwriter to be a true and correct copy of the original policy. Fairtime Carnival Ride contractors must submit copies of actual liability insurance policies, certified by an underwriter, to California Fair Services Authority (CFSA).

## **III. Participant Waivers**

For hazardous participant events, the contractor/renter agrees to obtain a properly executed release and waiver of liability agreement (Form required by contractor/renter's insurance company or CFSA Release and Waiver Form) from each participant prior to his/her participation in the events sponsored by contractor/renter. Hazardous participant events include but are not limited to any event within the following broad categories: Athletic Team Events; Equestrian-related Events; Extreme Attractions; Mechanical Bulls; Simulators; Motorized Events; Rodeo Events; and Wheeled Events, including bicycle, skates, skateboard, or scooter. Contact California Fair Services Authority at (916) 921-2213 for further information.



## MADERA DISTRICT FAIR RENTAL POLICY SUMMARY

### EXHIBIT "B"

**DATES AND DEPOSITS:** Dates will be assigned up to one year in advance. Assignment will be on a first-come, first-served basis, except annual events which will be allowed two week after the close of their event to reserve, with deposit, their same date for the following year. If the deposit is not received, the Association will release the dates without notice.

**TO RESERVE A DATE:** 50% of the rental fee is non refundable. This deposit will be forfeited if event date is canceled or changed.

**PAYMENT:** Additional rental fees such as maintenance, cleaning/breakage deposit, insurance, security contract and all other fees and documents are due and payable 2 weeks prior to the event. If not, the event maybe subject to cancellation or a \$50.00 late fee.

**DEPOSIT:** The Madera District Fair requires a cleaning/breakage deposit, the amount will be indicated on contracts and will be determined on the size of the event. The deposit is refundable within 5 business days after the event, less any fees for labor, cleanup, overtime, damages, etc.

**SECURITY:** Security is required for all functions. Renter is recommended to contract with Security Company from Madera Fair's pre-approved list. Security to begin at start of event till event concludes. 1 security for every 50 people is required and 1 extra guard for the parking lot. Hired Security Company has the authority to end an event if any of the following reasons occur: number of people exceeds the number of people on security agreement and or rental agreement, if minors are consuming alcohol, and if the public's safety is at risk. The Fair has the ultimate authority to determine the number of guards for each event.

**RENTAL HOURS:** Access to buildings for decorating and cleanup are from 8:00 AM to 1:00 AM (unless noted otherwise in contract). "Event" hours cannot exceed 8 hours. The building must be clean and completely empty and ready to lock at 1:00 AM. If the "Event" hours exceed the 8 hours, renter will be subject to an overtime charge of \$100.00 per hour.

**INSURANCE:** All renters will be required to provide evidence of insurance protecting the legal liability of the State of California and the 21-A District Agricultural Association from occurrences as to bodily injury and property damage. Insurance may be purchased through the Fair. (See Exhibit "A" Insurance Requirements) **\*\*RENTER TO PROVIDE SELF-INSURED LETTER\*\***

**ALCOHOL:** Anyone planning to charge an admission fee, (either direct or donation) or sell alcoholic beverages (direct sales, script, or included in admission fee) MUST obtain a valid liquor license from the Department of Alcoholic Beverage Control (ABC), 3640 E. Ashlan, Fresno 93726, (209 225-6334). Alcoholic beverages in bottles must be served into cups from behind bar. Cans are permitted, but must be opened at the bar. Limit 2 open drinks per person. Renter must make reasonable effort to encourage responsible drinking and to prevent minors from drinking.

**SET UP:** Renter must submit a floor plan (layout) along with specifications for the event 2 weeks prior to the day of the event. If set-up is not turned in on time renter will receive a standard set-up. All set-ups are limited to the ability of the Fair to provide the equipment requested. Any alterations requiring staff, to modify floor plan or to change the set up once the set-up has been approved will be charged at the current hourly rate per maintenance person (a \$25 minimum will apply). Day before set up is for decorating only.

#### **DAY BEFORE FEES & SCHEDULE:**

Hatfield Hall:	\$250.00	10:00am – 8:00pm
	\$50.00	12:00pm – 4:00pm *if available 2 weeks prior to event

Home Arts Hall:	\$150.00	10:00am – 8:00pm
	\$50.00	12:00pm – 4:00pm *if available 2 weeks prior to event

**DAY AFTER FEES & SCHEDULE:** Renter may come in the day after to cleanup in the halls between the hours of 10:00am – 4:00pm. A \$75.00 fee will be applied. Renter understands that the day after cannot be guaranteed until 2 weeks prior to the event.

**DECORATIONS:** Renter may NOT use any glitter, nails, tack pins, staples, or tape that can damage the surface of walls.

**HALLS:** Home Arts Hall is equipped with Evaporated Coolers ONLY! By signing the rental agreement, renter agrees to rent hall in an as is condition.

**FIRE HAZARD INFO:**

- \*All fabric or pliable canopy covers, side/back drops and decorative material must be inherently fire resistive or treated.
- \*Electrical extension cords shall be of the heavy-duty three wire (grounded), hard-usage type.
- \*Electrical equipment and installation shall be inspected and approved by a qualified person.
- \*Fire hoses, fire extinguishers or other fire equipment shall not be blocked or obstructed at any time.
- \*NO blocking or obstruction of exit (s).
- \*Doors shall not be locked or chained.
- \*Decorative Materials shall be inherently flame resistive or treated.

**CLEAN-UP:** Buildings or grounds must be in same conditions as it was immediately prior to the event. If clean up is required by the Fair, the renter will be charged at the current hourly rate per maintenance person (see labor charges below). Total charges will be deducted from the deposit, but not limited to the deposit. The renter is responsible for all charges and expenses resulting from damages to the buildings and/or grounds.

**LABOR CHARGES:** \$25.00 per hour for regular employee and \$35.00 per hour for a supervisor employee.

**AUTHORIZATION:** Fair personnel may enter event or facility at any time. Fair personnel also have the authority to end an event if it is in the best interest of The Madera District Fair. Such actions that warrant the ending of an event, include but not limited to minors consuming alcohol, destruction of property, overcrowding, fighting, public safety etc. Renter is responsible for the action of the people at their event.

**ADDITIONAL EQUIPMENT FEES & CHARGES:**

220 power plug – Hatfield Hall     \$100.00  
220 power plug Not Available for Home Arts Hall

**STANDARD CONTRACT TERMS AND CONDITIONS (F-31, RENTAL AGREEMENT)****1. National Labor Relations Board (PCC Section 10296)**

Contractor, by signing this contract, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal Court has been issued against contractor within the immediately preceding two-year period because of the contractor's failure to comply with an order of a Federal Court which orders the contractor to comply with an order of National Labor Relations Board (Public Contract Code Section 10296).

**2. Resolution of Contract Disputes (PCC 10240.5, 10381)**

If, during the performance of this agreement, a dispute arises between contractor and Fair Management, which cannot be settled by discussion, the contractor shall submit a written statement regarding the dispute to Fair Management. A decision by Fair Management shall be made to the Contractor in writing, and shall be final and conclusive. Contractor shall continue to perform contract requirements without interruption during the dispute period.

**3. Non-Discrimination Clause/Statement of Compliance (GC 12990/CCR 8103-8120)**

During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Contractors and subcontractors shall comply with the provision of the Fair Employment and Housing Act (Gov. Code Section 12900, et seq.) and the applicable regulations promulgated there under (CA Code of Regulations, Title 2, Section 7285.0, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Gov. Code Section 12990 (a-f), set forth in Ch. 5 of Div. 4 of Title 2 of the CA Code of Regulations are incorporated into this contract by reference and made part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. This contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

Contractor by signing this contract hereby certifies, unless specifically exempted, compliance with Gov. Code 12990 (a-f) and CA Code of Regulations, Title 2, Div. 4, Ch. 5 in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program. Prospective contractor agrees not to unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.

**4. Amendment (GC 11010.5)**

Contract modification, when allowable, may be made by formal amendment only.

**5. Assignment**

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

**6. Termination**

The fair reserves the right to terminate any contract, at any time, upon order of the Board of Directors by giving the contractor notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the fair of any further payments, obligations, and/or performances required in the terms of the contract.

7. **Governing Law**

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

8. **Conflict of Interest (PCC 10410, 10411, 10420)**

Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

**Current State Employees (PCC 10410):**

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

**Former State Employees (PCC 10411):**

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420).

9. **Contractor Name Change**

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

10. **Air or Water Pollution Violation (WC 13301)**

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.



**1. The Fair agrees to provide the following:**

- Madera facility use including but not limited to; Home Arts, Hatfield Hall, Van Alen Hall, picnic tables, trash receptacles, bleachers, maintenance personnel, and all outdoor areas based on availability and potential conflicts with previously existing events.
- Supply Fair related curriculum and activities for (1) week of camp, termed "Fair Camp" June 11<sup>th</sup>-15<sup>th</sup> 2018.
- Supply Fair related curriculum and activities that may be used at the City's discretion for remaining camp events.
- Supply certain equipment and materials related to camp programing as agreed to by both parties.

**2. The City agrees to the following:**

- Provide staff to provided adequate staffing and supervision to market to and register participants; facilitate all camp activities and communication to participants and parents.
- Collect and retain all fees incurred by participants in camps.
- Provide all equipment and materials related to camp programming unless mutually agreed to by both parties
- Provision of General Liability Insurance as detailed

# REPORT TO THE CITY COUNCIL

COUNCIL MEETING OF May 02, 2018

AGENDA ITEM NUMBER C-2

APPROVED BY

  
DEPARTMENT DIRECTOR

  
CITY ADMINISTRATOR

**SUBJECT: CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, SUPPORTING THE REDUCING CRIME AND KEEPING CALIFORNIA SAFE ACT OF 2018.**

## **RECOMMENDATION:**

Staff recommends that the Council adopt the Resolution supporting the Reducing Crime and Keeping California Safe Act of 2018.

## **BACKGROUND:**

On November 4, 2014 Proposition 47 **Criminal Sentences, Misdemeanor Penalties Initiative Statute** was voted in to law. This law is better known as the Safe Neighborhoods and Schools Act. Supporters qualified the initiative for the ballot after acquiring the required amount of signatures. Proposition 47, reduced the classification of most non-serious and non-violent property and drug crimes from a felony to a misdemeanor. The summary of Proposition 47 reads as follows:

Mandates misdemeanors instead of felonies for “non-serious, nonviolent crimes,” unless the defendant has prior convictions for murder, rape, certain sex offenses or certain gun crimes.

Permit re-sentencing for anyone currently serving a prison sentence for any of the offenses that the initiative reduces to misdemeanors. Require a “thorough review” of criminal history and risk assessment of any individuals before re-sentencing to ensure that they do not pose a risk to the public. Create a Safe Neighborhood and Schools Fund.

Requires misdemeanor sentence instead of felony for the following crimes when amount involved is \$950 or less: petty theft, receiving stolen property, forging/writing bad checks and theft of a firearm.

Shoplifting, where the value of property stolen does not exceed \$950,

Grand theft, where the value of the stolen property does not exceed \$950,

Receiving stolen property, where the value of the property does not exceed \$950,

Forgery, where the value of forged check, bond or bill does not exceed \$950,

Writing a bad check, where the value of the check does not exceed \$950,

Personal use of most illegal drugs.

Allows felony sentence for these offenses if person has previous conviction for crimes such as rape, murder or child molestation or is a registered sex offender.

#### Initiative Introduction:

This initiative will help address some of the damage done by Proposition 47. The initiative will crack down on repeat offenders and protect our most vulnerable victims from dangerous individuals who take advantage of our laws, our businesses, and our communities. Changes meant to help keep someone who steals a magazine out of jail, are now allowing individuals to steal up to \$950 repeatedly from stores and businesses. Additionally, reform intended to lower penalties on personal drug use and theft have diminished the amount of evidence law enforcement can collect to help solve cold case murders, rapes, and robberies. Modifications to our parole system designed to apply to non-violent offenders are set to potentially provide early release to serious domestic abusers.

#### Violent Crime:

This Initiative will expand the list of violent crimes for which early release is not an option. Under current law, rape of an unconscious person, trafficking a child for sex, Assault of a peace officer, felony domestic violence and other similar crimes are not classified as "violent felonies" — making criminals convicted of these crimes eligible for early release.

#### DNA Collection:

Reinstates DNA collection for certain crimes that were reduced to misdemeanors as part of Proposition 47.

Multiple studies have shown that DNA collected from theft and drug crimes has helped solve other violent crimes, including robbery, rape and murder. Since passage of Prop. 47, cold case hits have dropped over 2,000, with more than 450 of those hits connected to violent crimes.

#### Serial Theft:

Revises the theft threshold by adding a felony for serial theft — when a person is caught for the 3rd time stealing with a value of \$250. Prop. 47 changed the dollar threshold for theft to be considered a felony — from \$450 to \$950. As a result, there has been an explosion of serial theft and an inability of law enforcement to prosecute these crimes effectively. Theft has increased by 12% to 25%, with losses of a billion dollars since the law was passed.

#### Parole Violations:

Requires the Board of Parole Hearings to consider an inmate's entire criminal history when deciding parole, not just his most recent commitment offense; and requires a mandatory hearing to determine whether parole should be revoked for any parolee who violates the terms of his parole for the third time.

AB 109 bases parole solely on an offender's commitment offense, resulting in the release of inmates with serious and violent criminal histories. Moreover, parolees who repeatedly violate the terms of their parole currently face few consequences, allowing them to remain on the street.

The California Police Chiefs Association represents more than 330 active police chiefs, who are directly responsible for the safety of roughly 26 million Californians. Over the last several legislative sessions and election cycles, our Association and law enforcement partners have tried our best to integrate a series of major reforms into our criminal justice system. However, the cumulative effect has created impacts to our communities that we cannot ignore. But it's important to note that in addressing these consequences, we are not proposing to do away with all of the recent changes, and in no way are we advocating for a system of mass incarceration. In general, the overall intent of the prior measures has been to increase opportunities for rehabilitation while lowering recidivism and incarceration rates. We agree those are worthy goals. But these major policy changes have resulted in a series of unintended consequences that have negatively impacted public safety in communities throughout the California.

The California Police Chiefs Association is requesting our support in the form of a Resolution supporting their Initiative.



## **CONSISTENCY WITH THE VISION MADERA 2025 PLAN**

**Strategy 406-** Community Safety; reduce the incidence of domestic violence within the community including: child abuse; spousal abuse; crimes against youth and the elderly; and crimes committed by youth.

**Strategy 421-** Ensure the safety and protection of Madera and its community members.

## **FISCAL IMPACT**

There is no fiscal impact associated with adoption of this Resolution.

**RES. NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF MADERA, CALIFORNIA, SUPPORTING THE REDUCING CRIME AND  
KEEPING CALIFORNIA SAFE ACT OF 2018**

WHEREAS, protecting every person in our state, including our most vulnerable children, from violent crime is of the utmost importance. Murderers, rapists, child molesters and other violent criminals should not be released early from prison; and

WHEREAS, since 2014, California has had a larger increase in violent crime than the rest of the United States. Since 2013, violent crime in Los Angeles has increased 69.5%. Violent crime in Sacramento rose faster during the first six months of 2015 than in any of the 25 largest U.S. cities tracked by the FBI; and

WHEREAS, The FBI Preliminary Semiannual Uniform Crime Report for 2017, which tracks crimes committed during the first six months of the past year in U.S. cities with populations over 100,000, indicates that last year violent crime increased again in most of California's largest cities.

WHEREAS, recent changes to parole laws allowed the early release of dangerous criminals by the law's failure to define certain crimes as "violent." These changes allowed individuals convicted of sex trafficking of children, rape of an unconscious person, felony assault with a deadly weapon, battery on a police officer or firefighter, and felony domestic violence to be considered "nonviolent offenders"; and

WHEREAS, as a result, these so-called "non-violent" offenders are eligible for early release from prison after serving only a fraction of the sentence ordered by a judge; and

WHEREAS, violent offenders are also being allowed to remain free in our communities even when they commit new crimes and violate the terms of their post release community supervision, like the gang member charged with the murder of Whittier Police Officer, Keith Boyer; and

WHEREAS, this measure reforms the law so felons who violate the terms of their release can be brought back to court and held accountable for such violations; and

WHEREAS, nothing in this act is intended to create additional "strike" offenses which would increase the state prison population, nor is it intended to affect the ability of the California Department of Corrections and Rehabilitation to award educational and merit credits; and

WHEREAS, recent changes to California law allow individuals who steal repeatedly to face few consequences, regardless of their criminal record or how many times they steal; and

WHEREAS, as a result, between 2014 and 2016, California had the 2nd highest increase in theft and property crimes in the United States, while most states have seen a steady decline. According to the California Department of Justice, the value of property stolen in 2015 was \$2.5 billion with an increase of 13 percent since 2014, the largest single-year increase in at least ten years; and

WHEREAS, grocery store operators around the state have seen unprecedented increases in the amount of losses associated with shoplifting in their stores, with some reporting up to 150% increases in these losses from 2012 to present, with the largest jumps occurring since 2014; and

WHEREAS, shoplifting incidents have started to escalate in such a manner that have endangered innocent customers and employees; and

WHEREAS, individuals who repeatedly steal often do so to support their drug habit. Recent changes to California law have reduced judges' ability to order individuals convicted of repeated theft crimes into effective drug treatment programs; and

WHEREAS, California needs stronger laws for those who are repeatedly convicted of theft related crimes, which will encourage those who repeatedly steal to support their drug problem to enter into existing drug treatment programs. This measure enacts such reforms; and

WHEREAS, collecting DNA from criminals is essential to solving violent crimes. Over 450 violent crimes including murder, rape and robbery have gone unsolved because DNA is being collected from fewer criminals; and

WHEREAS, DNA collected in 2015 from a convicted child molester solved the rape-murders of two six-year-old boys that occurred three decades ago in Los Angeles County. DNA collected in 2016 from an individual caught driving a stolen car solved the 2012 San Francisco Bay Area rape/murder of an 83-year-old woman; and

WHEREAS, recent changes to California law unintentionally eliminated DNA collection for theft and drug crimes. This measure restores DNA collection from persons convicted for such offenses; and

WHEREAS, permitting collection of more DNA samples will help identify suspects, clear the innocent and free the wrongly convicted, and

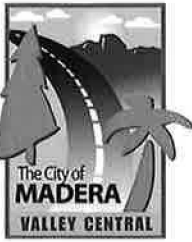
WHEREAS, this measure does not affect existing legal safeguards that protect the privacy of individuals by allowing for the removal of their DNA profile if they are not charged with a crime, are acquitted or are found innocent.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA  
HEREBY**

**Finds, orders and resolves as follows:**

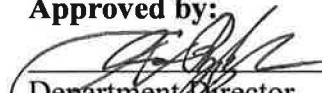
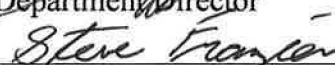
1. The above recitals are true and correct.
2. The City Council of the City of Madera hereby supports the Reducing Crime and Keeping California Safe Act of 2018.
3. This resolution is effective immediately upon adoption.

\* \* \* \* \*



## REPORT TO CITY COUNCIL

Approved by:

  
\_\_\_\_\_  
Department Director  
  
\_\_\_\_\_  
City Administrator

Council Meeting of: May 2, 2018

Agenda Number: E-1

**SUBJECT:** Acceptance of the Audited Financial Statements and Single Audit Report (Federal Grants) for the Fiscal Year ended June 30, 2017

**RECOMMENDATION:** Acceptance of Audited Financial Statements and Single Audit Report for Fiscal Year ended June 30, 2017.

**SUMMARY:** The City of Madera's (City's) Financial Statements for Fiscal Year ended June 30, 2017 have been audited by an independent accounting firm and an Unmodified Opinion (a clean opinion) has been issued.

**DISCUSSION:** In accordance with the Single Audit Act of 1984 and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, the City is required to have an independent firm audit their Financial Statements whenever \$750,000 in Federal grants are received for any Fiscal Year. The audit must follow Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants and comply with the standards for financial audits set forth in the U.S. General Accounting Office's Governments Auditing Standards (1994). The audit completed for Fiscal Year ending June 30, 2017 complies with all the provisions and standards previously stated and the City's Financial Statements have been found to be in conformity with Generally Accepted Accounting Principles.

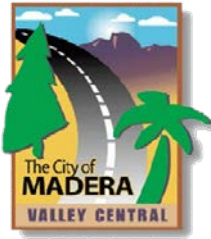
Copies of the most recent Audited Financial Statements and Single Audit Reports will be posted on the City's website. Fausto Hinojosa, Managing Partner of Price Paige & Company will present the Financial Statements and Single Audit Report and discuss their results with the City Council, this evening. This has been a challenging audit, due to the change in accounting software system. However, both City staff and the auditors are happy with the final results of this audit. The City remains in strong fiscal condition after adding approximately \$1 million to the General Fund's fund balance during Fiscal Year 2016/2017.

For the upcoming audit of the City's 2017/2018 financial statements, staff has established the goal of issuing a comprehensive annual financial report (CAFR), which includes more components than the audited financial statements, takes more staff and auditors' time to prepare and when done right can result in CAFR awards from the California Society of Municipal Finance Officers (CSMFO) and/or the Government Finance Officers Association (GFOA). The

differences between the two types of financial statements or reports will be discussed in slightly more detail during this presentation. We originally had this goal for the 2016/2017 financial statements. However, with this being our first audit under our new ERP system, Tyler Munis, and with turnover in both the City and the auditor's staff, the auditors recommended against a CAFR for the 2016/2017 audit.

**FINANCIAL IMPACT:** No financial impact to the City.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:** Acceptance of the audited Financial Statements and Single Audit Report is not addressed in the vision or action plans; the submitted item is also not in conflict with any of the actions or goals contained in that plan.



**Madera City Council Agenda 05/02/18  
Agenda Item E-1**

**Acceptance of the Audited Financial Statements  
and Single Audit Report (Federal Grants)  
for the Fiscal Year ended June 30, 2017**

**The Single Audit Report (Federal Grants) will be distributed prior to  
the scheduled meeting.**

**CITY OF MADERA  
CALIFORNIA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2017**



**CITY OF MADERA  
CALIFORNIA**

**JUNE 30, 2017**

**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position.....	21
Statement of Activities .....	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	24
Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide Statement of Net Position .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities .....	27
Statement of Net Position – Proprietary Funds.....	28
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	30
Statement of Cash Flows – Proprietary Funds .....	32
Statement of Fiduciary Net Position – Fiduciary Funds .....	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	37
Notes to the Basic Financial Statements .....	38
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	88
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Development Impact Fee Fund.....	89
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Gas Tax Fund.....	90
Notes to the Required Supplementary Information.....	91

TABLE OF CONTENTS  
(Continued)

Page

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Agent Multiple-Employer Defined Benefit Pension Plan Schedule of Changes in the Net Position Liability and Related Ratios.....	92
Agent Multiple-Employer Defined Benefit Pension Plan Schedule of Contributions .....	93
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Schedule of the City's Proportionate Share of Net Pension Liability .....	94
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Schedule of Contributions .....	95
Schedule of Funding Progress – Other Postemployment Benefits Plan .....	96

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue .....	101
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	104
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds.....	105
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	106
Statement of Changes in Assets and Liabilities – Agency Fund .....	108



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council of the  
City of Madera  
Madera, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California (the City) as of and for the year ended June 30, 2017, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California, as of June 30, 2017, 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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-18, budgetary comparison information on pages 88-90, the schedules of changes in net pension liability and related ratios on page 92, schedule of contributions on pages 93 and 95, schedule of the City's proportionate share of the net pension liability on page 94, and schedule of funding progress – other postemployment benefits plan on page 96 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 and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 April 23, 2018, on our consideration of the City of Madera, 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  
April 23, 2018

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

This discussion and analysis of the City of Madera's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

**Financial Highlights**

- The City's government-wide total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of the fiscal year by \$277.3 million. Of this amount, \$4.4 million is in unrestricted net position and available to meet the City's ongoing commitments to citizens and creditors. In addition, the City's restricted net position totals \$35.9 million and is dedicated to specific purposes. Lastly, net position of \$237 million is the City's net investment in capital assets.
- The City's total net position increased by \$0.8 million or 0.3% during 2016-2017 to \$277.3 million from \$276.4 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$49.3 million, an increase of \$2.5 million or 5.3% in comparison with the prior year. Approximately 28% of this amount (\$14 million) is available for spending at the City's discretion (unassigned fund balance).
- The City's General Fund, including Code Enforcement, Insurance Reserve, Payroll Clearing, Community Development and LEA Tire Grants, ended the year with a fund balance of \$15.4 million, which represents a net increase of approximately \$0.8 million from the previous year. The unassigned balance of \$14.0 million is available for carryover to fund future general fund expenditures.
- Net Pension Liability increased by \$7.0 million or 19% during 2016-2017 to \$39.0 million from \$32.0 million. Deferred outflows of resources related to pensions increased by \$6.2 million or 120% and deferred inflows of resources related to pensions decreased by \$1.6 million or 53%. The changes to net pension liability were mainly due to an overall increase in the net pension liability of the CalPERS safety risk pool, of which the City's proportionate share increased, and the service cost and interest accumulated on the City's total pension liability in its miscellaneous risk pool agent plan exceeded contributions and investment income in the City's fiduciary net position. The changes to the City's deferred outflows were mainly due to an increase in contributions to the Plan made by the City in 2016-2017 and actual earnings on the plan exceeding the projected earnings, which will be applied as a reduction to net pension liability over the next five years. Finally, the changes to deferred inflows of resources were mainly the result of the amortization of prior year deferred inflows resulting from previous changes in actuarial assumptions and differences in between expected and actual experience that did not meet the previous actuarial expectations.
- During the year, 30% and 9% rate increases were implemented for water and sewer services, respectively. Incremental rate increases over the subsequent five years were approved by Council during the second quarter of calendar year 2015. Those rate increases took effect in fiscal year 2016 and were projected to increase water revenues by 30% and sewer revenues by 9% in fiscal year 2017. The water rate increases are projected to further increase water revenues by 20% in 2018, 10% in 2019, and 3% in fiscal year 2020. Sewer rate increases are projected to further increase sewer revenues by 9% in 2019, and 10% in fiscal year 2020.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements include all activities of the City of Madera, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Reporting the City as a Whole**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid out.

The *statement of net position* presents information on all the City's assets, liabilities, and deferred outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements of the City are divided as follows:

**Governmental Activities:** Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation and general government. These services are primarily financed by property and sales taxes and federal and state grants.

**Business-type Activities:** The City charges fees to customers to cover the costs of services provided. The City's utilities, water, sewer, community sanitation (refuse and street cleaning), golf course, and airport, as well as public transit services are included here.

The government-wide financial statements can be found on pages 21-23 of this report.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a governments near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations between governmental funds and governmental activities. This reconciliation explains the relationship (or differences) between the fund statements and the government-wide statements.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

The City of Madera maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, General Development Impact Fee Fund, and Special Gas Tax Fund all of which are considered to be major funds. Data from the other sixteen funds are combined into a single aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

***Proprietary funds.*** The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for those activities that are supported primarily by user charges to external users, and includes community sanitation, sewer disposal, water and transit. Internal service funds are used to account for activities that are supported by user charges primarily to the City's other programs and activities and include fleet management, facility maintenance, and computer replacement. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Solid Waste, and Drainage Operations funds since they are all major funds. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All of the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-35 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefits of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use these funds to finance its operations.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the basic financial statements can be found on pages 38-85 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees, and budgetary comparison schedules. Required supplementary information can be found on pages 88-96 of this report.

**Individual Fund Statements.** Individual fund statements in connection with non-major governmental and enterprise funds are presented immediately the required supplementary information, which can be found on pages 98-107 of this report.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Government-wide Financial Analysis**

Below is a table showing the City's net position for the fiscal year ended June 30, 2017, with comparative data for the fiscal year ended June 30, 2016.

**City of Madera's Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Assets:</b>						
Current and other assets	\$ 55,225,939	\$ 53,601,138	\$ 27,996,610	\$ 28,242,979	\$ 83,222,549	\$ 81,844,117
Capital assets	<u>180,604,855</u>	<u>184,266,904</u>	<u>104,801,222</u>	<u>105,558,379</u>	<u>285,406,077</u>	<u>289,825,283</u>
Total assets	<u>235,830,794</u>	<u>237,868,042</u>	<u>132,797,832</u>	<u>133,801,358</u>	<u>368,628,626</u>	<u>371,669,400</u>
<b>Deferred outflows of resources:</b>						
Contributions to pension plan in current fiscal year	558,025	3,695,181	1,786,638	498,955	2,344,663	4,194,136
Pension deferrals	<u>9,087,664</u>	<u>992,871</u>	<u>-</u>	<u>-</u>	<u>9,087,664</u>	<u>992,871</u>
Total deferred outflows of resources	<u>9,645,689</u>	<u>4,688,052</u>	<u>1,786,638</u>	<u>498,955</u>	<u>11,432,327</u>	<u>5,187,007</u>
<b>Liabilities:</b>						
Current and other liabilities	2,596,215	3,550,737	3,615,189	3,266,981	6,211,404	6,817,718
Long-term liabilities	<u>38,155,451</u>	<u>34,638,701</u>	<u>56,538,918</u>	<u>55,386,782</u>	<u>94,694,369</u>	<u>90,025,483</u>
Total liabilities	<u>40,751,666</u>	<u>38,189,438</u>	<u>60,154,107</u>	<u>58,653,763</u>	<u>100,905,773</u>	<u>96,843,201</u>
<b>Deferred inflows of resources:</b>						
Pension deferrals	1,302,673	2,726,958	117,648	316,780	1,420,321	3,043,738
Deferred service concession agreement receipts	-	-	90,000	130,000	90,000	130,000
Gain on refunding of debt	<u>-</u>	<u>-</u>	<u>386,772</u>	<u>407,678</u>	<u>386,772</u>	<u>407,678</u>
Total deferred inflows of resources	<u>1,302,673</u>	<u>2,726,958</u>	<u>594,420</u>	<u>854,458</u>	<u>1,897,093</u>	<u>3,581,416</u>
<b>Net position:</b>						
Net investment in capital assets	178,119,000	181,166,736	58,792,617	57,639,498	236,911,617	238,806,234
Restricted	<u>34,863,951</u>	<u>32,193,071</u>	<u>1,076,451</u>	<u>-</u>	<u>35,940,402</u>	<u>32,193,071</u>
Unrestricted	<u>(9,560,807)</u>	<u>(11,720,109)</u>	<u>13,966,875</u>	<u>17,152,594</u>	<u>4,406,068</u>	<u>5,432,485</u>
Total net position	<u>\$ 203,422,144</u>	<u>\$ 201,639,698</u>	<u>\$ 73,835,943</u>	<u>\$ 74,792,092</u>	<u>\$ 277,258,087</u>	<u>\$ 276,431,790</u>

As of June 30, 2017, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$277.3 million. Governmental activities finished the year with a positive net position balance of \$203.4 million, an increase of \$1.8 million, or 1% compared to 2016. Business-type activities finished the year with a positive balance of \$73.8 million, a decrease of \$1 million or 1% compared to 2016. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. Of the total net position, \$238.8 million or 85% is the City's net investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and the road network) less any related debt used to acquire those assets that is still outstanding.

The City's net investment in capital assets decreased by \$1.9 million, restricted net position increased by \$3.7 million and unrestricted net position decreased by \$1 million, accounting for the increase in total net position of \$0.8 million. The decrease in net investment in capital assets is primarily due to the depreciation expense of \$12.2 million, offset by additions to capital assets of \$7.7 million. The increase to restricted net position represents the change in resource that are subject to external restrictions on their use. Net position restricted for public works and transportation decreased by \$0.6 million compared to prior year. The decrease to unrestricted net position is due to a change in resources available to fund City programs for citizens and debt obligations to creditors.



**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

All of the City's long-term liabilities relate to the acquisition of capital assets. Some of those assets include the City's Youth Center, police facility, and sewer and water infrastructure including the water and wastewater treatment plant, a sewer truck and a municipal golf course facility. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents \$36 million or 13% of the total. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds are set forth by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position represents \$4.4 million or 2% of the total net position, which is a decrease of \$1 million or 19% from the previous year. Governmental activities account for a negative \$9.6 million of the total unrestricted net position and increased by \$2.2 million or 18% compared to last year. Business-type activities account for \$14.0 million of the total unrestricted net position and decreased by \$3.2 million or 19% compared to last year.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Governmental activities.** Governmental activities account for \$203.4 million or 73% of the total government-wide net position. This is an increase of \$0.8 million or 0.3% compared to June 30, 2016.

The following table indicates the changes in net position for governmental and business-type activities:

**City of Madera's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,926,083	\$ 4,939,456	\$ 24,311,797	\$ 21,723,941	\$ 29,237,880	\$ 26,663,397
Operating grants and contributions	11,378,323	15,439,777	1,546,651	1,334,299	12,924,974	16,774,076
Capital grants and contributions	1,649,843	1,330,746	2,281,202	1,833,671	3,931,045	3,164,417
General revenues:						
Property taxes	4,040,067	3,571,669	171,878	58,333	4,211,945	3,630,002
Sales and use taxes	9,112,909	6,506,004	-	-	9,112,909	6,506,004
Franchise taxes	649,415	678,438	-	-	649,415	678,438
Other taxes	1,694,786	2,172,574	-	-	1,694,786	2,172,574
Investment earnings	203,973	603,795	120,594	210,257	324,567	814,052
Gain (loss) on sale of capital assets	31,374	16,304	39,821	4,250	71,195	20,554
Miscellaneous	343,287	580,398	26,004	34,976	369,291	615,374
Total revenues	<u>34,030,060</u>	<u>35,839,161</u>	<u>28,497,947</u>	<u>25,199,727</u>	<u>62,528,007</u>	<u>61,038,888</u>
<b>Expenses</b>						
General government	7,692,256	8,890,092	-	-	7,692,256	8,890,092
Public safety	12,903,321	14,722,091	-	-	12,903,321	14,722,091
Public ways and facilities	4,607,237	6,852,731	-	-	4,607,237	6,852,731
Social services	303,015	182,286	-	-	303,015	182,286
Culture and recreation	4,421,827	4,451,155	-	-	4,421,827	4,451,155
Community development	3,029,515	5,249,438	-	-	3,029,515	5,249,438
Interest on long-term debt	110,856	280,037	-	-	110,856	280,037
Local transit	-	-	2,184,533	2,051,814	2,184,533	2,051,814
Water	-	-	10,066,546	5,590,810	10,066,546	5,590,810
Sewer	-	-	8,758,885	8,476,744	8,758,885	8,476,744
Golf course	-	-	115,882	74,596	115,882	74,596
Airport	-	-	893,106	852,560	893,106	852,560
Solid waste	-	-	6,305,944	4,936,291	6,305,944	4,936,291
Drainage operations	-	-	956,287	1,024,498	956,287	1,024,498
Total expenses	<u>33,068,027</u>	<u>40,627,830</u>	<u>29,281,183</u>	<u>23,007,313</u>	<u>62,349,210</u>	<u>63,635,143</u>
Increase (decrease) in net position before transfers	962,033	(4,788,669)	(783,236)	2,192,414	178,797	(2,596,255)
Transfers	172,913	1,718,751	(172,913)	(1,718,751)	-	-
Increase (decrease) in net position	1,134,946	(3,069,918)	(956,149)	473,663	178,797	(2,596,255)
Net position - beginning, as restated	<u>202,287,198</u>	<u>204,709,616</u>	<u>74,792,092</u>	<u>74,318,429</u>	<u>277,079,290</u>	<u>279,028,045</u>
Net position - ending	<u>\$ 203,422,144</u>	<u>\$ 201,639,698</u>	<u>\$ 73,835,943</u>	<u>\$ 74,792,092</u>	<u>\$ 277,258,087</u>	<u>\$ 276,431,790</u>

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

Total governmental revenues for the year were \$34 million, which is \$1.8 million or 5% less than in 2016.

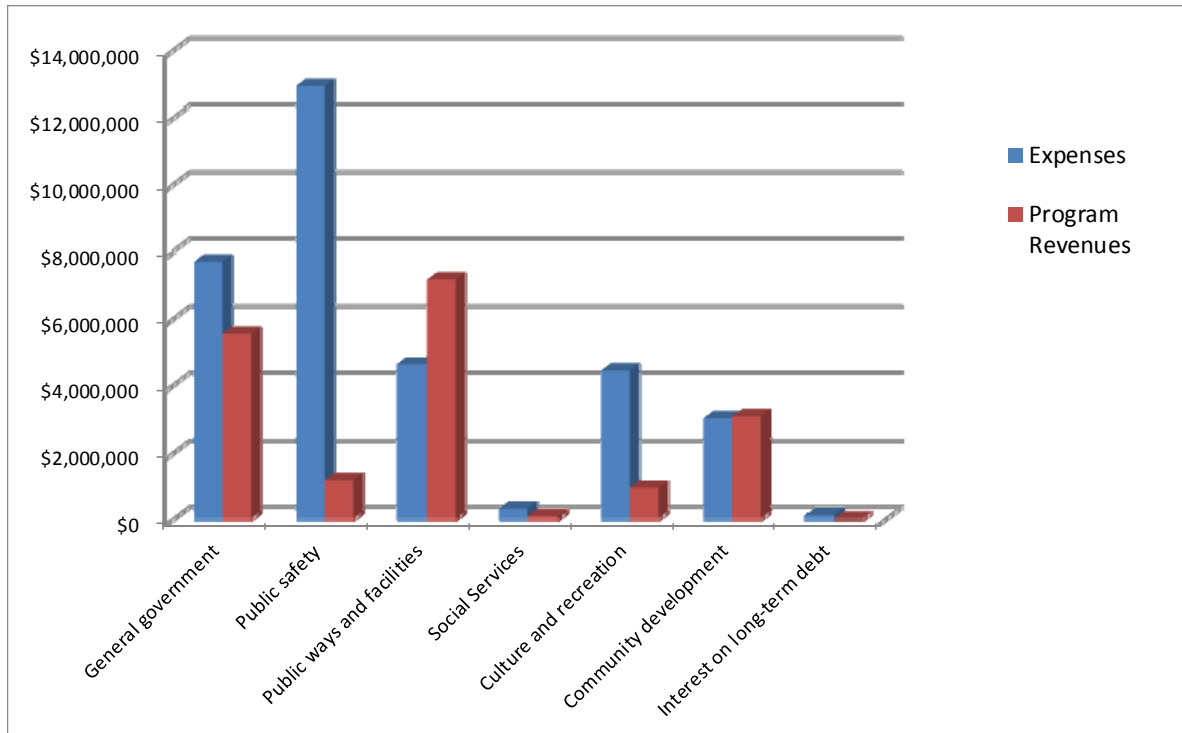
- Operating grants and contributions decreased by \$4.1 million or 26% from the previous year. This is primarily due to the final installment of \$1.7 million of Property Tax In-Lieu of Sales Tax in 2016 and a \$1.1 million decrease in operating grants for Public Ways and Facilities.
- Capital grants and contributions increased by \$0.3 million or 24% from the previous year.
- Taxes, including property, sales, franchise, and other taxes account for approximately \$15.5 million or 46% of the City's governmental activities revenue. Total tax revenue increased \$2.6 million or 20% from the previous year primarily due to increases in sales and use taxes.
- Investment earnings decreased by \$0.4 million or 66% from the previous year due primarily to a roughly \$400,000 gain on sale of investments in 2016 compared to a slight loss on sale of investments in 2017.

Total governmental expenses for the year were \$33.1 million, which is \$7.6 million or 19% less than in 2016.

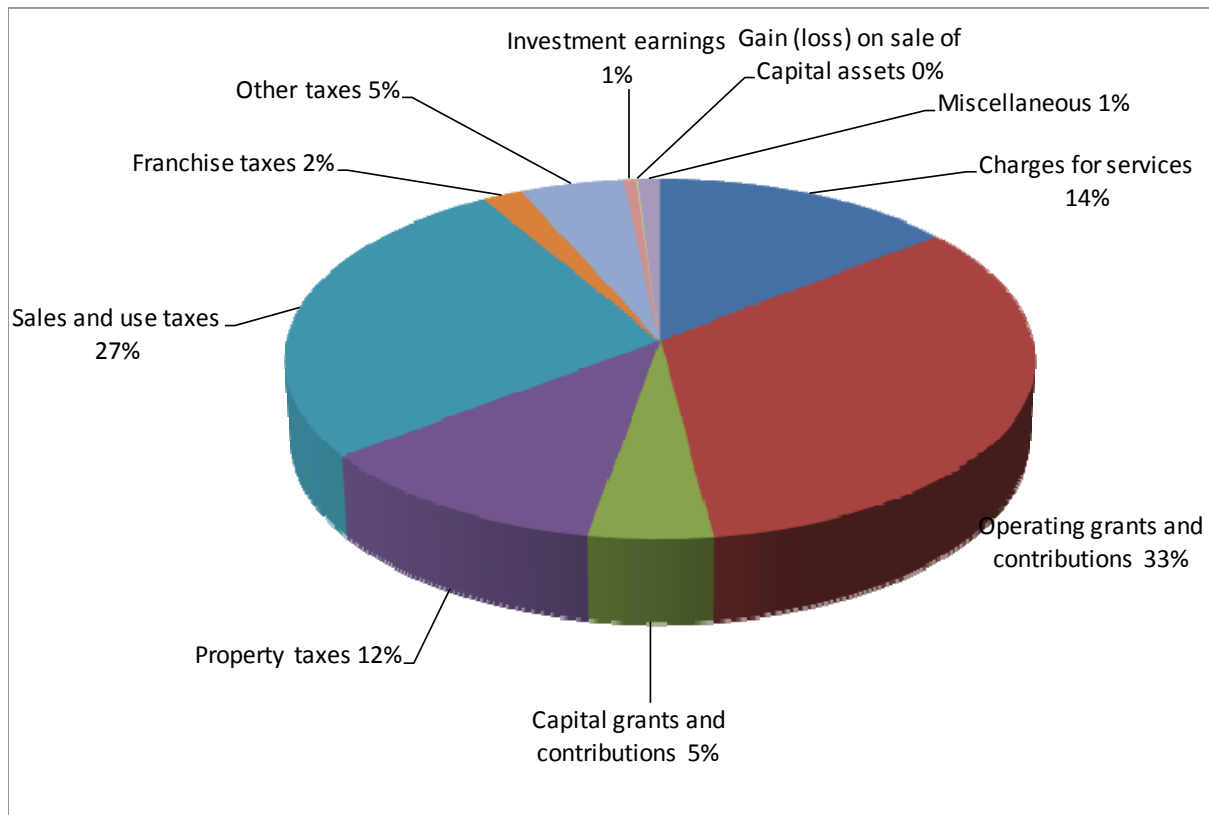
- General government expenses decreased by \$1.2 million or 13% from the previous fiscal year due to the move of utility billing operations to its proper place within the enterprise funds.
- Public safety decreased by \$1.8 million or 12% from the previous year due primarily to a current year pension expense adjustment of \$2.1 million.
- Public ways and facilities decreased by \$2.2 million or 33% from the previous year due, in part, to a decrease in developer reimbursements.
- Culture and recreation decreased by \$0.03 million or less than 1% from the previous year.
- Community development expenses decreased by \$2.2 million or 42% due to decreases in home rehabilitation loans and settlement expenses from the previous year.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

Governmental program revenues that include charges for services and grants specific to certain programs account for \$18.0 million or 53% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up of "general" revenues such as taxes, interest, and grants and contributions.

**Business-type Activities.** Business-type activities account for \$73.8 million or 27% of the total government-wide net position. This is a decrease of \$1.0 million from the prior year. Net investment in capital assets accounts for \$58.8 million or 80% of the total net position and is an increase of \$1.2 million from 2016. Restricted net position accounts for \$1.1 million, or 1% of total net position, represents an increase of \$1.1 million from 2016. Unrestricted net position of \$15.0 million, or 20% of total net position, represents an increase of \$2.1 million from 2016.

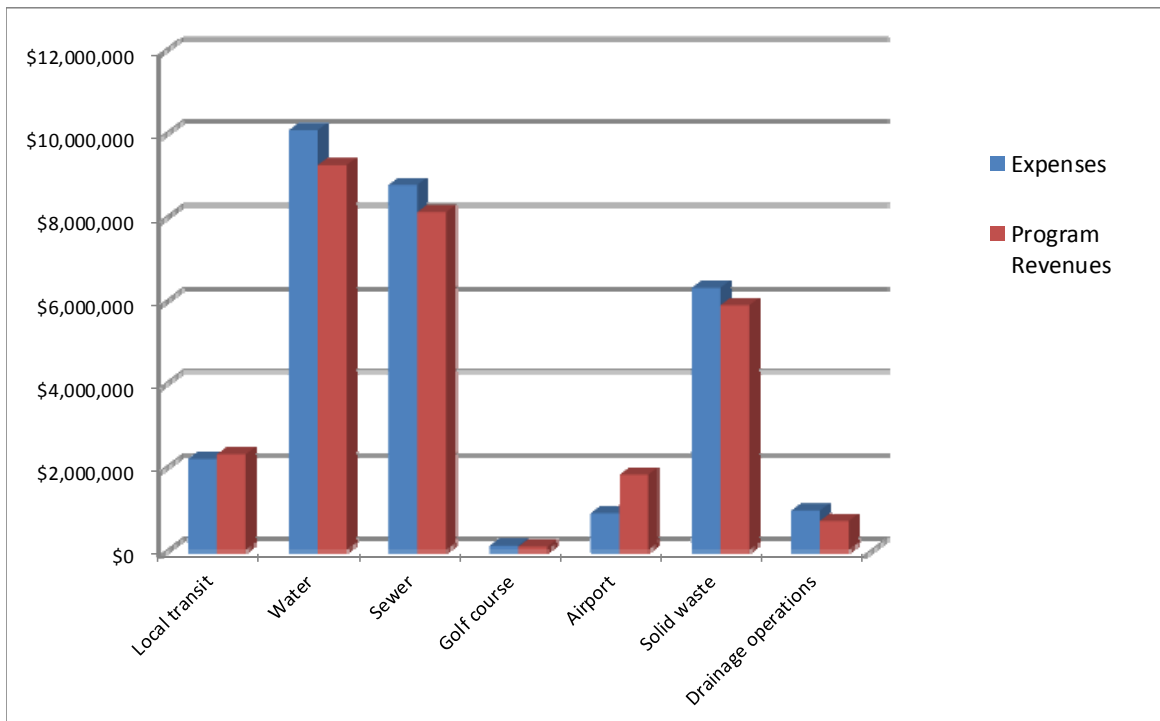
Total business-type revenue for the year was \$28.5 million, which is \$3.3 million or 13% more than in 2016.

Charges for services increased by \$2.6 million or 12% from the prior year primarily due to a rate increase that took effect July 1, 2016. Additional water meters were installed where there were previously no meters. This change resulted in moving some customers from flat rates to metered rates, which typically increases charges for services.

Operating grants and contributions increased by \$0.2 million or 16% from the prior year primarily due to each grant award increases.

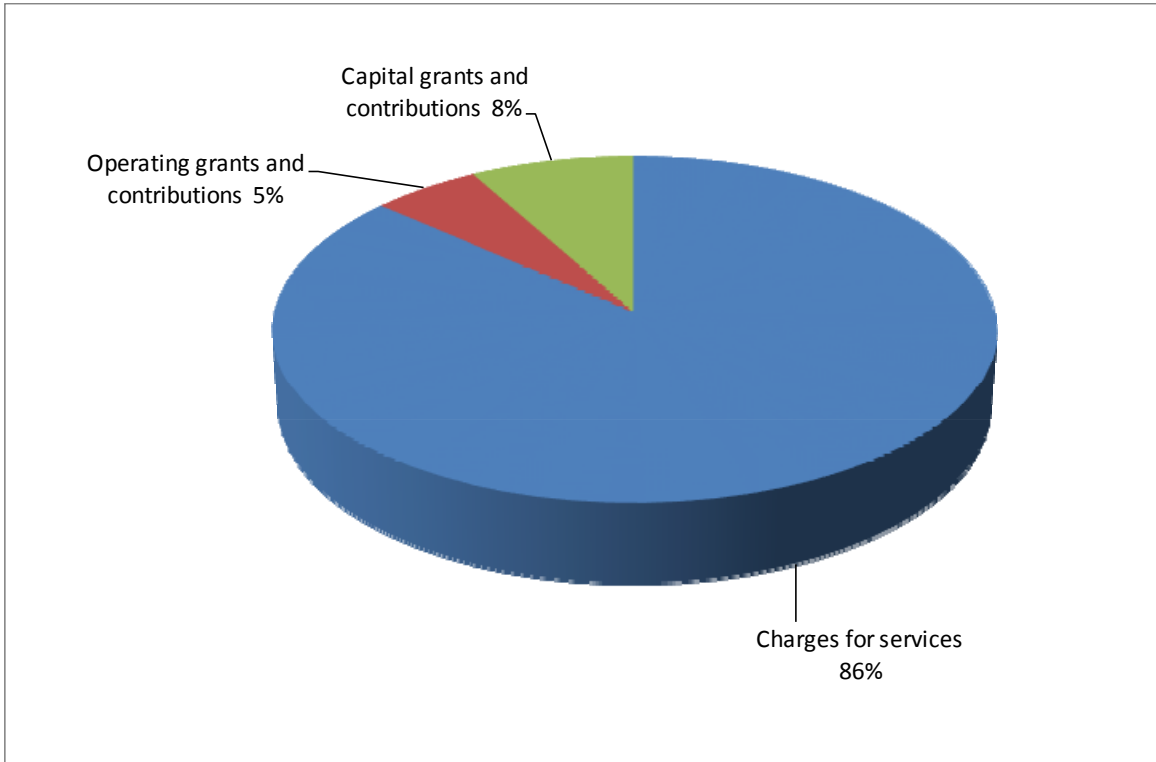
Capital grants and contributions increased by \$0.4 million or 24% from the prior year primarily due to the City receiving a new airport grant.

**Expenses and Program Revenues-Business-Type Activities**



**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Revenues by Source - Business-Type Activities**



Included in charges for services are user fees relating to the water, sewer, solid waste, drainage, transit, golf course, and airport operations.

Total business-type expenses for the year were \$29.3 million, which is \$6.3 million or 27% more than in 2016.

Water expenses increased by \$4.5 million or 80% primarily due to the shifting of the Utility Billing Division into the Water, Sewer and Solid Waste Funds, along with increased maintenance and repair costs and water meter installations. The shifting of Utility Billing triggered a roughly \$1 million GASB 68 adjustment and increased salary and benefit costs to the Water Fund by another \$1 million.

Solid Waste increased by \$1.4 million or 28% primarily due to the shifting of Utility Billing to the enterprise funds and a related \$600,000 GASB 68 adjustment. The combined increases in Water and Solid Waste expenses made up 93% of the total increases in business-type expenses in Fiscal Year 2017.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** Fund balance is defined in five categories: non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balances cannot be spent because they are not in spendable form. Restricted fund balances have limitations imposed externally by creditors, granters, contributors, or laws and regulations of other governments. Committed fund balances have self-imposed limitations set in place prior to the end of the period. Assigned fund balances are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Unassigned fund balances are the amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

All of the City's Governmental Funds ended the year with positive fund balances. The ending fund balance for all funds amounted to \$49.3 million, \$2.6 million more than the previous year. The increase is primarily due to a \$950,000 increase in Developmental Impact Fees, \$842,000 increase in general fund special revenue and a \$578,000 increase in special gas tax. There was an increase in unassigned fund balances of \$1.3 million, with included a \$1.1 million increase in the General Fund and a \$0.2 million increase in non-major governmental funds.

Of the total fund balance, \$14 million or 28% is unassigned which, within the limitations of the fund's purpose, is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is not in spendable form, legally required to be maintained intact, restricted for particular purposes, committed for particular purposes, or assigned for particular purposes. The details of the remainder are as follows:

Nonspendable:	
Inventory	\$ 66,661
Prepaid items	46,319
Long-term interfund advances	159,122
Restricted:	
Community development	10,600,388
Park development	79,643
Parking improvements	277,420
Public works and transportation	9,650,080
Special assessment project	751,094
Law enforcement	125,450
Capital projects and improvements	12,373,525
Assigned:	
Golf course capital	20,000
OPEB liability	97,339
Insurance	1,082,179
Unassigned	13,968,482

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2017, the total fund balance (including all categories) of the general fund was \$15.4 million, up \$1 million from June 30, 2016. The total fund balance of \$15.4 million includes non-spendable balances of \$0.3 million, assigned balances of \$1.2 million, and an unassigned balance of \$14.0 million.

The *assigned* fund balance remained unchanged from 2016.

The *unassigned* fund balance increased \$1.1 million when compared to June 30, 2016. The \$14.0 million unassigned portion represents the amount carried over to offset the impact of any revenue shortfall that may occur in the next year due to economic uncertainty. As a measurement of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 51% of total General Fund expenditures, while total fund balance represents approximately 56% of total General Fund expenditures.

Other Major Funds

The General Development Impact Fee Special Revenue Fund, a major fund, had a \$1 million increase in fund balance during Fiscal Year 2017. This increase in fund balance is primarily due to a prior year adjustment and the completion of some projects. The ending fund balance of \$12.4 million is restricted for capital projects and improvements.

The Special Gas Tax Special Revenue Fund, a major fund, had a \$0.6 million increase in fund balance during the current Fiscal Year 2017. This increase in fund balance is due to a decrease in expenditures related to Capital Outlay. The ending fund balance of \$9.5 million is restricted for public works and transportation.

**Proprietary Funds.** As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's enterprise funds and internal service funds ended the year with unrestricted net position as follows:

Water Fund	\$ 5,661,276
Sewer Fund	6,229,212
Solid Waste Fund	2,441,579
Drainage Operations Fund	(47,831)
Nonmajor Enterprise Funds	391,353
Internal Service Fund	(801,433)

As noted earlier in the discussion of business-type activities and revenues for water and sewer services increased by 12% in the current year. Incremental rate increases over the subsequent five years were approved by the City Council during the second quarter of calendar year 2015.



**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**General Fund Budgetary Highlights**

The general fund ended fiscal year 2017 with \$2.3 million better than budget. This variance was primarily the result of \$1.1 million more revenues than anticipated and \$1.9 million of savings on expenditures, offset by \$0.7 million less transfers in than anticipated. Although they are reflected as savings to the current year budget, they may be reserved for expenditures in the subsequent fiscal year.

- Actual expenditures for General Government came in \$0.6 million under budget due to savings in personnel costs, property/liability/fidelity insurance, contracted services, intergovernmental charges, and inter-fund charges - software cost.
- Actual expenditures for Public Protection came in at \$0.7 million under budget due to savings in contracted services and personnel costs.
- Public Ways and Facilities were \$0.7 million under budget due to savings in supplies and materials, contracted services, and personnel costs.
- Actual expenditures for Community Development came in at \$0.2 million under budget due to savings in contracted services and personnel costs.
- Actual expenditures for Culture and Recreation came in at \$65,000 under budget due to savings in contracted services and conference/training.
- Actual expenditures for Capital Outlay were \$74,000 over budget due to the carrying-forward of capital project budgets from prior fiscal year appropriations.

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amount to \$285.4 million (net of depreciation), a decrease of \$4.4 million compared to 2016. This decrease is primarily due the depreciation expense of \$12.2 million offset by additions to capital assets of \$7.7 million.

Major capital asset additions this year include the following:

- Road network improvements - \$2.8 million
  - Developer Donations (sidewalk, pavement, pipelines, and others) - \$1 million
  - Various other street improvement projects - \$1.2 million
  - Various parks improvement projections - \$131,000
  - Various traffic signal improvement projects - \$467,000
- Transit and Public Works Facility - \$411,000
- Equipment and software purchases (pumper fire truck, software and vehicles) - \$1.5 million
- Airport Apron Reconstruction - \$1.3 million
- Trunk Sewer System Improvement - \$1.2 million

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

During the year the City made improvements to various streets, parks, sewer mains, and received developer-donated infrastructure. Capital projects constructed by the City include:

- Bike lanes improvement: Laurel Street to the Fresno River Trail
- Landscaping improvement: 4<sup>th</sup> Street, Pine Street & Pecan Avenue
- Parks improvements: Centennial Park Playground
- Sewer mains replacement: various locations
- Street improvements: Ave 17 & Sharon Blvd, Olive & Gateway Ave, Thomas Jefferson & John Adams, Pine Street & Pecan Avenue
- Trunk sewer system rehabilitation: Schnoor Avenue

Developer constructed infrastructure was constructed in conjunction with the partial list of projects shown below:

- California Custom Processing – Schnoor Avenue
- Capistrano 16 Subdivision– Westberry Blvd. Street
- Cleveland Avenue Ave & Aspen Ln NE Corner – 2401 W Cleveland Avenue
- Virginia Lee Rose Elementary School – 1001 Lilly Street

**City of Madera's Capital Assets**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 7,573,520	\$ 7,573,520	\$ 9,027,017	\$ 9,026,517	\$ 16,600,537	\$ 16,600,037
Construction in progress	9,479,137	7,777,065	4,479,749	1,350,095	13,958,886	9,127,160
Buildings and improvements	14,738,550	15,153,811	28,631,182	30,370,674	43,369,732	45,524,485
Equipment	3,724,765	3,381,125	1,224,329	1,612,431	4,949,094	4,993,556
Infrastructure	145,088,883	150,381,383	61,438,945	63,198,662	206,527,828	213,580,045
	<u>\$ 180,604,855</u>	<u>\$ 184,266,904</u>	<u>\$ 104,801,222</u>	<u>\$ 105,558,379</u>	<u>\$ 285,406,077</u>	<u>\$ 289,825,283</u>

**Long-term Debt.** The City's long-term debt as of June 30, 2017 was \$51.5 million with governmental activities accounting for \$2.5 million or 5%, and business-type activities accounting for \$49.0 million or 95%. The total debt decreased by \$2.5 million or 5% during the current fiscal year. The reason for the decrease was due to principal payment made in current fiscal year.

**City of Madera's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Capital Leases	\$ 2,425,767	\$ 3,002,145	\$ -	\$ -	\$ 2,425,767	\$ 3,002,145
Loans Payable	60,088	98,022	7,781,755	8,097,151	7,841,843	8,195,173
Bonds Payable	-	-	41,256,130	42,850,707	41,256,130	42,850,707
	<u>\$ 2,485,855</u>	<u>\$ 3,100,167</u>	<u>\$ 49,037,885</u>	<u>\$ 50,947,858</u>	<u>\$ 51,523,740</u>	<u>\$ 54,048,025</u>

General obligation debts are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval, and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Madera's debt limit is \$1.1 billion. Detailed information on the City's long-term debt activity can be found in Note 7 on pages 56-63.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Economic Factors and Next Year's Budgets and Rates**

The new administration in Washington brought about, and will continue to bring surprising policy changes affecting the legal, regulatory and financial landscape. The recent tax reform bill has allowed corporations to expand, hire new employees, and provide raises for existing ones. The announcement by the president regarding trade tariffs and China's rebuttal have raised some uncertainty, but the full effects of these policies are unknown at this time. At the local level, some benefits of tax reform include increased consumer spending on goods, which lead to sales tax income for local and state governments. The demand for housing is picking up as well, but not at the level of the housing boom in the early 2000s. While this is the general story nationwide, the Central Valley is experiencing more modest growth.

The region as a whole lost 17,200 jobs from 2007 until 2009. Those jobs have been replaced and an additional 5,000 jobs added. In the last year alone, county-wide, Madera has added approximately 1,000 jobs. In February 2018, the unemployment rate in Madera County was 8.3% and remains unchanged from the prior month, and was below the unemployment rate of 10% one year ago. The City of Madera had a slightly higher unemployment rate in February 2018, when compared to the county, at 9.5%. The statewide unemployment rate is 4.5% and the national rate is 4.4%. The US Federal Reserve considers full employment to be 5.2%. While the country as a whole is at near maximum employment, there is still room for growth in Madera County, and the Central San Joaquin Valley in general. The City has seen continued growth in consumer spending. This trend is reflected in a 5.5% increase in local sales tax over the previous 12-month period. The greatest increases are taking place in electronic equipment sales and electronic equipment. About 4% to 5% of the sales tax generated in the office equipment sector came from just one business for two consecutive quarters.

Economic development activity continues to increase and is seen through the addition of commercial, industrial and residential buildings. In FY 09/10, the industrial vacancy rate reached a high of 14%, but since 2014 it continues to remain under 1%. In response, the City began a joint venture with a local company to develop Freedom Industrial Park, a 100-acre industrial site. The first tenant of the complex has moved in and employs about 100 individuals. The City is actively reaching out to the business community to fill a future, second building that has already been approved for the site. The grounds will be "plug and play" ready, with full infrastructure and rail access. The intersection at Avenue 17 and Highway 99 remains a primary focus of the City's economic development efforts. Love's Travel Center will be a major business at this location, which will also include a hotel and a covered RV and boat storage facility, among others. The project, when complete, will bring approximately 75 to 100 new jobs to the City.

The number of residential homes completed over the previous fiscal year remained relatively consistent from FY 15/16 to FY 16/17. About 150 homes were granted occupancy, producing an approximate added valuation of \$23.3 million per year. FY 17/18 projects similar new residential permit activity including a 100+ lot subdivision in the southeast quadrant of the City and another 100+ lot subdivision in the southwest quadrant. Without many existing lots available for builders, the City is looking to the northwest quadrant for future growth. The slated project is under review, but is still about 18 months from breaking ground. Once complete, the neighborhood will encompass approximately 1,200 acres with 5,200 new homes, retail and commercial use, two elementary schools and expanses of open space and park amenities.

Water is and will remain a key element in regional economy. The City is taking an active role in regional groundwater management efforts and is planning the next stages of improvements to address long-term water service for current residents and future development. Five years of incremental rate increases were approved by Council during the second quarter of calendar year 2015. Engineering costs for capital improvements are anticipated to be funded on a pay-as-you-go basis. Anticipated projects include the replacement of manual water meters, installation of new water meters, recoating of the water tower and the design of water main upgrades throughout the City. These projects have planned funding from revenue in the Water Utility Fund.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

In November 2016, Measure K, a local half-cent sales tax measure, was approved by City of Madera voters. The overwhelming passage of the measure will provide more than \$3.5 million per year to the City for enhancing the safety of Maderans. Specifically, Measure K has allowed for the hiring of several new police officers, vehicles and equipment, as well as the purchase of land for a new fire station. Future plans of the funds include the construction of a third fire station in the City, a new fire apparatus and staffing for this station, among others.

While economic development, residential growth and governmental activities have all made progress this past fiscal year, the City will, in all respects, continue with a prudent, conservative financial planning model as it prepares the budget for FY 18/19. The economy has been expanding for several years, and the City is experiencing some of these benefits, however, history indicates that a correction or downturn is likely not too far away.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Madera's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Financial Services Director, City of Madera, 205 W. 4th Street, Madera, CA 93637.

## BASIC FINANCIAL STATEMENTS

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*

**CITY OF MADERA  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

	Governmental Activities	Business-Type Activities	Total	Component Unit Housing Authority of the City of Madera
<b>ASSETS</b>				
Cash and investments	\$ 39,106,180	\$ 23,457,586	\$ 62,563,766	\$ 4,465,149
Receivables:				
Accounts, net	5,377,803	1,601,084	6,978,887	222,819
Interest	-	-	-	145,882
Prepaid items	46,844	2,300	49,144	10,132
Inventories	66,661	-	66,661	93,926
Internal balances	1,484,810	(1,484,810)	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	4,420,450	4,420,450	2,083,336
Notes receivable	8,083,641	-	8,083,641	4,421,746
Land held for resale	1,060,000	-	1,060,000	-
Capital assets, not being depreciated	17,052,657	13,506,766	30,559,423	785,827
Capital assets, net of accumulated depreciation	163,552,198	91,294,456	254,846,654	7,537,542
<b>Total assets</b>	<b>235,830,794</b>	<b>132,797,832</b>	<b>368,628,626</b>	<b>19,766,359</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan in current fiscal year	558,025	1,786,638	2,344,663	-
Deferred outflows of resources related to pensions	9,087,664	-	9,087,664	758,613
<b>Total deferred outflows of resources</b>	<b>9,645,689</b>	<b>1,786,638</b>	<b>11,432,327</b>	<b>758,613</b>
<b>LIABILITIES</b>				
Accounts payable	978,505	1,325,892	2,304,397	134,636
Salaries payable	501,635	125,051	626,686	34,059
Accrued interest payable	11,175	618,479	629,654	-
Unearned revenue	183,126	72,017	255,143	9,680
Deposits payable	921,774	1,473,750	2,395,524	194,765
Other liabilities	-	-	-	2,541
Noncurrent liabilities:				
Due within one year	1,973,661	2,237,921	4,211,582	3,115,657
Due in more than one year	36,181,790	54,300,997	90,482,787	3,267,732
<b>Total liabilities</b>	<b>40,751,666</b>	<b>60,154,107</b>	<b>100,905,773</b>	<b>6,759,070</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	1,302,673	117,648	1,420,321	87,196
Deferred service concession agreement receipts	-	90,000	90,000	-
Gain on refunding of debt	-	386,772	386,772	-
<b>Total deferred inflows of resources</b>	<b>1,302,673</b>	<b>594,420</b>	<b>1,897,093</b>	<b>87,196</b>
<b>NET POSITION</b>				
Net investment in capital assets	178,119,000	58,792,617	236,911,617	4,965,665
Restricted for:				
Community development	10,600,388	-	10,600,388	-
Park development	133,957	-	133,957	-
Parking improvements	600,930	-	600,930	-
Public works and transportation	10,278,607	-	10,278,607	-
Special assessment project	751,094	-	751,094	-
Law enforcement	125,450	-	125,450	-
Social services	-	-	-	-
Capital maintenance	-	-	-	-
Capital projects and improvements	12,373,525	-	12,373,525	-
Housing services	-	-	-	1,532,084
Debt service	-	1,076,451	1,076,451	-
Unrestricted	(9,560,807)	13,966,875	4,406,068	7,180,957
<b>Total net position</b>	<b>\$ 203,422,144</b>	<b>\$ 73,835,943</b>	<b>\$ 277,258,087</b>	<b>\$ 13,678,706</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<u>Functions/Programs:</u>				
Primary government:				
Governmental activities:				
General government	\$ 7,692,256	\$ 139,997	\$ 5,386,631	\$ -
Public safety	12,903,321	680,391	479,790	-
Public ways and facilities	4,607,237	1,416,230	4,098,803	1,649,843
Social services	303,015	434	82,203	-
Culture and recreation	4,421,827	586,785	347,388	-
Community development	3,029,515	2,102,246	983,508	-
Interest on long-term debt	110,856	-	-	-
Total governmental activities	33,068,027	4,926,083	11,378,323	1,649,843
Business-type activities:				
Local transit	2,184,533	107,015	1,381,206	809,179
Water	10,066,546	9,139,387	-	93,002
Sewer	8,758,885	8,042,174	-	66,803
Golf course	115,882	93,797	-	-
Airport	893,106	529,481	-	1,281,138
Solid waste	6,305,944	5,724,230	165,445	-
Drainage operations	956,287	675,713	-	31,080
Total business-type activities	29,281,183	24,311,797	1,546,651	2,281,202
Total primary government	\$ 62,349,210	\$ 29,237,880	\$ 12,924,974	\$ 3,931,045
Component unit:				
Housing Authority of the City of Madera	\$ 8,549,440	\$ 1,639,824	\$ 6,224,798	\$ 178,814
Total component unit	\$ 8,549,440	\$ 1,639,824	\$ 6,224,798	\$ 178,814

General revenues:  
Property taxes  
Sales and use taxes  
Franchise taxes  
Other taxes  
Investment earnings  
Gain (loss) on sale of capital assets  
Miscellaneous  
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning (restated)

Net position - ending

The accompanying notes are an integral part of these financial statements.



**CITY OF MADERA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit Housing Authority of the City of Madera
\$ (2,165,628)	\$ -	\$ (2,165,628)	\$ -
(11,743,140)	-	(11,743,140)	-
2,557,639	-	2,557,639	-
(220,378)	-	(220,378)	-
(3,487,654)	-	(3,487,654)	-
56,239	-	56,239	-
(110,856)	-	(110,856)	-
(15,113,778)	-	(15,113,778)	-
-	112,867	112,867	-
-	(834,157)	(834,157)	-
-	(649,908)	(649,908)	-
-	(22,085)	(22,085)	-
-	917,513	917,513	-
-	(416,269)	(416,269)	-
-	(249,494)	(249,494)	-
-	(1,141,533)	(1,141,533)	-
(15,113,778)	(1,141,533)	(16,255,311)	-
			(506,004)
			(506,004)
4,040,067	171,878	4,211,945	-
9,112,909	-	9,112,909	-
649,415	-	649,415	-
1,694,786	-	1,694,786	-
203,973	120,594	324,567	39,497
31,374	39,821	71,195	-
343,287	26,004	369,291	497,059
172,913	(172,913)	-	-
16,248,724	185,384	16,434,108	536,556
1,134,946	(956,149)	178,797	30,552
202,287,198	74,792,092	277,079,290	13,648,154
\$ 203,422,144	\$ 73,835,943	\$ 277,258,087	\$ 13,678,706

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

		Special Revenue				
		General	General Development Impact Fee Fund	Special Gas Tax Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$	12,227,157	\$ 13,354,108	\$ 9,124,821	\$ 3,229,559	\$ 37,935,645
Receivables:						
Accounts, net		3,939,455	-	857,799	578,787	5,376,041
Notes		-	-	-	8,083,641	8,083,641
Prepaid items		46,319	-	-	525	46,844
Inventories		66,661	-	-	-	66,661
Due from other funds		635,860	-	-	205	636,065
Advances to other funds		159,122	-	-	-	159,122
Land held for resale		-	-	-	1,060,000	1,060,000
Total assets	\$	17,074,574	\$ 13,354,108	\$ 9,982,620	\$ 12,952,717	\$ 53,364,019
<b>LIABILITIES</b>						
Accounts payable	\$	571,151	\$ 58,882	\$ 15,375	\$ 224,875	\$ 870,283
Salaries payable		464,357	-	-	2,366	466,723
Due to other funds		-	-	-	19,095	19,095
Unearned revenue		-	-	-	183,126	183,126
Deposit payable		-	921,701	-	74	921,775
Total liabilities		1,035,508	980,583	15,375	429,536	2,461,002
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue		598,964	-	504,443	501,908	1,605,315
Total deferred inflows of resources		598,964	-	504,443	501,908	1,605,315
<b>FUND BALANCES</b>						
Nonspendable:						
Inventory		66,661	-	-	-	66,661
Prepaid items		46,319	-	-	-	46,319
Long-term interfund advances		159,122	-	-	-	159,122
Restricted:						
Community development		-	-	-	10,600,388	10,600,388
Park development		-	-	-	79,643	79,643
Parking improvements		-	-	-	277,420	277,420
Public works and transportation		-	-	9,462,802	187,278	9,650,080
Special assessment project		-	-	-	751,094	751,094
Law enforcement		-	-	-	125,450	125,450
Capital projects and improvements		-	12,373,525	-	-	12,373,525
Assigned:						
Golf course capital		20,000	-	-	-	20,000
OPEB liability		97,339	-	-	-	97,339
Insurance		1,082,179	-	-	-	1,082,179
Unassigned		13,968,482	-	-	-	13,968,482
Total fund balances		15,440,102	12,373,525	9,462,802	12,021,273	49,297,702
Total liabilities, deferred inflows of resources, and fund balances	\$	17,074,574	\$ 13,354,108	\$ 9,982,620	\$ 12,952,717	\$ 53,364,019

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

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

Total fund balances - governmental funds	\$ 49,297,702
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:	
Land	7,573,520
Construction in progress	9,479,137
Buildings and improvements	21,345,585
Equipment	7,088,629
Infrastructure	291,254,666
Accumulated depreciation	<u>(158,683,421)</u>
Total capital assets	178,058,116
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	1,605,315
Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is generally not accrued as a liability in the balance sheet of governmental funds.	(11,175)
Pension related deferrals:	
Deferred outflow of resources	9,087,664
Deferred inflows of resources	<u>(1,255,450)</u>
Total pension related deferrals	7,832,214
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:	
Capital leases	(2,425,767)
Compensated absences	(1,261,746)
Net other postemployment benefit obligation	(2,093,343)
Net pension liability	<u>(29,973,112)</u>
Total long-term liabilities	(35,753,968)
Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>2,393,940</u>
Net position of governmental activities	<u>\$ 203,422,144</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue				
	General	General Development Impact Fee Fund	Special Gas Tax	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property taxes	\$ 3,696,995	\$ -	\$ -	\$ 357,508	\$ 4,054,503
Sales and use taxes	8,741,373	-	-	-	8,741,373
Other taxes	1,321,157	-	-	377,330	1,698,487
Use of money and property	205,668	58,082	58,075	36,910	358,735
Franchise taxes	649,415	-	-	-	649,415
Licenses and permits	701,825	-	-	-	701,825
Fines	734,193	-	-	16,195	750,388
Intergovernmental	6,892,226	-	3,217,005	2,545,429	12,654,660
Charges for current services	1,360,859	1,839,370	-	297,359	3,497,588
Miscellaneous	604,836	-	-	27,724	632,560
Total revenues	<u>24,908,547</u>	<u>1,897,452</u>	<u>3,275,080</u>	<u>3,658,455</u>	<u>33,739,534</u>
<b>EXPENDITURES:</b>					
Current:					
General government	1,659,616	-	-	136,439	1,796,055
Public protection	14,833,735	-	-	100,934	14,934,669
Social services	405,251	-	-	-	405,251
Public ways and facilities	2,687,550	-	-	413,520	3,101,070
Community development	2,709,786	-	-	397,152	3,106,938
Culture and recreation	3,831,163	-	-	-	3,831,163
Capital outlay	829,037	447,333	641,865	1,225,122	3,143,357
Debt service:					
Principal	400,658	-	-	167,806	568,464
Interest	87,410	-	-	26,450	113,860
Total expenditures	<u>27,444,206</u>	<u>447,333</u>	<u>641,865</u>	<u>2,467,423</u>	<u>31,000,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,535,659)</u>	<u>1,450,119</u>	<u>2,633,215</u>	<u>1,191,032</u>	<u>2,738,707</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	4,194,996	65,241	-	243,993	4,504,230
Transfers out	(854,610)	(564,754)	(2,055,447)	(1,338,034)	(4,812,845)
Sales of capital assets	37,027	-	-	-	37,027
Total other financing sources (uses)	<u>3,377,413</u>	<u>(499,513)</u>	<u>(2,055,447)</u>	<u>(1,094,041)</u>	<u>(271,588)</u>
Net change in fund balances	841,754	950,606	577,768	96,991	2,467,119
Fund balances - beginning (restated)	<u>14,598,348</u>	<u>11,422,919</u>	<u>8,885,034</u>	<u>11,924,282</u>	<u>46,830,583</u>
Fund balances - ending	<u>\$ 15,440,102</u>	<u>\$ 12,373,525</u>	<u>\$ 9,462,802</u>	<u>\$ 12,021,273</u>	<u>\$ 49,297,702</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

Net change in fund balances - total governmental funds	\$	2,467,119
--	----	-----------

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:

Capital outlay	3,637,557	
Depreciation expense	<u>(7,715,622)</u>	
Excess of depreciation expense over capital outlay		(4,078,065)

Prior year unavailable revenues previously recognized in the statement of activities were recognized in the governmental funds in the current fiscal year when made available.	(809,285)
--	-----------

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.	(6,937)
--	---------

The issuance of long-term debt (e.g., bonds, leases) 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 premiums, 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.	576,378
---	---------

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest	3,004	
Decrease in compensated absences	10,269	
Decrease in net other postemployment benefit obligation	(107,015)	
Increase to pension expense	<u>2,527,603</u>	
Total additional expenditures		2,433,861

The internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>551,875</u>
--	----------------

Change in net position of governmental activities	\$	<u><u>1,134,946</u></u>
---	----	-------------------------

**CITY OF MADERA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 9,414,024	\$ 8,934,332	\$ 3,698,244	\$ 421,135
Accounts receivable, net	608,736	138,596	127,444	8,596
Prepaid expenses	1,467	833	-	-
Total current assets	<u>10,024,227</u>	<u>9,073,761</u>	<u>3,825,688</u>	<u>429,731</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments	4,106,271	7,616	-	-
Capital assets, not depreciated	347,994	3,033,749	-	3,645,601
Capital assets, net of accumulated depreciation	<u>22,362,982</u>	<u>43,020,841</u>	<u>13,959</u>	<u>15,568,757</u>
Total noncurrent assets	<u>26,817,247</u>	<u>46,062,206</u>	<u>13,959</u>	<u>19,214,358</u>
Total assets	<u>36,841,474</u>	<u>55,135,967</u>	<u>3,839,647</u>	<u>19,644,089</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	<u>705,544</u>	<u>495,352</u>	<u>304,850</u>	<u>140,573</u>
Total deferred outflows of resources	<u>705,544</u>	<u>495,352</u>	<u>304,850</u>	<u>140,573</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	387,554	342,312	324,890	5,142
Salaries payable	46,253	35,464	22,304	10,273
Accrued interest payable	179,888	429,757	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	1,473,550	-	-	200
Unearned revenue	-	-	72,017	-
Compensated absences, due within one year	84,588	86,040	30,648	22,150
Long-term debt, due within one year	<u>385,000</u>	<u>1,308,735</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>2,556,833</u>	<u>2,202,308</u>	<u>449,859</u>	<u>37,765</u>
Noncurrent liabilities:				
Compensated absences, due in more than one year	-	-	-	-
Other postemployment benefits obligation	115,818	136,712	55,302	26,391
Net pension liability	2,718,922	1,908,915	1,174,788	541,724
Long-term debt, due in more than one year	<u>11,616,130</u>	<u>33,407,455</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>14,450,870</u>	<u>35,453,082</u>	<u>1,230,090</u>	<u>568,115</u>
Total liabilities	<u>17,007,703</u>	<u>37,655,390</u>	<u>1,679,949</u>	<u>605,880</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	36,518	47,489	9,010	12,255
Deferred service concession arrangement receipts	-	-	-	-
Gain on refunding of debt	<u>25,944</u>	<u>360,828</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>62,462</u>	<u>408,317</u>	<u>9,010</u>	<u>12,255</u>
<b>NET POSITION</b>				
Net investment in capital assets	13,739,126	11,338,400	13,959	19,214,358
Restricted	1,076,451	-	-	-
Unrestricted	<u>5,661,276</u>	<u>6,229,212</u>	<u>2,441,579</u>	<u>(47,831)</u>
Total net position	<u>\$ 20,476,853</u>	<u>\$ 17,567,612</u>	<u>\$ 2,455,538</u>	<u>\$ 19,166,527</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

Net position of business-type activities

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**  
(Continued)

Business-Type Activities		Governmental
Nonmajor Enterprise Funds	Total Enterprise Funds	Activities Internal Service Fund
\$ 989,851	\$ 23,457,586	\$ 1,170,533
717,714	1,601,086	1,761
-	2,300	-
<u>1,707,565</u>	<u>25,060,972</u>	<u>1,172,294</u>
306,563	4,420,450	-
6,479,422	13,506,766	-
<u>10,327,917</u>	<u>91,294,456</u>	<u>2,546,739</u>
<u>17,113,902</u>	<u>109,221,672</u>	<u>2,546,739</u>
<u>18,821,467</u>	<u>134,282,644</u>	<u>3,719,033</u>
140,319	1,786,638	558,025
<u>140,319</u>	<u>1,786,638</u>	<u>558,025</u>
265,999	1,325,897	109,651
10,757	125,051	33,482
8,835	618,480	-
616,970	616,970	-
159,122	159,122	-
-	1,473,750	-
-	72,017	-
24,242	247,668	75,681
<u>296,518</u>	<u>1,990,253</u>	<u>37,934</u>
<u>1,382,443</u>	<u>6,629,208</u>	<u>256,748</u>
4,964	4,964	-
29,089	363,312	115,281
540,739	6,885,088	2,150,434
<u>2,024,047</u>	<u>47,047,632</u>	<u>22,154</u>
<u>2,598,839</u>	<u>54,300,996</u>	<u>2,287,869</u>
<u>3,981,282</u>	<u>60,930,204</u>	<u>2,544,617</u>
12,377	117,649	47,223
90,000	90,000	-
-	386,772	-
<u>102,377</u>	<u>594,421</u>	<u>47,223</u>
14,486,774	58,792,617	2,486,651
-	1,076,451	-
<u>391,353</u>	<u>14,675,589</u>	<u>(801,433)</u>
<u>\$ 14,878,127</u>	<u>74,544,657</u>	<u>\$ 1,685,218</u>
	<u>(708,714)</u>	
	<u>\$ 73,835,943</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
Operating revenues:				
Charges for services	\$ 9,139,387	\$ 8,042,174	\$ 5,724,230	\$ 675,713
Other	-	-	-	-
Total operating revenues	<u>9,139,387</u>	<u>8,042,174</u>	<u>5,724,230</u>	<u>675,713</u>
Operating expenses:				
Salaries and benefits	3,173,979	1,805,451	1,598,961	428,602
General and administrative	1,047,432	1,116,700	4,068,734	72,449
Supplies and miscellaneous	1,181,403	1,248,652	468,870	21,276
Parts and supplies	1,854,164	306,138	117,416	-
Utilities	1,355,674	708,116	15,554	50,329
Depreciation	828,721	2,244,109	5,458	348,087
Total operating expenses	<u>9,441,373</u>	<u>7,429,166</u>	<u>6,274,993</u>	<u>920,743</u>
Operating income (loss)	<u>(301,986)</u>	<u>613,008</u>	<u>(550,763)</u>	<u>(245,030)</u>
Nonoperating revenues (expenses):				
Interest income	56,100	38,154	18,062	1,504
Property taxes	-	81,721	-	-
Operating grants	-	-	165,445	-
Capital grants	-	-	-	-
Other nonoperating revenue	5,884	1,608	-	-
Gain (loss) on disposal of property	6,187	16,034	17,600	-
Interest expense	(562,057)	(1,236,972)	-	-
Other nonoperating expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>(493,886)</u>	<u>(1,099,455)</u>	<u>201,107</u>	<u>1,504</u>
Income (loss) before capital contributions and transfers	<u>(795,872)</u>	<u>(486,447)</u>	<u>(349,656)</u>	<u>(243,526)</u>
Capital contributions	93,002	66,803	-	31,080
Transfers in	-	225,000	67,396	-
Transfers out	<u>(66,318)</u>	<u>(7,438)</u>	<u>(484,009)</u>	<u>(47,318)</u>
Change in net position	(769,188)	(202,082)	(766,269)	(259,764)
Net position - beginning	<u>21,246,041</u>	<u>17,769,694</u>	<u>3,221,807</u>	<u>19,426,291</u>
Net position - ending	<u>\$ 20,476,853</u>	<u>\$ 17,567,612</u>	<u>\$ 2,455,538</u>	<u>\$ 19,166,527</u>

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

Change in net position of business-type activities

The accompanying notes are an integral part of these financial statements.



**CITY OF MADERA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

Business-Type Activities		Governmental Activities
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
\$ 730,293 75	\$ 24,311,797 75	\$ 3,280,235 -
<u>730,368</u>	<u>24,311,872</u>	<u>3,280,235</u>
492,458	7,499,451	1,908,954
1,329,036	7,634,351	687,725
602,622	3,522,823	60,737
44,158	2,321,876	111,066
23,773	2,153,446	349,805
626,666	4,053,041	393,209
<u>3,118,713</u>	<u>27,184,988</u>	<u>3,511,496</u>
<u>(2,388,345)</u>	<u>(2,873,116)</u>	<u>(231,261)</u>
6,775	120,595	1,500
90,157	171,878	-
1,381,206	1,546,651	-
1,902,294	1,902,294	-
18,436	25,928	33,985
-	39,821	1,284
(24,965)	(1,823,994)	-
<u>(7,369)</u>	<u>(7,369)</u>	<u>-</u>
<u>3,366,534</u>	<u>1,975,804</u>	<u>36,769</u>
<u>978,189</u>	<u>(897,312)</u>	<u>(194,492)</u>
188,023	378,908	-
191,583	483,979	489,000
<u>(51,809)</u>	<u>(656,892)</u>	<u>(7,472)</u>
1,305,986	(691,317)	287,036
<u>13,572,141</u>		<u>1,398,182</u>
<u>\$ 14,878,127</u>		<u>\$ 1,685,218</u>
	<u>(264,832)</u>	
	<u>\$ (956,149)</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 9,242,713	\$ 8,060,253	\$ 5,714,813	\$ 671,819
Payments to suppliers	(5,488,623)	(3,152,834)	(4,658,586)	(143,063)
Payments to employees	(2,225,702)	(1,814,039)	(990,179)	(395,002)
Payments (to) from other funds	-	-	-	(19,000)
Net cash provided (used) by operating activities	<u>1,528,388</u>	<u>3,093,380</u>	<u>66,048</u>	<u>114,754</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from (to) other funds	(66,318)	217,562	(416,613)	(47,318)
Other nonoperating revenues	5,884	83,329	-	-
Property taxes	-	-	-	-
Operating grants	-	-	199,372	-
Net cash provided (used) by noncapital financing activities	<u>(60,434)</u>	<u>300,891</u>	<u>(217,241)</u>	<u>(47,318)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(83,562)	(1,210,137)	(4,853)	-
Proceeds from the sale of assets	6,187	16,034	17,600	-
Capital grants	-	-	-	-
Principal paid on notes	-	(294,860)	-	-
Principal paid on bonds	(370,000)	(970,000)	-	-
Interest paid	(562,900)	(1,272,138)	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,010,275)</u>	<u>(3,731,101)</u>	<u>12,747</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest received	<u>57,819</u>	<u>38,154</u>	<u>18,062</u>	<u>1,504</u>
Net cash provided (used) by investing activities	<u>57,819</u>	<u>38,154</u>	<u>18,062</u>	<u>1,504</u>
Net increase (decrease) in cash and cash equivalents	515,498	(298,676)	(120,384)	68,940
Cash and cash equivalents - beginning	<u>13,004,797</u>	<u>9,240,624</u>	<u>3,818,628</u>	<u>352,195</u>
Cash and cash equivalents - ending	<u>\$ 13,520,295</u>	<u>\$ 8,941,948</u>	<u>\$ 3,698,244</u>	<u>\$ 421,135</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

	Business-Type Activities		Governmental Activities
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 534,042	\$ 24,223,640	\$ 3,283,312
Payments to suppliers	(1,923,736)	(15,366,842)	(1,307,489)
Payments to employees	(459,406)	(5,884,328)	(1,726,509)
Payments to other funds	170,767	151,767	-
Net cash provided (used) by operating activities	(1,678,333)	3,124,237	249,314
<b>Cash flows from noncapital financing activities:</b>			
Transfers from (to) other funds	139,774	(172,913)	481,528
Other nonoperating revenues	18,436	107,649	33,985
Property taxes	90,157	90,157	-
Operating grants	1,381,206	1,580,578	-
Net cash provided (used) by noncapital financing activities	1,629,573	1,605,471	515,513
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(1,618,425)	(2,916,977)	(816,162)
Proceeds from the sale of assets	-	39,821	1,284
Capital grants	1,902,294	1,902,294	-
Principal paid on notes	(20,536)	(315,396)	(37,934)
Principal paid on bonds	(260,000)	(1,600,000)	-
Interest paid	(30,119)	(1,865,157)	-
Net cash provided (used) by capital and related financing activities	(26,786)	(4,755,415)	(852,812)
<b>Cash flows from investing activities:</b>			
Interest received	7,193	122,732	1,500
Net cash provided (used) by investing activities	7,193	122,732	1,500
Net increase (decrease) in cash and cash equivalents	(68,353)	97,025	(86,485)
Cash and cash equivalents - beginning	1,364,767	27,781,011	1,257,018
Cash and cash equivalents - ending	\$ 1,296,414	\$ 27,878,036	\$ 1,170,533

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (301,986)	\$ 613,008	\$ (550,763)	\$ (245,030)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	828,721	2,244,109	5,458	348,089
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable	41,594	18,079	(9,417)	(3,896)
(Increase) decrease in prepaid expense	8,790	7,973	4,702	2,737
(Increase) decrease in deferred outflows of resources from pensions	(550,666)	(293,947)	(266,641)	(88,601)
Increase (decrease) in accounts payable	(58,741)	218,799	7,286	(1,746)
Increase (decrease) in salaries payable	19,311	10,914	6,110	1,754
Increase (decrease) in due to other funds	-	-	-	(19,000)
Increase (decrease) in advances from other funds	-	-	-	-
Increase (decrease) in deposits payable	61,732	-	-	-
Increase (decrease) in deferred inflows of resources from pensions	(61,812)	(80,380)	(15,250)	(20,741)
Increase (decrease) in net pension liability	1,520,731	350,772	879,186	139,652
Increase (decrease) in compensated absences	13,029	(4,069)	488	230
Increase (decrease) in other postemployment benefit obligations	7,685	8,122	4,889	1,306
Net cash provided (used) by operating activities	<u>\$ 1,528,388</u>	<u>\$ 3,093,380</u>	<u>\$ 66,048</u>	<u>\$ 114,754</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>				
Cash and investments - unrestricted	\$ 9,414,024	\$ 8,934,332	\$ 3,698,244	\$ 421,135
Cash and investments - restricted	4,106,271	7,616	-	-
Total cash and investments	<u>\$ 13,520,295</u>	<u>\$ 8,941,948</u>	<u>\$ 3,698,244</u>	<u>\$ 421,135</u>
<b>Noncash investing, capital, and financing activities:</b>				
Developer and other capital contributions	<u>\$ 93,002</u>	<u>\$ 66,803</u>	<u>\$ -</u>	<u>\$ 31,080</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

	Business-Type Activities		Governmental Activities
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (2,388,345)	\$ (2,873,116)	\$ (231,261)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	626,666	4,053,043	393,209
Changes in assets, deferred outflows of resource, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	(156,326)	(109,966)	3,077
(Increase) decrease in prepaid expense	10,417	34,619	10,724
(Increase) decrease in deferred outflows of resources from pensions	(87,828)	(1,287,683)	(357,748)
Increase (decrease) in accounts payable	65,436	231,034	(108,880)
Increase (decrease) in salaries payable	1,742	39,831	2,449
Increase (decrease) in due to other funds	195,247	176,247	-
Increase (decrease) in advances from other funds	(24,480)	(24,480)	-
Increase (decrease) in deposits payable	-	61,732	-
Increase (decrease) in deferred inflows of resources from pensions	(60,949)	(239,132)	(79,931)
Increase (decrease) in net pension liability	134,650	3,024,991	601,018
Increase (decrease) in compensated absences	3,868	13,546	10,727
Increase (decrease) in other postemployment benefit obligations	1,569	23,571	5,930
Net cash provided (used) by operating activities	<u>\$ (1,678,333)</u>	<u>\$ 3,124,237</u>	<u>\$ 249,314</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>			
Cash and Investments - unrestricted	\$ 989,851	\$ 23,457,586	\$ 1,170,533
Cash and Investments - restricted	306,563	4,420,450	-
Total cash and investments	<u>\$ 1,296,414</u>	<u>\$ 27,878,036</u>	<u>\$ 1,170,533</u>
<b>Noncash investing, capital, and financing activities:</b>			
Developer and other capital contributions	<u>\$ 188,023</u>	<u>\$ 378,908</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	Successor Agency Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and investments	\$ 6,218,748	\$ 1,472,928
Receivables:		
Accounts, net	103,306	1,714
Prepaid items	180	-
Land held for resale	390,707	-
Restricted assets:		
Cash and investments with fiscal agents	3,100,292	261,744
Capital assets, not depreciated	389,566	-
Capital assets, net of accumulated depreciation	<u>3,797,317</u>	<u>-</u>
Total assets	<u>14,000,116</u>	<u>1,736,386</u>
<b>LIABILITIES</b>		
Accounts payable	288,266	32,800
Accrued liabilities	-	294,920
Salaries and accrued liabilities	7,769	-
Accrued interest	768,500	-
Deposit payable	-	12,048
Due to other governments	-	824,682
Due to other bondholders	-	571,936
Long-term debt, due within one year	1,305,022	-
Long-term debt, due in more than one year	<u>43,734,336</u>	<u>-</u>
Total liabilities	<u>46,103,893</u>	<u>\$ 1,736,386</u>
<b>NET POSITION</b>		
Net position held in trust for redevelopment dissolution and other purposes	<u>\$ (32,103,778)</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF CHANGES FIDUCIARY IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Successor Agency Private Purpose Trust Fund
<b>ADDITIONS</b>	
Property taxes	\$ 3,879,515
Interest income	46,136
Other payment received	<u>26,726</u>
Total additions	<u>3,952,377</u>
<b>DEDUCTIONS</b>	
General and administrative	367,144
Project expenses	584,551
Depreciation	199,337
Loss on sale of land	20,991
Interest on debts	<u>2,345,563</u>
Total deductions	<u>3,517,586</u>
Change in net position	434,791
Net position - beginning (restated)	<u>(32,538,569)</u>
Net position - ending	<u>\$ (32,103,778)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Madera, California (the “City”) was incorporated in 1907 under the general laws of the State of California. The City operates under an elected Council/City Manager form of government.

The City has defined its reporting entity in accordance with generally accepted accounting principles (“GAAP”) in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criterions for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship 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.

**Blended component unit.** The Madera Public Financing Authority (Financing Authority) was created in 1989. The Financing Authority is a joint exercise of joint powers. The City Council serves as directors of the Financing Authority. The purpose of the Financing Authority is to act as a financing/lending type of entity only. No separate annual financial statements are prepared for the Financing Authority.

Since the City Council previously served as the government board for this component unit, the City’s component unit was considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from this unit was reported with the data of the primary government.

**Discretely presented component unit.** The Housing Authority of the City of Madera (Housing Authority) is a governmental entity authorized in accordance with state law to engage in the development, acquisition, leasing, and administration of low-rent housing programs. The Housing Authority is governed by a Board of Commissioners, which is comprised of members of the City Council. Management of the Housing Authority is appointed and held accountable to the Governing Board. The annual financial statements for the Housing Authority can be obtained at the Housing Authority’s administrative office.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental audits. The Governmental Accounting Standards Board is the accepted standard setting body for governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.



**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation**

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *General Fund* accounts for all the general revenues of the City not specifically levied or collected for by other City funds and for expenditures related to the rendering of general services by the City.

The *General Development Impact Fee Fund* accounts for and reports the proceeds of the AB1600 development impact fee monies that are restricted or committed to expenditures for the intended purposes.

The *Special Gas Tax Fund* accounts for and reports the proceeds of the City's share of state gasoline taxes, which are restricted or committed to expenditures for the street construction and street maintenance projects.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The City reports the following major enterprise funds:

The *Water Fund* accounts for revenues and expenses of the operations of the City's water utility. All activities necessary to provide this service are accounted for in this fund, including administration, operations, maintenance, billing and collection and depreciation.

The *Sewer Fund* accounts for the revenues and expenses for the maintenance, repair and depreciation of the sewers within the City.

The *Solid Waste Fund* accounts for revenues and expenses of the solid waste removal and street cleaning activities.

The *Drainage Operations Fund* accounts for the activities related to drainage.

Additionally, the City reports the following fund types:

*Internal Service Funds* account for the financing of goods and services provided by one department of the City to other departments on a cost-reimbursement basis. The City has Internal Service Funds for Fleet Management and Replacement, Facility Maintenance, and Computer Replacement.

The *Successor Agency Private Purpose Trust Fund* accounts for the assets and liabilities of the former Redevelopment Agency and its allocated revenue to pay estimated installment payments of the enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

The *Agency Fund* is used to account for assets held by the City as an agent for individuals or private organizations and other governmental units. These include developer deposits, collections from the State of California, Federal, and Madera police department for assets forfeited, conduit debt, utility deposits, collections of payroll and related taxes and various restricted donations. Agency funds are custodial in nature (assets equals liabilities) and do not involve the measurement or results of operations. The City's Agency Fund accounts for assets held for other governments and various deposits held for individuals or private organizations.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified basis of accounting*. Revenues, except for grants, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirement, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues items are considered to be measurable and available only when cash is received by the City.

The City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following private sector standards issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. Governments have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private sector guidance.

The proprietary and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Cash and Cash Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**E. Cash and Investments**

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**F. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditure/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

**G. Land Held for Resale**

Land held for resale is recorded as an asset at the lower of historical cost or estimated net realizable value.

**H. 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 \$25,000 (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:

Buildings	25-30 years
Improvements	5-50 years
Equipment	4-15 years
Infrastructure	10-50 years

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Compensated Absences**

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**J. Unearned Revenue**

Unearned revenue is that for which 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).

**K. Unavailable Revenue**

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

**L. Pension**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Madera's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Net Position**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is classified in the following categories:

- ***Net investment in capital assets*** – This category 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 this category.
- ***Restricted net position*** – This category presents 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 net position*** – This category represents net amounts that do not meet the criteria for "restricted" or "net investment in capital assets".

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.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. 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*** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- ***Restricted*** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- ***Committed*** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- ***Assigned*** – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the Finance Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- ***Unassigned*** – This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

This policy delegates to the Finance Director the authority to assign unassigned fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Property Taxes**

Property taxes are assessed, collected and allocated by County of Madera throughout the fiscal year according to the following property tax calendar:

	<u>Secured</u>	<u>Unsecured</u>
Levy Dates	July 1	July 1
Lien Dates	January 1	January 1
Due Dates	November 1 and February 1	August 1
Delinquent After	December 10 and April 10	August 31

**P. Use of Estimates**

A number of estimates and assumptions relating to the reporting of revenues, expenditures/expenses, assets, deferred outflows of resources, liabilities and deferred inflows of resources, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments at June 30, 2017 are classified in the accompanying financial statements as follows:

	<u>Government-Wide Statement of Net Position</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	\$ 39,106,180	\$ 23,457,586	\$ 7,691,676	\$ 70,255,442
Restricted cash and investments with fiscal agents	-	4,420,450	3,362,036	7,782,486
Total	<u>\$ 39,106,180</u>	<u>\$ 27,878,036</u>	<u>\$ 11,053,712</u>	<u>\$ 78,037,928</u>

Cash and investments consist of the following as of June 30, 2017:

Cash and investments:	
Petty cash	\$ 7,744
Deposits with financial institutions	10,832,008
Investments	<u>67,198,176</u>
Total cash and investments	<u>\$ 78,037,928</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provision of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**Investments Authorized by the Debt Agreements**

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None



**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amounts	Remaining Maturity (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
<b>Pooled Investments in the City:</b>					
Local Agency Investment Fund	\$ 8,836,957	\$ 8,836,957	\$ -	\$ -	\$ -
Certificates of Deposit	4,233,000	499,000	1,246,000	2,488,000	-
U.S. Treasury Notes	3,991,200	3,991,200	-	-	-
U.S. Government Securities:					
Federal Home Loan Banks	4,476,250	999,300	-	3,476,950	-
Federal Home Loan Mortgage Corporation	3,297,048	905,088	157,291	2,234,669	-
Federal National Mortgage Association	4,328,727	414,577	-	3,914,150	-
Federal Farm Credit Bank Loan	1,496,050	-	1,000,000	496,050	-
U.S. Corporate Bonds	7,984,450	1,001,700	1,995,900	4,986,850	-
Investments held by bond trustee:					
Money Market Funds	4,820,493	4,820,493	-	-	-
Federal Home Loan Mortgage Corporation	14,611,824	3,727,446	4,918,132	5,966,246	-
Total pooled investments in the City	58,075,999	25,195,761	9,317,323	23,562,915	-
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>					
Local Agency Investment Fund	6,032,844	6,032,844	-	-	-
Investments held by bond trustee:					
Money Market Funds	71,561	71,561	-	-	-
Federal Home Loan Banks	187,669	-	-	187,669	-
Federal Home Loan Mortgage Corporation	1,452,424	154,995	99,551	1,197,878	-
Federal National Mortgage Association	1,377,679	442,482	-	935,197	-
Total Investments in Successor Agency Private Purpose Trust Fund	9,122,177	6,701,882	99,551	2,320,744	-
Total Investments	\$ 67,198,176	\$ 31,897,643	\$ 9,416,874	\$ 25,883,659	\$ -

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations 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 minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amounts	Exempt From Disclosure	Rating as of Year-End					
			Aaa	Aa1	Aa2	Aa3	P-1	Not Rated
Pooled Investments in the City:								
Local Agency Investment Fund	\$ 8,836,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,836,957
Certificates of Deposit	4,233,000	-	-	-	-	-	-	4,233,000
U.S. Treasury Notes	3,991,200	3,991,200	-	-	-	-	-	-
U.S. Government Securities:	-	-	-	-	-	-	-	-
Federal Home Loan Banks	4,476,250	-	4,476,250	-	-	-	-	-
Federal Home Loan Mortgage Corporation	3,297,048	-	3,297,048	-	-	-	-	-
Federal National Mortgage Association	4,328,727	-	4,328,727	-	-	-	-	-
Federal Farm Credit Bank Loan	1,496,050	-	1,496,050	-	-	-	-	-
U.S. Corporate Bonds	7,984,450	-	978,400	2,997,600	1,004,600	2,003,550	1,000,300	-
Investments held by bond trustee:	-	-	-	-	-	-	-	-
Money Market Funds	4,820,493	-	-	-	-	-	-	4,820,493
Federal Home Loan Mortgage Corporation	14,611,824	-	-	-	-	-	-	14,611,824
Total pooled investments in the City	58,075,999	3,991,200	14,576,475	2,997,600	1,004,600	2,003,550	1,000,300	32,502,274
Investments in Successor Agency Private Purpose Trust Fund:								
Local Agency Investment Fund	6,032,844	-	-	-	-	-	-	6,032,844
Investments held by bond trustee:	-	-	-	-	-	-	-	-
Money Market Funds	71,561	-	-	-	-	-	-	71,561
Federal Home Loan Banks	187,669	-	187,669	-	-	-	-	-
Federal Home Loan Mortgage Corporation	1,452,424	-	1,452,424	-	-	-	-	-
Federal National Mortgage Association	1,377,679	-	1,377,679	-	-	-	-	-
Total Investments in Successor Agency Private Purpose Trust Fund	9,122,177	-	3,017,772	-	-	-	-	6,104,405
Total Investments	\$ 67,198,176	\$ 3,991,200	\$ 17,594,247	\$ 2,997,600	\$ 1,004,600	\$ 2,003,550	\$ 1,000,300	\$ 38,606,679

**Concentration of Credit Risk**

The investment policy of the City contains no limitations 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 investments across the City's funds are as follows:

Issuer	Investment Type	Reported Amount
JP Morgan Chase Bank NA	U.S. Corporate Bonds	\$ 7,984,450

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The City had no uncollateralized cash at June 30, 2017. As of June 30, 2017, \$10,833,437 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in accounts collateralized in accordance with State law as described above. As of June 30, 2017, in accordance with the City's investment policy, none of the City's investments were held with a counterparty. All of the City's investments were held with an independent third party custodial bank.

**Local Agency Investment Fund**

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 to the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The City's investments with LAIF at June 30, 2017 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgaged-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

At June 30, 2017, the City's investments in LAIF were \$8,836,957 and the Successor Agency's investments in LAIF were \$6,032,844, which was reported at fair value.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Investment Valuation**

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Government Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2017:

		Fair Value Measurements Using		
		Quoted Price Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
Investment by Fair Value Level	Fair Value			
<b>Pooled Investments in the City:</b>				
Certificates of Deposit	\$ 4,233,000	\$ -	\$ 4,233,000	\$ -
U.S. Treasury Notes	3,991,200	3,991,200	-	-
U.S. Government Securities:				
Federal Home Loan Banks	4,476,250	-	4,476,250	-
Federal Home Loan Mortgage Corporation	3,297,048	-	3,297,048	-
Federal National Mortgage Association	4,328,727	-	4,328,727	-
Federal Farm Credit Bank Loan	1,496,050	-	1,496,050	-
U.S. Corporate Bonds	7,984,450	-	7,984,450	-
Investments Held by Bond Trustee:				
Federal Home Loan Mortgage Corporation	14,611,824	-	14,611,824	-
	<u>44,418,549</u>	<u>3,991,200</u>	<u>40,427,349</u>	<u>-</u>
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>				
Investments held by bond trustee:				
U.S. Government Securities:				
Federal Home Loan Banks	187,669	-	187,669	-
Federal Home Loan Mortgage Corporation	1,452,424	-	1,452,424	-
Federal National Mortgage Association	1,377,679	-	1,377,679	-
	<u>3,017,772</u>	<u>-</u>	<u>3,017,772</u>	<u>-</u>
	<u>47,436,321</u>	<u>3,991,200</u>	<u>43,445,121</u>	<u>-</u>
<b>Unclassified Investments</b>				
Pooled Investments in the City:				
Local Agency Investment Fund	8,836,957			
Investments Held by Bond Trustee:				
Money Market Funds	4,820,493			
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>				
Local Agency Investment Fund	6,032,844			
Investments held by bond trustee:				
Money Market Funds	<u>71,561</u>			
<b>Total Investments</b>	<u>\$ 67,198,176</u>			

Securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Certificates of deposit categorized as Level 2 are valued based on the rates currently offered for deposits of similar remaining maturities. Government agency securities, corporate bonds, and non-US securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 – RECEIVABLES**

**Accounts Receivable**

At June 30, 2017, accounts receivable of the City's major individual funds and nonmajor funds including the applicable allowance for uncollectible accounts are as follows:

<u>Governmental Activities</u>	<u>General</u>	<u>Special Gas Tax Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>			
Accounts receivable	\$ 3,954,404	\$ 857,799	\$ 578,997	\$ 5,391,200			
Less: allowance for uncollectibles	(14,949)	-	(210)	(15,159)			
Total accounts receivable, net	<u>\$ 3,939,455</u>	<u>\$ 857,799</u>	<u>\$ 578,787</u>	<u>\$ 5,376,041</u>			
<u>Business-Type Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Drainage Operations Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
Accounts receivable	\$ 664,447	\$ 185,968	\$ 241,716	\$ 20,210	\$ 717,714	\$ 1,830,055	\$ 1,761
Less: allowance for uncollectibles	(55,711)	(47,372)	(114,272)	(11,614)	-	(228,969)	-
Total accounts receivable, net	<u>\$ 608,736</u>	<u>\$ 138,596</u>	<u>\$ 127,444</u>	<u>\$ 8,596</u>	<u>\$ 717,714</u>	<u>\$ 1,601,086</u>	<u>\$ 1,761</u>

The amount of the allowance for each fund is a management determination made by reviewing past collections received on each account. This analysis includes reviewing the aging of the receivable balance, past account write-offs and other known variables. The allowance is evaluated at the end of the year for adequacy.

**Notes Receivable**

**Residential Rehab Special Revenue Fund**

The City was awarded a \$3 million dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$3 million loan to Madera Pacific Associates (MPS) for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. MPS is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2017 is \$2,962,234, which is recorded as a note receivable in the Residential Rehab special revenue fund.

The City was awarded a \$5 million dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$5 million loan to 100 Stadium Rd., L.P. for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. 100 Stadium Rd., L.P. is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2017 is \$5,034,343, which is recorded as a note receivable in the Residential Rehab special revenue fund.

**Low and Moderate Income Housing Asset Special Revenue Fund**

The Low and Moderate Income Housing Asset special revenue fund reports \$87,064 of notes receivable. These were loans funded from the former Redevelopment Agency to developers for construction of affordable housing or rehabilitation within the boundaries of the Redevelopment Project Area. These low interest-bearing loans are secured by deeds of trust. Maturities vary according to terms and disposition of property.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 – RECEIVABLES (Continued)**

**Notes Receivable (Continued)**

**Forgivable Loans**

The City administers the first time homebuyer, housing rehabilitation, and small business loan programs funded with various grants (i.e. CDBG, HOME, CalHome, NSP, etc.). Under these programs, individuals with incomes below certain levels are eligible to receive low interest loans. These loans are secured by deeds of trust on the properties. Deferred payment loans receivable under these forgivable loans are not required to be paid back unless the participating homeowner sells, transfers title to the property, or discontinues residence in the dwelling at which time the full amount of the deferred loan is due. These deferred payment loans are “nonperforming loans” and are not recorded as loans receivable in the financial statements. Loans and related items as of June 30, 2017 are summarized as follows:

<u>Loan Type</u>	<u>Outstanding Loan Balance</u>	<u>Due</u>
First-time homebuyer	\$ 5,549,007	30 years
Housing rehabilitation	1,069,299	30 years
Small business	<u>552,278</u>	10 years
Total	<u><u>\$ 7,170,584</u></u>	

**NOTE 4 – INTERFUND ACTIVITY**

**Current Interfund Receivables/Payables**

Current interfund balances that arise in the normal course of business are expected to be repaid shortly after the end of the fiscal year. Due to other funds represents short-term borrowing resulting from a fund's temporary need for additional cash. Primarily, these amounts have been recorded when funds overdraw their share of pooled cash. The following is a summary of current interfund balances as of June 30, 2017:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major funds:		
General fund	\$ 635,860	\$ -
Nonmajor funds:		
Rehab residential special revenue fund	205	19,095
Local transit enterprise fund	-	305,222
Golf course enterprise fund	<u>-</u>	<u>311,748</u>
Total	<u><u>\$ 636,065</u></u>	<u><u>\$ 636,065</u></u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 4 – INTERFUND ACTIVITY (Continued)**

**Long-term Interfund Receivables/Payables**

As of June 30, 2017, balances for interfund loans were as follows:

	Advances To Other Funds	Advances From Other Funds
Major funds:		
General fund	\$ 159,122	\$ -
Nonmajor funds:		
Golf course enterprise fund	-	159,122
Total	<u>\$ 159,122</u>	<u>\$ 159,122</u>

The advance of \$159,122 from the General Fund to the Golf Course Enterprise Fund was made for funding facility construction.

**Transfers Between Funds**

With City council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund.

	Transfers	
	In	Out
Major funds:		
General fund	\$ 4,194,996	\$ 854,610
General impact fee special revenue fund	65,241	564,754
Special gas tax special revenue fund	-	2,055,447
Water enterprise fund	-	66,318
Sewer enterprise fund	225,000	7,438
Solid waste enterprise fund	67,396	484,009
Drainage operations enterprise fund	-	47,318
Internal service fund	489,000	7,472
Nonmajor funds:		
Parking district special revenue fund	-	7,755
Street construction special revenue fund	-	465,000
Senior citizens services special revenue fund	49,736	-
Intermodal building special revenue fund	-	38
Park facilities special revenue fund	194,257	65,241
Community facilities district special revenue fund	-	800,000
Local transit enterprise fund	-	51,028
Golf course enterprise fund	191,583	-
Airport enterprise fund	-	781
Total	<u>\$ 5,477,209</u>	<u>\$ 5,477,209</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity of the governmental activities for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Deletions	Reclassifications	Transfers	Balance June 30, 2017
<b>Governmental Activities</b>						
Capital assets not being depreciated:						
Land	\$ 7,573,520	\$ -	\$ -	\$ -	\$ -	\$ 7,573,520
Construction in progress	<u>7,777,065</u>	<u>2,610,661</u>	<u>-</u>	<u>(718,388)</u>	<u>(190,201)</u>	<u>9,479,137</u>
Total capital assets not being depreciated	<u>15,350,585</u>	<u>2,610,661</u>	<u>-</u>	<u>(718,388)</u>	<u>(190,201)</u>	<u>17,052,657</u>
Capital assets being depreciated:						
Buildings and improvements	21,345,585	-	-	-	-	21,345,585
Equipment	11,745,174	810,109	(482,624)	190,201	(71,443)	12,191,417
Infrastructure	<u>289,547,145</u>	<u>1,032,949</u>	<u>(43,816)</u>	<u>718,388</u>	<u>-</u>	<u>291,254,666</u>
Total capital assets being depreciated	<u>322,637,904</u>	<u>1,843,058</u>	<u>(526,440)</u>	<u>908,589</u>	<u>(71,443)</u>	<u>324,791,668</u>
Less accumulated depreciation for:						
Buildings and improvements	6,191,774	415,261	-	-	-	6,607,035
Equipment	8,364,049	651,817	(482,624)	-	(66,590)	8,466,652
Infrastructure	<u>139,165,762</u>	<u>7,041,753</u>	<u>(41,732)</u>	<u>-</u>	<u>-</u>	<u>146,165,783</u>
Total accumulated depreciation	<u>153,721,585</u>	<u>8,108,831</u>	<u>(524,356)</u>	<u>-</u>	<u>(66,590)</u>	<u>161,239,470</u>
Governmental activities capital assets, net	<u>\$ 184,266,904</u>	<u>\$ (3,655,112)</u>	<u>\$ (2,084)</u>	<u>\$ 190,201</u>	<u>\$ (195,054)</u>	<u>\$ 180,604,855</u>

Capital assets activity of the business-type activities for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Deletions	Reclassifications	Transfers	Balance June 30, 2017
<b>Business-Type Activities</b>						
Capital assets not being depreciated:						
Land	\$ 9,026,517	\$ 500	\$ -	\$ -	\$ -	\$ 9,027,017
Construction in progress	<u>1,350,095</u>	<u>3,129,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,479,749</u>
Total capital assets not being depreciated	<u>10,376,612</u>	<u>3,130,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,506,766</u>
Capital assets being depreciated:						
Buildings and improvements	57,513,810	-	-	-	-	57,513,810
Equipment	4,973,304	-	(175,032)	-	71,443	4,869,715
Infrastructure	<u>95,517,487</u>	<u>160,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,678,367</u>
Total capital assets being depreciated	<u>158,004,601</u>	<u>160,880</u>	<u>(175,032)</u>	<u>-</u>	<u>71,443</u>	<u>158,061,892</u>
Less accumulated depreciation for:						
Buildings and improvements	27,143,136	1,739,492	-	-	-	28,882,628
Equipment	3,360,873	392,952	(175,032)	-	66,593	3,645,386
Infrastructure	<u>32,318,825</u>	<u>1,920,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,239,422</u>
Total accumulated depreciation	<u>62,822,834</u>	<u>4,053,041</u>	<u>(175,032)</u>	<u>-</u>	<u>66,593</u>	<u>66,767,436</u>
Business-type activities capital assets, net	<u>\$ 105,558,379</u>	<u>\$ (762,007)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,850</u>	<u>\$ 104,801,222</u>



**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 5 – CAPITAL ASSETS (Continued)**

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

**Governmental activities:**

General government	\$ 6,158,141
Public protection	122,935
Social services	11,981
Public ways and facilities	734,934
Community development	15,452
Culture and recreation	672,179
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>393,209</u>

Total depreciation expense - governmental activities	<u>\$ 8,108,831</u>
--	---------------------

**Business-type activities:**

Water	\$ 828,721
Sewer	2,244,109
Solid waste	5,458
Drainage operations	348,087
Local transit	348,256
Airport	<u>278,410</u>

Total depreciation expense - business-type activities	<u>\$ 4,053,041</u>
---	---------------------

**NOTE 6 – 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 8.

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 four types of items that qualify for reporting in this category and they are *unavailable revenue*, *deferred service concession agreement receipts* and *pension deferrals*.

- Unavailable revenue arises only under modified accrual basis of accounting and is reported only in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	Special Gas Tax Fund	Park Development	Federal Aid Urban	Street Construction	Intermodal Building	Total
Other taxes	\$ 372,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,263
Intergovernmental	<u>226,701</u>	<u>504,443</u>	<u>54,314</u>	<u>105,558</u>	<u>323,510</u>	<u>18,526</u>	<u>1,233,052</u>
Total	<u>\$ 598,964</u>	<u>\$ 504,443</u>	<u>\$ 54,314</u>	<u>\$ 105,558</u>	<u>\$ 323,510</u>	<u>\$ 18,526</u>	<u>\$ 1,605,315</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)**

- On October 7, 2009, the City entered into an operation and management lease agreement (Agreement) with the Sierra Golf Management, Inc. (SGM), under which SMG will operate and collect user fees from the Madera Municipal Golf Course for the five years with an additional five years extension of the Agreement. SGM will pay the City installment payment over the course of the Agreement; the present value of these installment payments is \$130,000. SGM will also pay a “per round” rate that establishes an initial rate of \$1.00 per round but increases in later years. SGM is required to operate and maintain the golf course in accordance with the Agreement. The City reports the golf course and related equipment as capital assets with a carrying amount of \$2,028,861 at year-end, and reported a receivable and deferred inflow of resources in the amount of \$90,000 at year-end pursuant to the service concession arrangement.
- The City has a gain on refunding of debt reported in the government-wide statement of net position and the proprietary fund statement of net position. A gain on refunding of debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for gain on refunding of debt reported in the business-type activities of the government-wide statement of net position and the proprietary fund statement of net position are \$386,772.
- 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 8.

**NOTE 7 – LONG-TERM LIABILITIES**

Changes in the City’s long-term liabilities for the year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
<b>Governmental Activities</b>					
Capital Leases:					
Police Facility	\$ 972,073	\$ -	\$ (81,760)	\$ 890,313	\$ 86,000
Madera Youth Center	528,893	-	(167,806)	361,087	176,197
Police In-car Camera lease	105,961	-	(31,202)	74,759	32,428
ERP System and Fire Truck	<u>1,395,218</u>	-	<u>(295,610)</u>	<u>1,099,608</u>	<u>303,675</u>
Total capital leases	3,002,145	-	(576,378)	2,425,767	598,300
Loans Payable:					
PG&E Energy Efficiency Retrofit loan	<u>98,022</u>	-	<u>(37,934)</u>	<u>60,088</u>	<u>37,934</u>
Total loans payable	98,022	-	(37,934)	60,088	37,934
Compensated absences	1,336,969	458	-	1,337,427	1,337,427
Net other postemployment benefit obligation	2,095,679	112,944	-	2,208,623	-
Net pension liability	<u>28,105,886</u>	<u>4,017,660</u>	-	<u>32,123,546</u>	-
Total	<u>\$ 34,638,701</u>	<u>\$ 4,131,062</u>	<u>\$ (614,312)</u>	<u>\$ 38,155,451</u>	<u>\$ 1,973,661</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
<b>Business-Type Activities</b>					
Loans payable:					
CIEDB loan	\$ 7,931,050	\$ -	\$ (294,860)	\$ 7,636,190	\$ 303,735
Airport Hanger loan	166,101	-	(20,536)	145,565	21,518
Total loans payable	8,097,151	-	(315,396)	7,781,755	325,253
Bonds payable:					
Water Revenue Bonds, Series 2010	10,465,000	-	(300,000)	10,165,000	315,000
Less: unamortized bond discounts	(119,293)	-	5,423	(113,870)	-
1993 Variable Rate Demand Bonds (Madera Municipal Golf Course Refinancing Project)	2,435,000	-	(260,000)	2,175,000	275,000
Water and Wastewater Refunding Revenue Bonds, Series 2015	30,070,000	-	(1,040,000)	29,030,000	1,075,000
Total bonds payable	42,850,707	-	(1,594,577)	41,256,130	1,665,000
Compensated absences	239,086	13,546	-	252,632	247,668
Net other postemployment benefit obligation	339,741	23,572	-	363,313	-
Net pension liability	3,860,097	3,024,991	-	6,885,088	-
Total	\$ 55,386,782	\$ 3,062,109	\$ (1,909,973)	\$ 56,538,918	\$ 2,237,921

**Governmental Activities Long-Term Debt**

**Capital Leases**

**Police Facility**

In December 2005, the City entered into a capital lease agreement with La Salle Bank to lease a portion of the construction cost for the police facility. The entire purchase price of the police station was \$5,200,000. The leased portion of the police station was \$1,500,000 and is payable over a period of twenty years. Semi-annual payments on the contract are \$65,249. The effective interest rate on the contract is 5.120% per annum. At June 30, 2017, the outstanding balance of the police station capital lease was \$890,313.

The annual debt service requirements at June 30, 2017 are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 86,000	\$ 44,497	\$ 130,497
2019	90,459	40,038	130,497
2020	95,150	35,347	130,497
2021	100,084	30,413	130,497
2022	105,274	25,223	130,497
2023-2026	413,346	43,396	456,742
Total	\$ 890,313	\$ 218,914	\$ 1,109,227

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Governmental Activities Long-Term Debt** (Continued)

**Capital Leases** (Continued)

Madera Youth Center

In May 2010, the City entered into a capital lease agreement with Municipal Finance Corporation to lease a portion of the construction of the Youth Center. The lease portion of the Youth Center was \$1,500,000 and is payable over a period of ten years. Semi-annual payments on the contract are \$194,257. The effective interest rate on the contract is 5% per annum. At June 30, 2017, the outstanding balance of the Youth Center capital lease was \$361,087.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 176,197	\$ 18,060	\$ 194,257
2019	184,890	9,250	194,140
Total	<u>\$ 361,087</u>	<u>\$ 27,310</u>	<u>\$ 388,397</u>

Police In-Car Camera

In August 2014, the City has entered into a capital lease agreement for the police department in-car camera system under which the related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$157,755 and is payable over a period of five years. Quarterly payments on the contract are \$8,713. The effective interest rate on the contract is 3.87%. At June 30, 2017, the outstanding balance of the capital lease was \$74,759.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 32,428	\$ 2,426	\$ 34,854
2019	33,701	1,153	34,854
2020	8,630	83	8,713
Total	<u>\$ 74,759</u>	<u>\$ 3,662</u>	<u>\$ 78,421</u>

ERP and Fire Truck

In August 2015, the City has entered into a five-year equipment lease-purchase agreement for the purchase of Enterprise Resource Planning (ERP) system to be installed at the City Hall and a fire truck with Holman Capital Corporation. Holman Capital Corporation deposited \$1,540,065 into the Escrow Fund, which the Community Business Bank is the escrow agent, for the acquisition of the equipment and for the payment of issuance costs. The related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$1,540,065 and is payable over a period of five years. Semi-monthly payments on the agreement are \$165,715. The effective interest rate on the contract is 2.71%. At June 30, 2017, the outstanding balance of the capital lease was \$1,099,608. The cash balance in the Escrow Fund held at the Community Business Bank as of June 30, 2017 is \$327,888. This remaining fund in the Escrow Fund account will be used to fund the acquisition of the equipment in the following fiscal year.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Governmental Activities Long-Term Debt** (Continued)

**Capital Leases** (Continued)

*ERP and Fire Truck (continued)*

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 303,675	\$ 27,756	\$ 331,431
2019	311,960	19,470	331,430
2020	320,472	10,959	331,431
2021	163,501	2,215	165,716
Total	<u>\$ 1,099,608</u>	<u>\$ 60,400</u>	<u>\$ 1,160,008</u>

**Loans Payable**

*PG&E Energy Efficiency Retrofit Loan*

In June 2012, the City entered into a loan agreement with PG&E to convert old high pressure sodium lights with new energy efficient LED streetlights. The loan amount is \$249,731 and is payable over a period of 6.7 years with zero percent interest. Monthly payments on the loan are \$3,161. At June 30, 2017, the outstanding balance of the PG&E Energy Efficiency Retrofit Loan was \$60,088.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 37,934	\$ -	\$ 37,934
2019	22,154	-	22,154
Total	<u>\$ 60,088</u>	<u>\$ -</u>	<u>\$ 60,088</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt**

**Loans Payable**

**California Infrastructure and Economic Development Bank (CIEDB) Loan**

Loan payable to California Infrastructure and Economic Development Bank for the regional wastewater treatment plant upgrade and expansion project; semi-annual installments of \$383,084 to \$525,788, including interest at 3.01% per annum. At June 30, 2017, the outstanding balance of the California Infrastructure and Economic Development Bank loan was \$7,636,190.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 303,735	\$ 225,278	\$ 529,013
2019	312,877	215,998	528,875
2020	322,295	206,439	528,734
2021	331,996	196,592	528,588
2022	341,989	186,448	528,437
2023-2027	1,870,691	769,075	2,639,766
2028-2032	2,169,697	465,570	2,635,267
2033-2036	1,982,910	121,583	2,104,493
Total	<u>\$ 7,636,190</u>	<u>\$ 2,386,983</u>	<u>\$ 10,023,173</u>

**Airport Hanger Loan**

Loan payable to the Department of Transportation, Division of Aeronautics for the purchase of fourteen airplane hangars; annual installments of \$14,131 to \$27,180, including interest at 4.7829%. At June 30, 2017, the outstanding balance of the Department of Transportation, Division of Aeronautics loan was \$145,565.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 21,518	\$ 6,962	\$ 28,480
2019	22,547	5,933	28,480
2020	23,625	4,855	28,480
2021	24,755	3,725	28,480
2022	25,939	2,541	28,480
2023	27,181	1,000	28,181
Total	<u>\$ 145,565</u>	<u>\$ 25,016</u>	<u>\$ 170,581</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt (Continued)**

**Bonds Payable**

**Water and Wastewater Revenue Bonds, Series 2006**

Water and Wastewater Revenue Bonds, Series 2006 were issued by the Financing Authority in March 2006 for \$35,995,000. Proceeds from the bonds were used to refund \$2,225,000 of its 1996 Sewer Revenue Refunding Bonds, Series A, and for Water and Sewer System Capital Facilities. The bonds are due in annual installments of \$50,000 to \$2,055,000 through March 1, 2036, with interest payable semiannually on September 1 and March 1 of each year at 3.5% to 4.75%. The City has issued the Water and Wastewater Refunding Revenue Bonds, Series 2015 in December 2015 to refund the Water and Wastewater Revenue Bonds, Series 2006.

**Water and Wastewater Refunding Revenue Bonds, Series 2015**

Water and Wastewater Refunding Revenue Bonds, Series 2015 were issued by the Financing Authority in December 2015 for \$30,140,000. Proceeds from the bonds were used to refund \$30,440,000 of its Water and Wastewater Refunding Revenue Bonds, Series 2015. The bonds are due in annual installments of \$70,000 to \$2,080,000 through March 1, 2036, with interest payable semiannually on September 1 and March 1 of each year at 3.700%. At June 30, 2017, the outstanding balance of the Water and Wastewater Revenue Bonds was \$29,030,000.

The Financing Authority has pledged a portion of future water and wastewater revenue to repay the 2015 Water and Wastewater Revenue Bonds. Total principal and interest remaining on the agreement is \$40,939,190 payable through 2036.

The annual debt service requirements at June 30, 2017 are as follows:

Year Ending June 30,	Water			Sewer			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 70,000	\$ 72,150	\$ 142,150	\$ 1,005,000	\$ 1,001,960	\$ 2,006,960	\$ 1,075,000	\$ 1,074,110	\$ 2,149,110
2019	75,000	69,560	144,560	1,045,000	964,775	2,009,775	1,120,000	1,034,335	2,154,335
2020	75,000	66,785	141,785	1,080,000	926,110	2,006,110	1,155,000	992,895	2,147,895
2021	80,000	64,010	144,010	1,120,000	886,150	2,006,150	1,200,000	950,160	2,150,160
2022	85,000	61,050	146,050	1,165,000	844,710	2,009,710	1,250,000	905,760	2,155,760
2023-2027	475,000	256,225	731,225	6,510,000	3,544,045	10,054,045	6,985,000	3,800,270	10,785,270
2028-2032	555,000	162,060	717,060	7,805,000	2,247,195	10,052,195	8,360,000	2,409,255	10,769,255
2033-2036	535,000	50,135	585,135	7,350,000	692,270	8,042,270	7,885,000	742,405	8,627,405
Total	<u>\$ 1,950,000</u>	<u>\$ 801,975</u>	<u>\$ 2,751,975</u>	<u>\$ 27,080,000</u>	<u>\$ 11,107,215</u>	<u>\$ 38,187,215</u>	<u>\$ 29,030,000</u>	<u>\$ 11,909,190</u>	<u>\$ 40,939,190</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt** (Continued)

**Bonds Payable** (Continued)

Water Revenue Bonds, Series 2010

Water Revenue Bonds, Series 2010 were issued by the Financing Authority in November 2010 for \$11,215,000. The City will use the proceeds from the Bonds along with the changing of water and sewer rates to bring the City into compliance with State Law to have the entire City on water meters by the year 2025. The bonds are due in annual installments of \$65,000 to \$745,000 through March 1, 2038, with interest payable semi-annually on September 1 and March 1 of each year at 4.5%. At June 30, 2017, the outstanding balance was \$10,165,000.

The Financing Authority has pledged a portion of future wastewater revenue to repay the 2010 Water Revenue Bonds. Total principal and interest remaining on the agreement is \$16,386,653, payable through 2038.

The Water Revenue Bonds, Series 2010 were issued at a discount which is being amortized over the life of the bonds resulting in an annual amortization of \$5,423. At June 30, 2017, the outstanding balance of the discount on the bonds was \$113,870.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 315,000	\$ 467,513	\$ 782,513
2019	320,000	458,063	778,063
2020	335,000	448,463	783,463
2021	345,000	441,763	786,763
2022	355,000	435,063	790,063
2023-2027	2,030,000	1,881,363	3,911,363
2028-2032	2,520,000	1,369,175	3,889,175
2033-2037	3,200,000	683,000	3,883,000
2038	745,000	37,250	782,250
Total	<u>\$ 10,165,000</u>	<u>\$ 6,221,653</u>	<u>\$ 16,386,653</u>



**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt** (Continued)

**Bonds Payable** (Continued)

1993 Variable Rate Demand Bonds

In May 1993, the Financing Authority issued Variable Rate Demand Bonds in the aggregate principal of \$5,280,000. The proceeds were used to redeem \$4,835,000 of its December 8, 1989 Lease Revenue Bonds, Series A, and \$262,450 for additional Golf Course construction. The bonds are due in annual installments of \$140,000 to \$350,000 beginning November 2001 with interest at a variable rate not to exceed 10.0% per annum payable semi-annually. Payments of principal and interest on the bonds are supported by an irrevocable direct draw letter of credit. At June 30, 2017, the variable interest rate was 0.92% and the outstanding balance of the Variable Rate Demand Bonds was \$2,175,000. Total principal and interest remaining on the agreement is payable through 2024.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 275,000	\$ 20,010	\$ 295,010
2019	285,000	17,480	302,480
2020	295,000	14,858	309,858
2021	310,000	12,144	322,144
2022	325,000	9,292	334,292
2023-2024	685,000	9,522	694,522
Total	<u>\$ 2,175,000</u>	<u>\$ 83,306</u>	<u>\$ 2,258,306</u>

**Compensated Absences**

The City's policy relating to compensated absences is described in Note 1. At June 30, 2017, the City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) balance is \$1,337,427 for governmental activities and \$252,632 for business-type activities. All compensated absence amounts above are generally liquidated by the fund incurring the expense.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 – PENSION PLANS**

**AGENT MULTIPLE EMPLOYER PLANS**

**A. General Information**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is 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 Miscellaneous Plan is 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 Plan is closed to new entrants as of January 1, 2013.

The Plans' provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Miscellaneous		
	1st Tier	2nd Tier	PEPRA
	Prior to	January 1, 2011 thru	On or after
Hire Date	January 1, 2011	December 31, 2013	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 - 55	50 - 63	52 - 67
Monthly benefits, as a % of annual salary	2.000% to 2.500%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	8.000%	7.000%	6.250%
Required employer contribution rates	21.604%	21.604%	21.604%

Employees Covered – At June 30, 2017, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	188
Inactive employees entitled to but not yet receiving benefits	204
Active employees	200
Total	<u>592</u>

**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.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**B. Net Pension Liability**

The City's net pension liability for its Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Miscellaneous Plan is measured as of June 30 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.50% <sup>(2)</sup>
Mortality	Derived from CalPERS Membership Data for all Funds <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> Net of pension plan investment expenses, including inflation

<sup>(3)</sup> The Mortality Table 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, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the 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 of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**B. Net Pension Liability (Continued)**

**Discount Rate (Continued)**

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 PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) 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.

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. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1-10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	(0.55%)	(1.05%)
Total	100.00%		

<sup>(a)</sup> An expected inflation of 2.5% used for this period

<sup>(b)</sup> An expected inflation of 3.0% used for this period

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**C. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Liability	Net Pension Liability/(Asset)
Balance at 6/30/2014	\$70,618,527	\$52,661,666	\$17,956,861
Changes in the year:			
Service cost	1,556,770	-	1,556,770
Interest on total pension liability	5,352,560	-	5,352,560
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	337,609	-	337,609
Plan to plan resource movement	-	394	(394)
Contributions - employer	-	1,948,033	(1,948,033)
Contributions - employees	-	775,135	(775,135)
Net investment income	-	282,173	(282,173)
Benefit payment, including refunds of employee contributions	(3,532,833)	(3,532,833)	-
Administrative expenses		(32,095)	32,095
Net changes	3,714,106	(559,193)	4,273,299
Balance at 6/30/2015	\$74,332,633	\$52,102,473	\$22,230,160

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net position liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Miscellaneous Plan, as well as what the City's 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:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
6.65%	7.65%	8.65%
\$ 31,649,861	\$ 22,230,160	\$ 14,398,335

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLAN (Continued)**

**D. Pension Expenses Deferred Outflows/Inflows of Resources Related to Pensions**

The City recognized pension expense, deferred outflows or resources and deferred inflows of resources included a portion attributable to superior court employees. These employees are not employees of the City of Madera, however, disaggregated information was not available from CalPERS. The effect of this liability was deemed immaterial to the overall Net Pension Liability by City management.

For the year ended June 30, 2017, the City recognized pension expense of \$2,603,867. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,704,411	\$ -
Changes of assumptions	-	446,058
Differences between actual and expected experience	228,702	101,227
Net differences between projected and actual earnings on plan investments	2,835,478	-
Total	<u>\$ 5,768,591</u>	<u>\$ 547,285</u>

\$2,704,411 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ 49,424
2018	414,282
2019	1,312,719
2020	740,470
2021	-
Therafter	-

**E. Payable to the Pension Plan**

The City did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN**

**A. General Information about the Pension Plan**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Madera (City) sponsors three safety rate plans (three police) Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan 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 the Plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Safety		
	1st Tier	2nd Tier	PEPRA
Hire date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 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	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.000%	2.400% to 3.000%	2.000% to 2.700%
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	19.536%	16.656%	12.082%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$1,001,595 for the fiscal year ended June 30, 2016.

**Contributions** – Section 20814(c) 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 the Plan 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.

The City's contributions to the Plan recognized as a part of pension expense for the year ended June 30, 2017 were \$1,806,992.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN (Continued)**

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

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$16,778,473.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2015 was as follows:

Proportion - June 30, 2015	0.3400%
Proportion - June 30, 2016	0.3240%
Change - Increase (Decrease)	-0.0160%

For the year ended June 30, 2017, the City recognized pension expense of \$1,294,400. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,019,944	\$ -
Changes of assumptions	-	565,848
Differences between actual and expected experience	-	129,779
Net differences between projected and actual earnings on plan investments	2,779,984	-
Change in employer's proportion	488,923	177,409
Differences between the employer's actual contributions and the employer's proportionate share of contributions	374,885	-
Total	<u>\$ 5,663,736</u>	<u>\$ 873,036</u>

\$2,019,944 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, 2018. 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	
2017	\$ 374,570
2018	369,653
2019	1,302,823
2020	723,710
2021	-
Therafter	-



**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN (Continued)**

**C. Actuarial Assumptions**

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.50% <sup>(2)</sup>
Mortality	Derived from CalPERS Membership Data for all Funds <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> Net of pension plan investment expenses, including inflation

<sup>(3)</sup> The Mortality Table 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, 2014 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.

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the 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 of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN (Continued)**

**D. Discount Rate (Continued)**

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 PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) 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.

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. The target allocation shown was adopted by the Board effective on July 1, 2014

Asset Class	New Strategic Allocation	Real Return Years 1-10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	(0.55%)	(1.05%)
Total	100.00%		

<sup>(a)</sup> An expected inflation of 2.5% used for this period

<sup>(b)</sup> 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 the Plan, calculated using the discount rate for the 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:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
6.65%	7.65%	8.65%
\$ 24,156,479	\$ 16,778,473	\$ 10,721,887

**E. Pension Plan Fiduciary Net Position**

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

**F. Payable to the Pension Plan**

The City did not have and outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS**

Plan Description

The City of Madera Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides healthcare benefits to eligible retirees. Benefit provisions are negotiated and may be amended through agreements and memorandums of understanding between the City, its management employees, and union representing City employees. Membership in the Plan at the most recent valuation date July 1, 2016 consisted of the following: Eligible active employees were 216; enrolled eligible retirees were 18.

Eligibility

Membership of the Plan at the most recent valuation date July 1, 2016 consisted of the following:

	Management*	All Other Bargaining Group**
Eligibility	Retire directly from City at age 50 and 20 years City service, including 3 years with Management***	Retire directly from City at age 50 and 5 years CalPERS service (or disability retirement)
Medical	Retiree - City pays single premium including supplemental to Medicare and prescription drug premium when Medicare eligible. Must be enrolled at retirement; cannot re-elect coverage; spouse/family - retiree-paid	Retiree pays premium (until age 65 or Medicare eligible). Spouse/family-retiree-paid (until age 65 or Medicare eligible; cannot re-elect coverage)

\*Benefits consistent with individual executive contracts

\*\*Excludes City Council

\*\*\*Management with 5 years City service can participate with payment of premium

Funding Policy

There is no statutory requirement for the City to pre-fund its OPEB obligation. The City has currently chosen to pay Plan benefits on a pay-as-you-go basis. There are no employee contributions. For fiscal year 2016-17, the City contributed approximately \$41,167 on a pay-as-you-go-basis for cash subsidy benefit payments and approximately \$70,466 for implied subsidy benefit payments.

Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligations

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the City's annual required contribution (OPEB costs), for the fiscal years ended June 30, 2015, 2016, and 2017, the amount actually contributed to the plan, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation:

Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 258,428	\$ 127,806	49%	\$ 2,309,496
June 30, 2016	\$ 256,100	\$ 130,176	51%	\$ 2,435,420
June 30, 2017	\$ 248,149	\$ 111,633	45%	\$ 2,571,936

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)**

The following table shows the components of City's annual OPEB cost for the fiscal year ended June 30, 2017, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year.

Annual required contribution (ARC)	\$ 247,518
Interest on net OPEB obligation	97,417
Adjustment to annual required contribution	<u>(96,786)</u>
Annual OPEB cost (expense)	248,149
Contributions made	<u>(111,633)</u>
Change in net OPEB obligation	136,516
Net OPEB obligation, beginning of the year	<u>2,435,420</u>
Net OPEB obligation, end of the year	<u>\$ 2,571,936</u>

**Funded Status and Funding Progress**

The funded status of the plan as of the most recent actuarial valuation, July 1, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 4,171,341
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,171,341</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 15,209,198
UAAL as a percentage of covered payroll	27%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)**

*Actuarial Methods and Assumptions (continued)*

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	\$ -	\$ 4,717,369	\$ 4,717,369	0%	\$ 12,328,640	38%
July 1, 2014	\$ -	\$ 4,817,463	\$ 4,817,463	0%	\$ 12,466,331	39%
July 1, 2016	\$ -	\$ 4,171,341	\$ 4,171,341	0%	\$ 15,209,198	27%

**NOTE 10 – DEFERRED COMPENSATION**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan was amended so that the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since the plan assets are administered by an outside party and not subject to the claims of the City's general creditors, their assets and related liabilities are not on the City's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

**NOTE 11 – RISK MANAGEMENT**

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool for workers' compensation and general liability insurance. The CSJVRMA is a consortium of fifty-five cities located in California's San Joaquin Valley. It was established under the provisions of California Government Code Section 6500 et. seq. CSJVRMA is governed by a Board of Directors, consisting of one member appointed by each member city. The day-to-day business operations are handled by a management group employed by CSJVRMA. The relationship between the City and CSJVRMA is such that the CSJVRMA is not considered a component unit of the City for financial reporting purposes.

General Liability Insurance coverage is addressed via retention maintained by the City and participation in CSJVRMA. The City maintains a self-insured retention level of \$100,000 and participates in the CSJVRMA risk pool for coverage up to \$1,000,000. CSJVRMA participates in an excess pool, which provides coverage from \$1,000,000 to \$29,000,000.

Workers' Compensation coverage is also addressed via a retention maintained by the City and participation in CSJVRMA. The City maintains a self-insured retention level of \$100,000 and participates in the CSJVRMA risk pool for additional coverage up to \$250,000. CSJVRMA also participates in an excess pool which provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance of approximately \$500,000 to the statutory limit.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 11 – RISK MANAGEMENT (Continued)**

The summary financial position and results of operations for CSJVRMA, as of June 30, 2017, is presented as follows:

<b>Statement of Net Position</b>	
Current assets	\$ 28,521,106
Noncurrent assets	<u>72,463,113</u>
Total assets	<u>100,984,219</u>
Current liabilities	19,400,064
Noncurrent liabilities	<u>63,609,584</u>
Total liabilities	<u>83,009,648</u>
Total net position	<u>\$ 17,974,571</u>

<b>Statement of Revenues, Expenses and Changes in Net Position</b>	
Operating revenues	\$ 44,722,848
Operating expenses	<u>42,218,070</u>
Operating income (loss)	2,504,778
Nonoperating income (loss)	<u>34,961</u>
Increase (decrease) in net position	2,539,739
Net position - beginning of year	<u>15,434,832</u>
Net position - end of year	<u>\$ 17,974,571</u>

**NOTE 12 – CONTINGENCIES AND COMMITMENTS**

**Litigation**

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

**Contingent Liabilities**

On March 1, 1993, the City issued Certificates of Participation in the aggregate of \$10,250,000 for the benefit of Madera Community Hospital (Hospital), a California nonprofit public benefit corporation. The Hospital is not included in the City's reporting entity. The City is obligated to make the purchase payments only from and to the extent that it receives revenue from the Hospital. They are not secured by any pledge of taxes or other revenues of the City. In addition, the purchase payments are insured by the Office of Statewide Health Planning and Development of the State of California. As of June 30, 2017, the City has not recorded revenues from the Hospital.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12 – CONTINGENCIES AND COMMITMENTS (Continued)**

**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 City'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 City anticipates such amounts, if any, will be immaterial.

**Contractual Commitments**

The City has active construction projects as of June 30, 2017. At year-end, the City's major contractual commitments are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Water System Condition Assessment/Rehab	\$ 295,000	\$ 46,690	\$ 248,310
Sewer System Assessment/Rehab	320,320	34,392	285,928
Transit Facility	415,000	269,072	145,928
Sewer Main Video Inspection	536,000	54,158	481,842
	<u>536,000</u>	<u>54,158</u>	<u>481,842</u>
 Total	 <u>\$ 1,566,320</u>	 <u>\$ 404,312</u>	 <u>\$ 1,162,008</u>

In addition, the City has various contracts with developers for the cost of public improvements made through construction of new developments within the City. The agreements are for the reimbursement of reasonable costs for the construction of public improvements within the planned developments. The City agrees to reimburse developers for the City's proportionate share of the costs of improvements as determined by the City Engineer. The City will not reimburse any expenses beyond the actual and reasonable costs of installing the improvements.

**Encumbrances**

At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 57,992
General development impact fund	16,007
Special gas tax fund	77,887
Nonmajor governmental funds	<u>342,544</u>
 Total	 <u>\$ 494,430</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 12 – CONTINGENCIES AND COMMITMENTS (Continued)**

**Operating Leases**

In June 2014, the City entered into an operating lease agreement for computers for the City. The term of the agreement ends June 2017. Rental expense for the year ended June 30, 2017 was \$62,215.

In June 2013, the City entered into an operating lease agreement for copiers for the City. The term of the agreement ends June 2018. Rental expense for the year ended June 30, 2017 was \$33,322.

The future minimum payments anticipated under these commitments as of June 30, 2017 are as follows:

Fiscal Year Ending June 30,	Computers	Copiers	Total
2018	\$ 62,215	\$ 33,322	\$ 95,537
	<u>\$ 62,215</u>	<u>\$ 33,322</u>	<u>\$ 95,537</u>

**NOTE 13 – DEFICIT FUND BALANCE**

**Deficit Fund Balance**

The City has accumulated fund deficits in the following individual funds:

**Nonmajor enterprise funds**

The Golf Course Fund has a net fund deficit of \$306,549. The deficit is due primarily to the \$2,435,000 outstanding bonds for the Madera Municipal Golf Course Refinancing Project. It is anticipated that the deficit in this fund will be eliminated through future revenues or transfers from other funds.



**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 14 – RESTATEMENTS OF BEGINNING NET POSITIONS**

**Prior Period Adjustments**

***Governmental Activities***

The beginning net position 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 the errors in the prior year.

***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.

***Reclassification of Community Facilities District Agency Fund***

During the current fiscal year, management determined that a portion of the Community Facilities District Fund was previously incorrectly classified as a special revenue fund. Rather, due to the nature of the activity of this fund and the City's role in only maintaining its financial records, it would more appropriately be classified as a fiduciary fund. Accordingly, all assets in this fund are now being reported in the City's Agency Fund. The result of this new classification was an increase of the opening net position of the governmental activities of \$2,167,151 and a decrease in the opening fund balance of the Community Facilities District Special Revenue Fund of \$557,993.

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Beginning net position	\$ 199,469,649	\$ 74,792,092	\$ 274,261,741
Prior period adjustments:			
Overstatement of accounts payable	139,858	-	139,858
Understatement of accounts receivable	510,540	-	510,540
Reclassification of Community Facilities District	2,167,151	-	2,167,151
Total prior period adjustments	<u>2,817,549</u>	<u>-</u>	<u>2,817,549</u>
Beginning net position, as restated	<u>\$ 202,287,198</u>	<u>\$ 74,792,092</u>	<u>\$ 277,079,290</u>

Reconciliation of the prior period ending to the current year beginning fund balances/net positions in the fund financial statements are as follows:

	Major Governmental Fund	Nonmajor Governmental Funds	Fiduciary Fund	
Description	General Fund	Residential Rehab	Community Facilities District	Successor Agency Private Purpose Trust Fund
Beginning fund balance/net position	\$ 14,447,950	\$ 7,423,839	\$ 1,280,113	\$ (33,627,218)
Prior period adjustments:				
Overstatement of accounts payable	139,858	-	-	2,006
(Overstatement) understatement of accounts receivable	10,540	500,000	-	28,204
Understatement of capital assets	-	-	-	1,062,509
Reclassification of Community Facilities District	-	-	(557,993)	(4,070)
Total prior period adjustments	<u>150,398</u>	<u>500,000</u>	<u>(557,993)</u>	<u>1,088,649</u>
Beginning fund balance/net position, as restated	<u>\$ 14,598,348</u>	<u>\$ 7,923,839</u>	<u>\$ 722,120</u>	<u>\$ (32,538,569)</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 15 – SEGMENT INFORMATION**

Segment information for the Water Fund, Sewer Fund, and Golf Course Fund was as follows:

	Water Fund	Sewer Fund	Golf Course Fund
<b>CONDENSED STATEMENT OF NET POSITION</b>			
Assets:			
Current assets	\$ 14,130,498	\$ 9,081,377	\$ 407,492
Capital assets	22,710,976	46,054,590	2,028,861
Total assets	<u>36,841,474</u>	<u>55,135,967</u>	<u>2,436,353</u>
Deferred outflows of resources:			
Deferred outflows of resources related to pensions	705,544	495,352	-
Total deferred outflows of resources	<u>705,544</u>	<u>495,352</u>	<u>-</u>
Liabilities:			
Current liabilities	2,556,833	2,202,308	752,902
Noncurrent liabilities	14,450,870	35,453,082	1,900,000
Total liabilities	<u>17,007,703</u>	<u>37,655,390</u>	<u>2,652,902</u>
Deferred inflows of resources:			
Deferred inflows of resources related to pensions	36,518	47,489	-
Deferred service concession arrangement receipts	-	-	90,000
Gain on refunding of debt	25,944	360,828	-
Total deferred inflows of resources	<u>62,462</u>	<u>408,317</u>	<u>90,000</u>
Net position:			
Net investment in capital assets	13,739,126	11,338,400	(146,139)
Restricted	1,076,451	-	-
Unrestricted	5,661,276	6,229,212	(160,410)
Total net position	<u>\$ 20,476,853</u>	<u>\$ 17,567,612</u>	<u>\$ (306,549)</u>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>			
Operating revenues	\$ 9,139,387	\$ 8,042,174	\$ 93,797
Depreciation expense	(828,721)	(2,244,109)	-
Other operating expenses	(8,612,652)	(5,185,057)	(90,675)
Operating income (loss)	(301,986)	613,008	3,122
Nonoperating revenue (expenses):			
Investment income	56,100	38,154	618
Interest expense	(562,057)	(1,236,972)	(17,839)
Other nonoperating revenue (expenses)	12,071	99,363	(7,369)
Capital contributions	93,002	66,803	-
Transfers in	-	225,000	191,583
Transfers out	(66,318)	(7,438)	-
Change in net position	(769,188)	(202,082)	170,115
Beginning net position	21,246,041	17,769,694	(476,664)
Ending net position	<u>\$ 20,476,853</u>	<u>\$ 17,567,612</u>	<u>\$ (306,549)</u>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>			
Net cash provided (used) by:			
Operating activities	\$ 1,528,388	\$ 3,093,380	\$ 93,016
Noncapital financing activities	(60,434)	300,891	191,583
Capital and related financing activities	(1,010,275)	(3,731,101)	(282,175)
Investment activities	57,819	38,154	1,036
Net increase (decrease)	515,498	(298,676)	3,460
Beginning cash and cash equivalents	13,004,797	9,240,624	305,220
Ending cash and cash equivalents	<u>\$ 13,520,295</u>	<u>\$ 8,941,948</u>	<u>\$ 308,680</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND**

On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill 1X26 (the Bill”) which dissolved all redevelopment agencies in the State of California.

Under the control of an oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution of the redevelopment agency (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocated revenue in the amount that is necessary to pay 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.

After the date of the 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.

**Capital Assets**

Capital assets activity of the Successor Agency Trust Fund as of June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 389,566	\$ -	\$ -	\$ 389,566
Total capital assets not being depreciated	389,566	-	-	389,566
Capital assets being depreciated:				
Buildings and improvements	3,339,683	1,736,914	-	5,076,597
Equipment	378,169	-	-	378,169
Total capital assets being depreciated	3,717,852	1,736,914	-	5,454,766
Less accumulated depreciation for:				
Buildings and improvements	1,177,496	171,333	-	1,348,829
Equipment	280,619	28,001	-	308,620
Total accumulated depreciation	1,458,115	199,334	-	1,657,449
Capital assets, net	\$ 2,649,303	\$ 1,537,580	\$ -	\$ 4,186,883

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

**Long-term Debt**

The following is a summary of long-term debt obligation transactions for the Successor Agency Trust Fund at June 30, 2017:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
1998 Tax Allocation Bonds	\$ 5,695,000	\$ -	\$ (140,000)	\$ 5,555,000	\$ 140,000
Less: unamortized bond discounts	(64,213)	-	5,351	(58,862)	-
2003 Tax Allocation Bonds	14,590,000	-	(605,000)	13,985,000	635,000
Add: unamortized bond premiums	7,809	-	(460)	7,349	-
2008A Series Tax Allocation Bonds	23,070,000	-	(395,000)	22,675,000	415,000
2008B Series Tax Allocation Bonds	3,495,000	-	(85,000)	3,410,000	90,000
Less: unamortized bond discounts	(585,775)	-	26,624	(559,151)	-
Compensated absences	23,608	1,414	-	25,022	25,022
Total	<u>\$ 46,231,429</u>	<u>\$ 1,414</u>	<u>\$ (1,193,485)</u>	<u>\$ 45,039,358</u>	<u>\$ 1,305,022</u>

**1998 Tax Allocation Bonds**

On October 8, 1998, the Agency issued \$7,440,000 of 1998 Tax Allocation Redevelopment Project Bonds. The proceeds of the bonds were used to finance redevelopment activities within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance, sale and delivery of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 1999, with the final payment due in the year 2029. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.15% to 4.95%. Principal and interest will be paid from tax increment revenues consisting of a portion of taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2017 was \$5,555,000.

The Agency has pledged a portion of future property tax increment revenue to repay the 1998 Tax Allocation Redevelopment Bonds. The bonds required 10% of the RDA property tax increment revenue. Total principal and interest remaining on the bonds is \$7,763,516 payable through 2029.

The annual debt service requirements at June 30, 2017 are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 140,000	\$ 260,098	\$ 400,098
2019	150,000	253,500	403,500
2020	155,000	246,406	401,406
2021	165,000	238,806	403,806
2022	170,000	230,850	400,850
2023-2027	2,890,000	888,250	3,778,250
2028-2029	1,885,000	90,606	1,975,606
Total	<u>\$ 5,555,000</u>	<u>\$ 2,208,516</u>	<u>\$ 7,763,516</u>

The 1998 Tax Allocation Bonds were issued at a discount of \$160,533, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$5,351. Unamortized bond discount as of June 30, 2017 was \$58,862.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

**Long-term Debt (Continued)**

**2003 Tax Allocation Bonds**

On October 23, 2003, the Agency issued \$19,495,000 of 2003 Tax Allocation Refunding and Redevelopment Project Bonds. The proceeds of the bonds were used to advance refund the Agency's 1993 Bond Anticipation Notes dated July 1, 1993, in an amount of \$7,201,007, to fund the acquisition and construction of new improvements within the Madera Redevelopment Project Area, to pay Agency housing set-aside obligations, to pay costs incurred in connection with the issuance, sale and delivery of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 2004, with the final payment due in the year 2034. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 2.00% to 5.00%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2017 was \$13,985,000.

The Agency has pledged a portion of future property tax increment revenue to repay the 2003 Tax Allocation Refunding Bonds. The bond required 34% of the RDA property tax increment revenues. Total principal and interest remaining on the bond is \$21,305,019 payable through 2033.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 635,000	\$ 678,856	\$ 1,313,856
2019	660,000	651,075	1,311,075
2020	690,000	622,200	1,312,200
2021	720,000	587,700	1,307,700
2022	760,000	554,400	1,314,400
2023-2027	2,455,000	2,284,650	4,739,650
2028-2032	4,870,000	1,699,638	6,569,638
2033	3,195,000	241,500	3,436,500
Total	<u>\$ 13,985,000</u>	<u>\$ 7,320,019</u>	<u>\$ 21,305,019</u>

The 2003 Tax Allocation Bonds were issued at a premium of \$13,799, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$459. Unamortized bond premium as of June 30, 2017 was \$7,349.

**2008A Series Tax Allocation Bonds**

On September 10, 2008, the Agency issued \$25,455,000 of 2008A Series Tax Allocation Bonds. The proceeds of the bonds were used to finance redevelopment activities within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 2010, with the final payment due in the year 2039. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.50% to 5.38%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2017 was \$22,675,000.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

***Long-term Debt (Continued)***

**2008A Series Tax Allocation Bonds (continued)**

The Agency has pledged a portion of future property tax increment revenue to repay the 2008A Series Tax Allocation Bonds. The bond required 41% of the RDA property tax increment revenue. Total principal and interest remaining on the bond is \$40,368,451 payable through 2039.

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 415,000	\$ 1,172,768	\$ 1,587,768
2019	430,000	1,153,598	1,583,598
2020	450,000	1,132,827	1,582,827
2021	475,000	1,110,983	1,585,983
2022	495,000	1,086,880	1,581,880
2023-2027	2,890,000	5,006,354	7,896,354
2028-2032	3,740,000	4,108,732	7,848,732
2033-2037	8,600,000	2,653,289	11,253,289
2038-2039	<u>5,180,000</u>	<u>268,020</u>	<u>5,448,020</u>
Total	<u>\$ 22,675,000</u>	<u>\$ 17,693,451</u>	<u>\$ 40,368,451</u>

The 2008A Series Tax Allocation Bonds were issued at a discount of \$692,753, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$23,092. Unamortized bond discount as of June 30, 2017 was \$484,928.

**2008B Series Tax Allocation Bonds**

On September 10, 2008, the Agency issued \$4,000,000 of 2008B Housing Set-Aside Subordinate Tax Allocation Bonds. The proceeds of the bonds were used to finance low and moderate-income housing within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance of the bond, and to fund the reserve account.

Principal payments are due annually commencing on September 1, 2010, with the final payment due in the year 2038. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.50% to 5.38%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2017 was \$3,410,000.

The Agency has pledged a portion of future property tax increment revenue to repay the 2008B Housing Set-Aside Subordinate Tax Allocation Bonds. The bond required 7% of the RDA property tax increment revenues. Total principal and interest remaining on the bond is \$6,128,938 payable through 2039.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

***Long-term Debt (Continued)***

**2008B Series Tax Allocation Bonds (continued)**

The annual debt service requirements at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 90,000	\$ 180,179	\$ 270,179
2019	90,000	177,233	267,233
2020	95,000	174,042	269,042
2021	100,000	170,686	270,686
2022	105,000	166,983	271,983
2023-2027	610,000	769,153	1,379,153
2028-2032	790,000	631,246	1,421,246
2033-2037	1,035,000	407,639	1,442,639
2038-2039	495,000	41,777	536,777
Total	<u>\$ 3,410,000</u>	<u>\$ 2,718,938</u>	<u>\$ 6,128,938</u>

The 2008B Series Tax Allocation Bonds were issued at a discount of \$106,026, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$3,533. Unamortized bond discount as of June 30, 2017 was \$74,221.

**NOTE 17 – SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT**

The City issued special tax and assessment bonds on behalf of property owners, pursuant to the Improvement Bond Act of 1915 and the Mellow-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City acts solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these fixed-rate Improvement Bond Act of 1915 and Mellow-Roos Community Facilities Act of 1982 issues. The City is acting as an agent and is in no way liable for the special assessment debt.

The bonds are not general obligation of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

Noncommittal debt amounts issued and outstanding at June 30, 2017, are as follows:

	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
CFD 2006-1, Series Special Tax Bond	\$ 2,885,000	\$ 2,650,000

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*



## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Property taxes	\$ 3,517,470	\$ 3,517,470	\$ 3,696,995	\$ 179,525
Sales and use taxes	7,750,000	7,750,000	8,741,373	991,373
Other taxes	1,131,500	1,131,500	1,321,157	189,657
Use of money and property	532,467	532,467	205,668	(326,799)
Franchises	685,000	685,000	649,415	(35,585)
Licenses and permits	683,970	683,970	701,825	17,855
Fines	949,500	949,500	734,193	(215,307)
Aid from governmental agencies:				
Federal	992,072	966,666	1,100,063	133,397
State	5,563,000	5,563,000	5,614,095	51,095
Other	223,987	223,987	178,068	(45,919)
Charges for current services	1,167,559	1,227,559	1,360,859	133,300
Miscellaneous	550,881	550,881	604,836	53,955
Total revenues	<u>23,747,406</u>	<u>23,782,000</u>	<u>24,908,547</u>	<u>1,126,547</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,262,177	2,272,299	1,659,616	612,683
Public protection	15,569,915	15,514,464	14,833,735	680,729
Social services	412,224	412,224	405,251	6,973
Public ways and facilities	3,402,937	3,402,937	2,687,550	715,387
Community development	3,030,305	2,910,529	2,709,786	200,743
Culture and recreation	3,836,520	3,896,020	3,831,163	64,857
Capital outlay	650,406	755,644	829,037	(73,393)
Debt service:				
Principal	130,497	207,948	400,658	(192,710)
Interest	-	-	87,410	(87,410)
Total expenditures	<u>29,294,981</u>	<u>29,372,065</u>	<u>27,444,206</u>	<u>1,927,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,547,575)</u>	<u>(5,590,065)</u>	<u>(2,535,659)</u>	<u>3,054,406</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,935,407	4,935,407	4,194,996	(740,411)
Transfers out	(821,280)	(821,280)	(854,610)	(33,330)
Sales of capital assets	5,000	5,000	37,027	32,027
Total other financing sources (uses)	<u>4,119,127</u>	<u>4,119,127</u>	<u>3,377,413</u>	<u>(741,714)</u>
Net change in fund balance	(1,428,448)	(1,470,938)	841,754	2,312,692
Fund balance - beginning (restated)	<u>14,598,348</u>	<u>14,598,348</u>	<u>14,598,348</u>	<u>-</u>
Fund balance - ending	<u>\$ 13,169,900</u>	<u>\$ 13,127,410</u>	<u>\$ 15,440,102</u>	<u>\$ 2,312,692</u>

**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL DEVELOPMENT IMPACT FEE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ 134,138	\$ 134,138	\$ 58,082	\$ (76,056)
Charges for current services	<u>1,854,940</u>	<u>1,854,940</u>	<u>1,839,370</u>	<u>(15,570)</u>
Total revenues	<u>1,989,078</u>	<u>1,989,078</u>	<u>1,897,452</u>	<u>(91,626)</u>
EXPENDITURES:				
Capital outlay	968,700	5,503,840	447,333	5,056,507
Debt service:				
Principal	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Total expenditures	<u>1,093,700</u>	<u>5,628,840</u>	<u>447,333</u>	<u>5,181,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>895,378</u>	<u>(3,639,762)</u>	<u>1,450,119</u>	<u>5,089,881</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	65,241	65,241
Transfers out	<u>(564,754)</u>	<u>(564,754)</u>	<u>(564,754)</u>	<u>-</u>
Total other financing sources (uses)	<u>(564,754)</u>	<u>(564,754)</u>	<u>(499,513)</u>	<u>65,241</u>
Net change in fund balance	330,624	(4,204,516)	950,606	5,155,122
Fund balance - beginning	<u>11,422,919</u>	<u>11,422,919</u>	<u>11,422,919</u>	<u>-</u>
Fund balance - ending	<u>\$ 11,753,543</u>	<u>\$ 7,218,403</u>	<u>\$ 12,373,525</u>	<u>\$ 5,155,122</u>

**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – SPECIAL GAS TAX FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 58,075	\$ 58,075
Aid from governmental agencies:				
Federal	680,450	680,450	128,375	(552,075)
State	1,312,368	1,312,368	1,424,242	111,874
Other	2,905,799	2,905,799	1,664,388	(1,241,411)
Total revenues	<u>4,898,617</u>	<u>4,898,617</u>	<u>3,275,080</u>	<u>(1,623,537)</u>
EXPENDITURES:				
Capital outlay	<u>2,309,760</u>	<u>8,865,472</u>	<u>641,865</u>	<u>8,223,607</u>
Total expenditures	<u>2,309,760</u>	<u>8,865,472</u>	<u>641,865</u>	<u>8,223,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,588,857</u>	<u>(3,966,855)</u>	<u>2,633,215</u>	<u>6,600,070</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(2,779,452)</u>	<u>(2,779,452)</u>	<u>(2,055,447)</u>	<u>724,005</u>
Total other financing sources (uses)	<u>(2,779,452)</u>	<u>(2,779,452)</u>	<u>(2,055,447)</u>	<u>724,005</u>
Net change in fund balance	(190,595)	(6,746,307)	577,768	7,324,075
Fund balance - beginning	<u>8,885,034</u>	<u>8,885,034</u>	<u>8,885,034</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,694,439</u>	<u>\$ 2,138,727</u>	<u>\$ 9,462,802</u>	<u>\$ 7,324,075</u>

**CITY OF MADERA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1 – BUDGET CONTROL AND ACCOUNTING**

**BUDGETARY INFORMATION**

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying schedules:

- Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Debt Service Funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.
- Reported budget amounts represent the original legally adopted budget as amended. Individual amendments were not material in relation to the original adopted budget amounts. The City Council may amend the budget to increase appropriations only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution. Management can transfer, without City Council approval, budgeted amounts provided they do not increase or decrease total fund appropriations adopted by the City Council.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at the budgetary line item levels.
- Expenditures may not legally exceed overall budgeted appropriations.
- The budgets of the City's capital projects are primarily "long-term" budgets which emphasize major programs and capital outlay plans extending over a number of fiscal periods. Therefore, no budget-to-actual schedules are presented for Capital Projects Funds.

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2017:

**General Fund**

Capital outlay	\$ 73,393
Debt service - principal	192,710
Debt service - interest	87,410

The excess expenditures were covered by available fund balance in the funds.

**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF CHANGES IN THE NET POSITION LIABILITY AND RELATED RATIOS**  
**LAST 10 years\***  
**As of June 30, 2017**

	2015	2016	2017
<b>Total Pension Liability</b>			
Service cost	\$ 1,562,632	\$ 1,515,655	\$ 1,556,770
Interest on the total pension liability	4,865,000	5,085,808	5,352,560
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	(1,189,492)	-
Changes in benefit terms	-	(269,941)	337,609
Benefit payments, including refunds of employee contributions	(3,247,986)	(3,412,481)	(3,532,833)
<b>Net change in total pension liability</b>	3,179,646	1,729,549	3,714,106
<b>Total pension liability - beginning</b>	65,709,332	68,888,978	70,618,527
<b>Total pension liability - ending (a)</b>	<u>\$ 68,888,978</u>	<u>\$ 70,618,527</u>	<u>\$ 74,332,633</u>
<b>Plan Fiduciary Net Position</b>			
Plan to plan resources	\$ -	\$ -	\$ 394
Contributions - employer	1,465,153	1,603,067	1,948,033
Contributions - employee	787,068	705,875	775,135
Net investment income	7,962,241	1,164,130	282,173
Administrative expenses	(55,556)	(59,277)	(32,095)
Benefit payments, including refunds of employee contributions	(3,247,986)	(3,412,481)	(3,532,833)
<b>Net change in plan fiduciary net position</b>	6,910,920	1,314	(559,193)
<b>Plan fiduciary net position - beginning</b>	45,749,432	52,660,352	52,661,666
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 52,660,352</u>	<u>\$ 52,661,666</u>	<u>\$ 52,102,473</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$ 16,228,626</u>	<u>\$ 17,956,861</u>	<u>\$ 22,230,160</u>
 Plan fiduciary net position as a percentage of the total pension liability	 76.44%	 74.57%	 70.09%
 Covered payroll	 \$ 8,601,515	 \$ 8,841,088	 \$ 9,754,797
 Net pension liability as percentage of covered payroll	 188.67%	 203.11%	 227.89%

**Notes to Schedule:**

**Benefit changes** - None

**Changes in assumptions** - None

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 years\***  
**As of June 30, 2017**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially required contribution (actuarially determined)	\$ 1,397,058	\$ 1,603,067	\$ 1,948,033	\$ 2,329,046
Contributions in relation to the actuarially determined contributions	<u>(1,397,058)</u>	<u>(1,603,067)</u>	<u>(1,948,033)</u>	<u>(2,329,046)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 8,601,515	 \$ 8,841,088	 \$ 9,754,797	 \$ 10,780,624
Contributions as a percentage of covered payroll	16.24%	18.13%	19.97%	21.60%

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available

**CITY OF MADERA  
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, 2017**

	2015	2016	2017
Proportion of the net pension liability	0.33750%	0.34000%	0.32400%
Proportionate share of the net pension liability	\$ 12,759,288	\$ 14,009,122	\$ 16,778,473
Covered payroll	\$ 3,916,737	\$ 3,797,547	\$ 4,211,168
Proportionate share of the net pension liability as percentage of covered payroll	325.76%	368.90%	398.43%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	72.97%	69.13%

**Notes to Schedule:**

**Change in Benefit Terms** - None

**Change in Assumptions.** - None

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.



**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**COST-SHARING EMPLOYER DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 years\***  
**As of June 30, 2017**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,405,797	\$ 1,388,656	\$ 1,650,502	\$ 1,806,992
Contributions in relation to the actuarially determined contributions	<u>(1,405,797)</u>	<u>(1,388,656)</u>	<u>(1,650,502)</u>	<u>(1,806,992)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 3,916,737	 \$ 3,797,547	 \$ 4,211,168	 \$ 4,428,574
 Contributions as a percentage of covered payroll	 35.89%	 36.57%	 39.19%	 40.80%

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Other Postemployment Benefits Plan  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	\$ -	\$ 4,717,369	\$ 4,717,369	0%	\$ 12,328,640	38%
July 1, 2014	\$ -	\$ 4,817,463	\$ 4,817,463	0%	\$ 12,466,331	39%
July 1, 2016	\$ -	\$ 4,171,341	\$ 4,171,341	0%	\$ 15,209,198	27%

## SUPPLEMENTARY INFORMATION

**CITY OF MADERA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE  
JUNE 30, 2017**

	Business Improvement District	Park Development	Parking District	Federal Aid Urban	Street Construction
<b>ASSETS</b>					
Cash and investments	\$ 8,712	\$ 95,786	\$ 96,309	\$ 118,442	\$ 214,640
Receivables:					
Accounts, net	1,368	54,314	2,350	167,913	323,510
Notes	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 10,080</u>	<u>\$ 150,100</u>	<u>\$ 98,659</u>	<u>\$ 286,355</u>	<u>\$ 538,150</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 8,505	\$ 16,143	\$ 695	\$ 2,700	\$ 35,113
Salaries payable	-	-	71	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposit payable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>8,505</u>	<u>16,143</u>	<u>766</u>	<u>2,700</u>	<u>35,113</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	54,314	-	105,558	323,510
	<u>-</u>	<u>54,314</u>	<u>-</u>	<u>105,558</u>	<u>323,510</u>
Total deferred inflows of resources	<u>-</u>	<u>54,314</u>	<u>-</u>	<u>105,558</u>	<u>323,510</u>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted:					
Community development	1,575	-	-	-	-
Park development	-	79,643	-	-	-
Parking improvements	-	-	97,893	-	179,527
Public works and transportation	-	-	-	178,097	-
Special assessment project	-	-	-	-	-
Law enforcement	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>1,575</u>	<u>79,643</u>	<u>97,893</u>	<u>178,097</u>	<u>179,527</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 10,080</u>	<u>\$ 150,100</u>	<u>\$ 98,659</u>	<u>\$ 286,355</u>	<u>\$ 538,150</u>

**CITY OF MADERA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**JUNE 30, 2017**  
(Continued)

	Senior Citizens Services	Landscape Assessment	Supplemental Law Enforcement	Intermodal Building	Economic Development
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 476,667	\$ 129,712	\$ 218,890	\$ 461,600
Receivables:					
Accounts, net	-	3,123	-	24,417	-
Notes	-	-	-	-	-
Prepaid items	-	-	525	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 479,790</u>	<u>\$ 130,237</u>	<u>\$ 243,307</u>	<u>\$ 461,600</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 570	\$ 4,787	\$ 156,160	\$ -
Salaries payable	-	-	-	178	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	59,262	-
Deposit payable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>570</u>	<u>4,787</u>	<u>215,600</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	18,526	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,526</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,526</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted:					
Community development	-	-	-	-	461,600
Park development	-	-	-	-	-
Parking improvements	-	-	-	-	-
Public works and transportation	-	-	-	9,181	-
Special assessment project	-	479,220	-	-	-
Law enforcement	-	-	125,450	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>479,220</u>	<u>125,450</u>	<u>9,181</u>	<u>461,600</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ 479,790</u>	<u>\$ 130,237</u>	<u>\$ 243,307</u>	<u>\$ 461,600</u>

**CITY OF MADERA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**JUNE 30, 2017**  
(Continued)

	Park Facilities	Residential Rehab	Low and Moderate Income Housing Asset	Community Facilities District	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 512,951	\$ 501,799	\$ 394,051	\$ 3,229,559
Receivables:					
Accounts, net	-	-	-	1,792	578,787
Notes	-	7,996,577	87,064	-	8,083,641
Prepaid items	-	-	-	-	525
Due from other funds	-	-	205	-	205
Land held for resale	-	-	1,060,000	-	1,060,000
	<u>-</u>	<u>-</u>	<u>1,060,000</u>	<u>-</u>	<u>1,060,000</u>
Total assets	<u>\$ -</u>	<u>\$ 8,509,528</u>	<u>\$ 1,649,068</u>	<u>\$ 395,843</u>	<u>\$ 12,952,717</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 97	\$ -	\$ 105	\$ 224,875
Salaries payable	-	-	2,117	-	2,366
Due to other funds	-	-	19,095	-	19,095
Unearned revenue	-	-	-	123,864	183,126
Deposit payable	-	-	74	-	74
	<u>-</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>74</u>
Total liabilities	<u>-</u>	<u>97</u>	<u>21,286</u>	<u>123,969</u>	<u>429,536</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	501,908
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,908</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,908</u>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted:					
Community development	-	8,509,431	1,627,782	-	10,600,388
Park development	-	-	-	-	79,643
Parking improvements	-	-	-	-	277,420
Public works and transportation	-	-	-	-	187,278
Special assessment project	-	-	-	271,874	751,094
Law enforcement	-	-	-	-	125,450
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>8,509,431</u>	<u>1,627,782</u>	<u>271,874</u>	<u>12,021,273</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ 8,509,528</u>	<u>\$ 1,649,068</u>	<u>\$ 395,843</u>	<u>\$ 12,952,717</u>

**CITY OF MADERA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Business Improvement District	Park Development	Parking District	Federal Aid Urban	Street Construction
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	23,061	-	17,802	-	-
Use of money and property	13	-	-	-	-
Fines	492	-	15,703	-	-
Intergovernmental	-	147,493	-	410,474	999,326
Charges for current services	185	-	870	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>23,751</b>	<b>147,493</b>	<b>34,375</b>	<b>410,474</b>	<b>999,326</b>
<b>EXPENDITURES:</b>					
Current:					
General government	25,888	-	32,767	-	-
Public protection	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	135,199	-	124,448	369,611
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>25,888</b>	<b>135,199</b>	<b>32,767</b>	<b>124,448</b>	<b>369,611</b>
Excess (deficiency) of revenues over (under) expenditures	(2,137)	12,294	1,608	286,026	629,715
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(7,755)	-	(465,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(7,755)</b>	<b>-</b>	<b>(465,000)</b>
<b>Net change in fund balances</b>	<b>(2,137)</b>	<b>12,294</b>	<b>(6,147)</b>	<b>286,026</b>	<b>164,715</b>
<b>Fund balances - beginning (restated)</b>	<b>3,712</b>	<b>67,349</b>	<b>104,040</b>	<b>(107,929)</b>	<b>14,812</b>
<b>Fund balances - ending</b>	<b>\$ 1,575</b>	<b>\$ 79,643</b>	<b>\$ 97,893</b>	<b>\$ 178,097</b>	<b>\$ 179,527</b>

**CITY OF MADERA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

	Senior Citizens Services	Landscape Assessment	Supplemental Law Enforcement	Intermodal Building	Economic Development
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	336,467	-	-	-
Use of money and property	-	-	508	21,503	2,822
Fines	-	-	-	-	-
Intergovernmental	-	-	133,732	226,830	-
Charges for current services	-	-	-	10,747	-
Miscellaneous	-	-	-	-	-
Total revenues	-	336,467	134,240	259,080	2,822
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	69,852	-
Public protection	-	-	100,934	-	-
Public ways and facilities	-	374,047	-	37,823	-
Community development	-	-	-	-	-
Capital outlay	-	-	21,771	169,651	156,500
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	374,047	122,705	277,326	156,500
Excess (deficiency) of revenues over (under) expenditures	-	(37,580)	11,535	(18,246)	(153,678)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	49,736	-	-	-	-
Transfers out	-	-	-	(38)	-
Total other financing sources (uses)	49,736	-	-	(38)	-
Net change in fund balances	49,736	(37,580)	11,535	(18,284)	(153,678)
Fund balances - beginning (restated)	(49,736)	516,800	113,915	27,465	615,278
Fund balances - ending	\$ -	\$ 479,220	\$ 125,450	\$ 9,181	\$ 461,600



**CITY OF MADERA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Continued)

	Park Facilities	Residential Rehab	Low and Moderate Income Housing Asset	Community Facilities District	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 357,508	\$ 357,508
Other taxes	-	-	-	-	377,330
Use of money and property	-	80	10,156	1,828	36,910
Fines	-	-	-	-	16,195
Intergovernmental	-	597,135	30,439	-	2,545,429
Charges for current services	-	285,557	-	-	297,359
Miscellaneous	-	-	27,724	-	27,724
	<u>-</u>	<u>-</u>	<u>27,724</u>	<u>-</u>	<u>27,724</u>
Total revenues	<u>-</u>	<u>882,772</u>	<u>68,319</u>	<u>359,336</u>	<u>3,658,455</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	7,932	136,439
Public protection	-	-	-	-	100,934
Public ways and facilities	-	-	-	1,650	413,520
Community development	-	297,180	99,972	-	397,152
Capital outlay	-	-	247,942	-	1,225,122
Debt service:					
Principal	167,806	-	-	-	167,806
Interest	26,450	-	-	-	26,450
	<u>194,256</u>	<u>297,180</u>	<u>347,914</u>	<u>9,582</u>	<u>2,467,423</u>
Total expenditures	<u>194,256</u>	<u>297,180</u>	<u>347,914</u>	<u>9,582</u>	<u>2,467,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(194,256)</u>	<u>585,592</u>	<u>(279,595)</u>	<u>349,754</u>	<u>1,191,032</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	194,257	-	-	-	243,993
Transfers out	(65,241)	-	-	(800,000)	(1,338,034)
	<u>129,016</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>(1,094,041)</u>
Total other financing sources (uses)	<u>129,016</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>(1,094,041)</u>
Net change in fund balances	(65,240)	585,592	(279,595)	(450,246)	96,991
Fund balances - beginning (restated)	<u>65,240</u>	<u>7,923,839</u>	<u>1,907,377</u>	<u>722,120</u>	<u>11,924,282</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 8,509,431</u>	<u>\$ 1,627,782</u>	<u>\$ 271,874</u>	<u>\$ 12,021,273</u>

**CITY OF MADERA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2017**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,523	\$ 2,117	\$ 984,211	\$ 989,851
Accounts receivable, net	534,924	98,812	83,978	717,714
Total current assets	538,447	100,929	1,068,189	1,707,565
Noncurrent assets:				
Restricted assets:				
Cash and investments	-	306,563	-	306,563
Capital assets, not depreciated	1,610,427	146,933	4,722,062	6,479,422
Capital assets, net of accumulated depreciation	949,587	1,881,928	7,496,402	10,327,917
Total noncurrent assets	2,560,014	2,335,424	12,218,464	17,113,902
Total assets	3,098,461	2,436,353	13,286,653	18,821,467
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan in current fiscal year	87,381	-	52,938	140,319
Total deferred outflows of resources	87,381	-	52,938	140,319
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	175,373	3,999	86,627	265,999
Salaries payable	6,591	-	4,166	10,757
Accrued interest payable	-	3,033	5,802	8,835
Due to other funds	305,222	311,748	-	616,970
Advances from other funds	-	159,122	-	159,122
Compensated absences, due within one year	15,654	-	8,588	24,242
Long-term debt, due within one year	-	275,000	21,518	296,518
Total current liabilities	502,840	752,902	126,701	1,382,443
Noncurrent liabilities:				
Compensated absences, due in more than one year	4,964	-	-	4,964
Other post employment benefits obligation	18,939	-	10,150	29,089
Net pension liability	336,736	-	204,003	540,739
Long-term debt, due in more than one year	-	1,900,000	124,047	2,024,047
Total noncurrent liabilities	360,639	1,900,000	338,200	2,598,839
Total liabilities	863,479	2,652,902	464,901	3,981,282
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	8,323	-	4,054	12,377
Deferred service concession arrangement receipts	-	90,000	-	90,000
Total deferred inflows of resources	8,323	90,000	4,054	102,377
<b>NET POSITION</b>				
Net investment in capital assets	2,560,014	(146,139)	12,072,899	14,486,774
Unrestricted	(245,974)	(160,410)	797,737	391,353
Total net position	\$ 2,314,040	\$ (306,549)	\$ 12,870,636	\$ 14,878,127

**CITY OF MADERA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 107,015	\$ 93,797	\$ 529,481	\$ 730,293
Other	75	-	-	75
Total operating revenues	<u>107,090</u>	<u>93,797</u>	<u>529,481</u>	<u>730,368</u>
Operating expenses:				
Salaries and benefits	269,744	-	222,714	492,458
General and administrative	1,086,410	64,083	178,543	1,329,036
Supplies and miscellaneous	465,515	-	137,107	602,622
Parts and supplies	-	26,592	17,566	44,158
Utilities	-	-	23,773	23,773
Depreciation	348,256	-	278,410	626,666
Total operating expenses	<u>2,169,925</u>	<u>90,675</u>	<u>858,113</u>	<u>3,118,713</u>
Operating income (loss)	<u>(2,062,835)</u>	<u>3,122</u>	<u>(328,632)</u>	<u>(2,388,345)</u>
Nonoperating revenues (expenses):				
Interest income	1,344	618	4,813	6,775
Property taxes	-	-	90,157	90,157
Operating grants	1,381,206	-	-	1,381,206
Capital grants	621,156	-	1,281,138	1,902,294
Other revenue	-	-	18,436	18,436
Interest expense	-	(17,839)	(7,126)	(24,965)
Other nonoperating expense	-	(7,369)	-	(7,369)
Total nonoperating revenues (expenses)	<u>2,003,706</u>	<u>(24,590)</u>	<u>1,387,418</u>	<u>3,366,534</u>
Income (loss) before capital contributions and transfers	<u>(59,129)</u>	<u>(21,468)</u>	<u>1,058,786</u>	<u>978,189</u>
Capital contributions	188,023	-	-	188,023
Transfers in	-	191,583	-	191,583
Transfers out	<u>(51,028)</u>	<u>-</u>	<u>(781)</u>	<u>(51,809)</u>
Change in net position	77,866	170,115	1,058,005	1,305,986
Net position - beginning	<u>2,236,174</u>	<u>(476,664)</u>	<u>11,812,631</u>	<u>13,572,141</u>
Net position - ending	<u>\$ 2,314,040</u>	<u>\$ (306,549)</u>	<u>\$ 12,870,636</u>	<u>\$ 14,878,127</u>

**CITY OF MADERA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ (73,178)	\$ 95,634	\$ 511,586	\$ 534,042
Payments to suppliers	(1,465,574)	(90,176)	(367,986)	(1,923,736)
Payments to employees	(269,151)	-	(190,255)	(459,406)
Payments to other funds	83,209	87,558	-	170,767
Net cash provided (used) by operating activities	(1,724,694)	93,016	(46,655)	(1,678,333)
<b>Cash flows from noncapital financing activities:</b>				
Transfers from (to) other funds	(51,028)	191,583	(781)	139,774
Other nonoperating revenues	-	-	18,436	18,436
Property taxes	-	-	90,157	90,157
Operating grants	1,381,206	-	-	1,381,206
Net cash provided (used) by noncapital financing activities	1,330,178	191,583	107,812	1,629,573
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(224,461)	-	(1,393,964)	(1,618,425)
Capital grants	621,156	-	1,281,138	1,902,294
Principal paid on notes	-	-	(20,536)	(20,536)
Principal paid on bonds	-	(260,000)	-	(260,000)
Interest paid	-	(22,175)	(7,944)	(30,119)
Net cash provided (used) by capital and related financing activities	396,695	(282,175)	(141,306)	(26,786)
<b>Cash flows from investing activities:</b>				
Interest received	1,344	1,036	4,813	7,193
Net cash provided (used) by investing activities	1,344	1,036	4,813	7,193
Net increase (decrease) in cash and cash equivalents	3,523	3,460	(75,336)	(68,353)
Cash and cash equivalents - July 1, 2016	-	305,220	1,059,547	1,364,767
Cash and cash equivalents - June 30, 2017	\$ 3,523	\$ 308,680	\$ 984,211	\$ 1,296,414

**CITY OF MADERA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

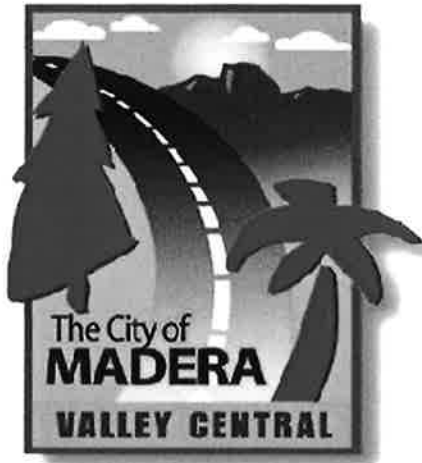
	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (2,062,835)	\$ 3,122	\$ (328,632)	\$ (2,388,345)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	348,256	-	278,410	626,666
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable	(180,268)	41,837	(17,895)	(156,326)
(Increase) decrease in prepaid expense	1,897	-	8,520	10,417
(Increase) decrease in deferred outflows of resources from pensions	(52,084)	-	(35,744)	(87,828)
Increase (decrease) in accounts payable	84,454	499	(19,517)	65,436
Increase (decrease) in salaries payable	711	-	1,031	1,742
Increase (decrease) in due to other funds	83,209	112,038	-	195,247
Increase (decrease) in advances from other funds	-	(24,480)	-	(24,480)
Increase (decrease) in deferred inflows of resources from pensions	(14,086)	(40,000)	(6,863)	(60,949)
Increase (decrease) in net pension liability	63,667	-	70,983	134,650
Increase (decrease) in compensated absences	1,468	-	2,400	3,868
Increase (decrease) in other postemployment benefit obligations	917	-	652	1,569
Net cash provided (used) by operating activities	<u>\$ (1,724,694)</u>	<u>\$ 93,016</u>	<u>\$ (46,655)</u>	<u>\$ (1,678,333)</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>				
Cash and investments - unrestricted	\$ 3,523	\$ 2,117	\$ 984,211	\$ 989,851
Cash and investments - restricted	-	306,563	-	306,563
Total cash and investments	<u>\$ 3,523</u>	<u>\$ 308,680</u>	<u>\$ 984,211</u>	<u>\$ 1,296,414</u>
<b>Noncash investing, capital and financing activities:</b>				
Developer and other capital contributions	<u>\$ 188,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,023</u>

**CITY OF MADERA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b><u>Payroll Tax/Withholding Trust</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 297,804	\$ 27,772,355	\$ 27,723,351	\$ 346,808
Accounts receivable, net	10,970	335	11,279	26
Prepaid items	235,949	-	235,949	-
Total assets	<u>\$ 544,723</u>	<u>\$ 27,772,690</u>	<u>\$ 27,970,579</u>	<u>\$ 346,834</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 20,579	\$ 6,212,571	\$ 6,181,236	\$ 51,914
Accrued liabilities	524,144	28,196,709	28,425,933	294,920
Total liabilities	<u>\$ 544,723</u>	<u>\$ 34,409,280</u>	<u>\$ 34,607,169</u>	<u>\$ 346,834</u>
<b><u>General Trust Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 799,907	\$ 400,950	\$ 383,276	\$ 817,581
Total assets	<u>\$ 799,907</u>	<u>\$ 400,950</u>	<u>\$ 383,276</u>	<u>\$ 817,581</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 9,861	\$ 383,323	\$ 412,333	\$ (19,149)
Accrued liabilities	813	23,078	23,891	-
Deposit payable	31,913	26,785	46,650	12,048
Due to other governments	757,320	364,271	296,909	824,682
Total liabilities	<u>\$ 799,907</u>	<u>\$ 797,457</u>	<u>\$ 779,783</u>	<u>\$ 817,581</u>
<b><u>Madera Groundwater JPA Comm</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 22,944	\$ 228	\$ 23,172	\$ -
Total assets	<u>\$ 22,944</u>	<u>\$ 228</u>	<u>\$ 23,172</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 327	\$ 22,845	\$ 23,172	\$ -
Due to other governments	22,617	-	22,617	-
Total liabilities	<u>\$ 22,944</u>	<u>\$ 22,845</u>	<u>\$ 45,789</u>	<u>\$ -</u>

**CITY OF MADERA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b><u>Community Facilities Districts</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 301,354	\$ 598,608	\$ 591,423	\$ 308,539
Accounts receivable, net	2,012	2,264	2,588	1,688
Restricted cash and investments with fiscal agents	<u>254,627</u>	<u>183,498</u>	<u>176,381</u>	<u>261,744</u>
Total assets	<u>\$ 557,993</u>	<u>\$ 784,370</u>	<u>\$ 770,392</u>	<u>\$ 571,971</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 886	\$ 9,478	\$ 10,329	\$ 35
Due to bondholders	<u>557,107</u>	<u>966,559</u>	<u>951,730</u>	<u>571,936</u>
Total liabilities	<u>\$ 557,993</u>	<u>\$ 976,037</u>	<u>\$ 962,059</u>	<u>\$ 571,971</u>
<b><u>Total - All Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,422,009	\$ 28,772,141	\$ 28,721,222	\$ 1,472,928
Accounts receivable, net	12,982	2,599	13,867	1,714
Prepaid items	235,949	-	235,949	-
Restricted cash and investments with fiscal agents	<u>254,627</u>	<u>183,498</u>	<u>176,381</u>	<u>261,744</u>
Total assets	<u>\$ 1,925,567</u>	<u>\$ 28,958,238</u>	<u>\$ 29,147,419</u>	<u>\$ 1,736,386</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 31,653	\$ 6,628,217	\$ 6,627,070	\$ 32,800
Accrued liabilities	524,957	28,219,787	28,449,824	294,920
Deposit payable	31,913	26,785	46,650	12,048
Due to other governments	779,937	364,271	319,526	824,682
Due to bondholders	<u>557,107</u>	<u>966,559</u>	<u>951,730</u>	<u>571,936</u>
Total liabilities	<u>\$ 1,925,567</u>	<u>\$ 36,205,619</u>	<u>\$ 36,394,800</u>	<u>\$ 1,736,386</u>



## REPORT TO CITY COUNCIL

MEETING DATE: May 2, 2018

AGENDA ITEM NUMBER: E-2

Approved By:

  
INTERIM PUBLIC WORKS DIRECTOR

  
CITY ADMINISTRATOR

### SUBJECT:

Discussion and Direction to Staff Regarding Consolidating and Outsourcing Solid Waste Activities under the Existing Mid Valley Disposal Contract.

### RECOMMENDATION:

Staff recommends that the City Council review the information provided in this report and the attached proposal by Mid-Valley Disposal and provide comment, feedback and direction to staff as it deems appropriate. Based on the increase in efficiencies which are reasonably foreseeable under the proposal, Staff recommends that the City proceed with developing an amendment to the existing agreement and scope of work with Mid Valley Disposal consistent with terms and conditions outlined in their proposal (Exhibit A), along with internal City staffing modifications as necessary.

### SUMMARY:

Mid Valley Disposal, LLC (Mid Valley) presented City staff with a proposal to amend their existing Agreement to provide full service solid waste management services to City of Madera (Exhibit A). This full service management would include: answering all City customer service calls, responding to all repair and cleaning requests from customers, overseeing cart orders and inventory, and assuming all public education and outreach duties in regards to State compliance. By centralizing these services, the City can eliminate the overlap and duplication that currently exists between City staff and its contractor and expect a more consistent delivery of service to customers. Additionally, this transition of services would result in minor annual cost savings.

### DISCUSSION:

The City entered into an Agreement with Sunset Waste Systems for solid waste and recycling services from January 1, 2013, through December 31, 2022. In 2014, Sunset Waste Systems sold all of its business operations and hauling contracts to Mid Valley Disposal. Mid Valley has continued to provide services since this transition in September 2014.



Since the inception of this contract, the City has been responsible for fielding most customer service calls from City residents and solid waste customers. Calls received by Public Works staff are sent to ARC Fresno Madera (for cart repairs and replacement), Mid Valley (for missed pickups), Utility Billing (for account questions, new and cancel services), or responded to by Solid Waste staff. Some residents and business operators also call Mid Valley Disposal directly, acting on the belief that Mid Valley is responsible for the program overall. In addition to customer service calls, other elements of the solid waste program where responsibilities are currently split between City staff and the contractor are as follows:

- Residential Cart & Commercial Bin Delivery
- New Business Sign-Ups (Organics/Recycling)
- Education and Outreach
- Site Visits & Compliance

While the shared responsibility for the overall delivery of the solid waste program has worked reasonably well for the last 5 years, the overlap in functions occasionally results in unnecessary duplication and a lack of clarity to customers as to how services are provided. Mid Valley believes it is possible that the overall service delivery process could be streamlined and made more efficient by consolidating all program activities under Mid Valley's contract. This full-service delivery model is the norm in the majority of Mid Valley's contracts.

Mid Valley has proposed to add Customer Service Representatives to answer all City of Madera service calls 7:00 am to 5:00 pm Monday through Friday. Mid Valley will resolve all repair and replacement requests within 72 business hours. Specific billing, new and cancel service requests will continue to be referred to the City's Utility Billing Department. Mid Valley has also proposed to continue the partnership with ARC Fresno Madera. Mid Valley Customer Service staff will prepare a daily service order list with the address and issues to be addressed each day by ARC staff, similar to what the Public Works front office is currently preparing.

The Public Works Department currently employs one Solid Waste/Recycling Coordinator and one Part-time Maintenance Worker I, with a current vacancy of another Part-time Maintenance Worker I. Additionally, administrative support staff within Public Works assist the Solid Waste Division with answering phone calls, emails and preparing service order lists. Both the Solid Waste Coordinator and the Maintenance Worker I respond to service calls for cart repair and replacement. In partnership with Mid Valley, the Solid Waste team performs signups and educational outreach to local businesses and multi-family residences for new State mandates related to organic waste and recycling (AB341 and AB1826).

The Mid Valley proposal includes the addition of another Recycling Coordinator to their staff who will, in cooperation with the existing Mid Valley Coordinator, take over all State compliance related duties for the City of Madera. This includes implementing waste reduction and recycling programs to meet AB939 (50% diversion requirement), AB341 Mandatory Commercial Recycling, AB1826 Mandatory Commercial Organics Recycling and SB1016 (new goal measurement system for disposal compliance). All education and public outreach functions would become the responsibility of the contractor.

The City's Program Manager in the Solid Waste Department (Ron Prestridge) retired at the end of 2017 and the City has thus far elected to not re-fill the position. The Public Works Analyst that had been assigned to provide support to Solid Waste left the City's employment for another job in January and the City has similarly elected to not fill the position. If the Council ultimately chooses to expand Mid Valley Disposal's role per their proposal, Staff anticipates the elimination of one Part-time Maintenance Worker

1 position that's currently vacant and one Part-time Maintenance Worker position that's currently filled. In addition, City staff will evaluate the need to modify or adjust the duties of the remaining full-time position of Solid Waste/Recycling Coordinator and will bring a recommendation back at a future Council meeting. While Mid Valley Disposal would assume all Solid Waste operational duties under their proposal, the City would need to retain the ability and capacity to administer the contract and monitor performance of the contractor to ensure compliance with the contract terms and State requirements. The level of internal City staffing necessary to perform these function is under review and would be addressed if the Council decides to work towards implementing Mid Valley's proposal.

Should Council provide direction to proceed with the proposal, job descriptions may need to be revisited and revised as duties evolve. Additionally, any change in assigned duties to full-time staff require the City to participate in the collective bargaining process should the affected bargaining unit request to negotiate any effects of the changes.

#### **FINANCIAL IMPACT:**

The proposal from Mid Valley includes labor costs for a new Recycling Coordinator, Customer Service Representative, and additional FTEs for Bin/Cart Delivery and a Route Supervisor. These staff increases will have additional direct expenses for vehicles and administrative overhead. This will total \$200,968 and can be seen in detail in their proposal. Additionally, Mid Valley has identified potential cost savings associated with annual cart purchases, replacement lids and parts, and the ARC Fresno Madera contract they feel can be decreased by their involvement and organization. This will decrease current City expenses for these items by \$33,272. Overall, the Mid Valley proposal will realize the following potential cost savings:

Cost for New Mid Valley Services/Staff	\$200,968
<u>Less Proposed Savings on Carts/ARC Contract</u>	<u>\$ (33,272)</u>
<b>TOTAL Net Cost of Proposal</b>	<b>\$ 167,696</b>

By outsourcing services currently performed within the City, staff will be able to reduce the following costs within the Solid Waste Fund:

Solid Waste Program Manager S&B	\$105,871
Solid Waste 2 PT Maint. Worker I S&B	\$ 33,607
Solid Waste Admin Allocation S&B	\$ 34,552
Solid Waste Maint. and Operations	\$ 19,876
Recycling Maint. and Operations	\$ 8,750
<u>Hazardous Waste Maint. and Operations</u>	<u>\$ 2,500</u>
<b>TOTAL Potential Adjustment to Solid Waste Fund</b>	<b>\$205,156</b>

These reductions represent a total re-assignment of all operational duties performed by City staff and will result in the elimination of the Solid Waste Program Manager, two Part-time Maintenance Worker I positions, and the partial allocations of Public Works Administration Staff (Administrative Analyst and Administrative Assistant). The figures do not include any changes to the existing Solid Waste/Recycling Coordinator position, though as described above, it is possible that changes to that position could also occur. The reductions in various maintenance and operations budgets reflect cuts to fleet/vehicle fuel and maintenance, advertising, office and maintenance supplies, and other various overhead costs to the Division.

The total cost savings to the solid waste fund that could be realized through the Mid Valley Disposal proposal are measured by subtracting the net cost of the proposal from the total cost adjustment:

TOTAL Potential Adjustment to Solid Waste Fund	\$205,156
<u>TOTAL Net Cost of Proposal</u>	<u>\$167,696</u>
<b>TOTAL Potential Savings</b>	<b>\$ 37,640</b>

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

Strategy126 Clean attractive streets: Expand or develop programs to create clean, safe and attractive streets.

Strategy 437 Recycling programs: Promote recycling through multiple programs.



PROPOSAL FOR THE CITY OF MADERA  
FULL SERVICE SOLID WASTE MANAGEMENT



**MID VALLEY  
DISPOSAL**

# Table of Contents

---

Section 1: Cover Letter	03
<hr/>	
Section 2: Qualifications and Experience	04
1) Background and Experience	
2) Principals, Officers and Associates	
3) Current Contracts	
<hr/>	
Section 3: Current Services	10
<hr/>	
Section 4: Proposed Services	11
<hr/>	
Section 5: Additional Submittals	20
1) Staffing Chart	
2) Cost Proposal	
<hr/>	

## Section 1: Cover Letter

---



February 2, 2018

City of Madera Public Works Department  
1030 S Gateway Dr.  
Madera, CA 93637

Full Service Solid Waste Management

It is with considerable pride that Mid-Valley Disposal, LLC hereby submits its proposal to provide the City of Madera full service solid waste management.

We respectfully request the opportunity to meet with the City to discuss an expansion of services of this successful partnership. We believe that our current level of customer service and operational efficiency, in addition to our outreach programs and technology enhancements, will assist the City in achieving its diversion goals and collection needs.

In the enclosed proposal you will find a detailed description of current and proposed new services. We are confident in our ability to deliver the best service and provide the best value to Madera.

I personally thank you for your consideration of this proposal and look forward to expanding our business partnership with the City of Madera.

Best Regards,

Joseph Kalpakoff,

Chief Executive Officer  
Mid-Valley Disposal, LLC

## Section 2: Qualifications and Experience

---

### 1) Background and Experience

Founded in 1997, Mid Valley Disposal (MVD), the Company, is the leading locally owned and operated recycling, organics, and solid waste service company in the Valley. The Kalpakoff family has four generations of experience in successfully operating solid waste management companies in California. With over 350 employees, the Company operates a total of 28 local collection contracts and is permitted to provide collection services in Fresno, Madera, Kings, and Tulare Counties. By expanding services, winning competitive bids, and making strategic acquisitions, MVD has grown from a one truck operation in 1997 to over 150 collection vehicles today.

Mid Valley Disposal is continually reinventing itself to match the needs of its customers. The Company has expanded operations to include a state-of-the-art sorting line. The only one of its kind in the Valley, the system uses the most up to date sorting technology, including optical sorters, to achieve the best possible diversion in the industry.

MVD also expanded operations in 2017 to include a state-of-the-art in-vessel composting facility. To ensure community acceptance through the reduction of odors and preservation of air quality, MVD built a covered composting solution. This advanced technology will allow MVD to assist its customers with achieving their zero waste goals.

MVD possesses the experience, financial resources, local infrastructure, and capital assets to seamlessly implement additional services with the City of Madera.

## Our Values

Our Values reflect who we are and what we stand for as a company.

### **Excellent Customer Service**

We develop relationships that make a positive impact.

### **Hard Work and Dedication**

We work together to meet the need of our customers.

### **Safety for Ourselves and Others**

We are committed to the safety of ourselves and others.

### **Integrity and Respect**

We value our people and reward their performance.

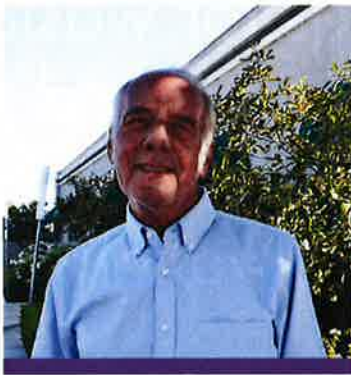
“

We find solutions to customers' needs for waste reduction and resource conservation.



## 2) Principals, Officers and Associates

Mid Valley Disposal is comprised of four principals who are also managers: Jay Kalpakoff, Joseph Kalpakoff, Jonathan Kalpakoff, and Roy Mendrin. Together, these individuals possess over 130 years of resource recovery and solid waste management experience. Joining them is an extensive team of managers who have a proven track record for providing excellent service and insight in their individual areas of expertise.



**Jay Kalpakoff**

President & Owner

"I love what I do and I'm honored to wake up every day and go to work with such great people. They are truly like family."



**Joseph Kalpakoff**

CEO & Owner

"We've worked hard to build a company that can be a leader in the promoting sustainability in the Central Valley. I'm proud to say that it is the people at Mid Valley Disposal who keep us moving forward to bigger and better things."



**Jonathan Kalpakoff**

Executive V.P. & Owner

"I'm a hands on kind of person. I love being involved in the day-to-day operations of the company and I'm proud of the accomplishments our family has made in the industry."



**Bryan Metzler**  
Operations Manager

"I really enjoy coming to work every day, working with all of our communities and providing them with great service. I've been in the industry for almost 9 years and looking forward to many more years."



**Jeremy Gorman**  
Route Supervisor

"I truly love working for a company that values the hard work of each and every employee, in the pursuit of achievable goals that not only benefit the environment, but improves the quality of life for us and our future."



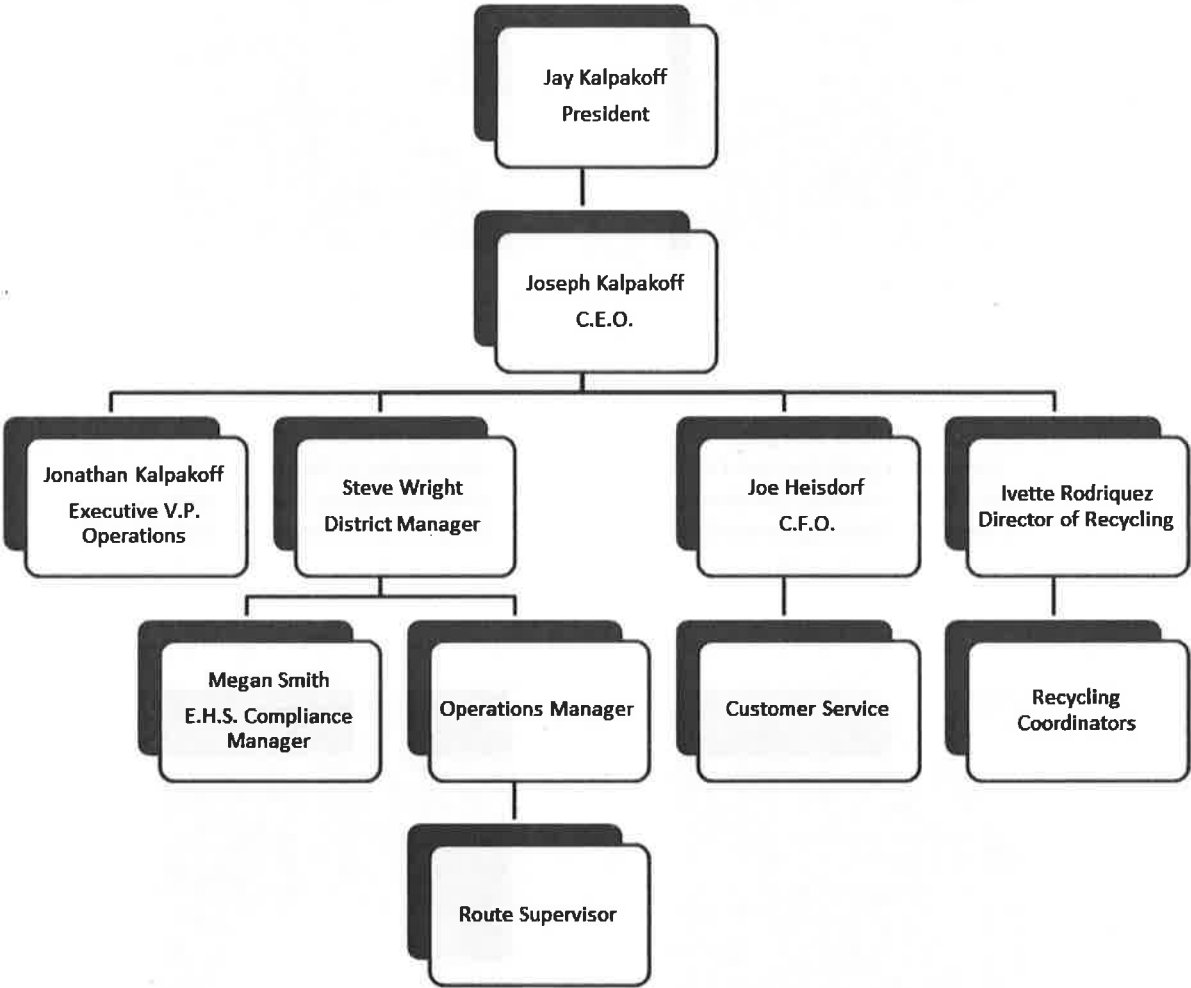
**Ivette Rodriguez**  
Director of Recycling Programs

"I truly enjoy working with a passionate team of professionals that work with our communities to educate customers on the importance of recycling and taking care of our environment. It is rewarding to see successfully implemented programs that make a difference."



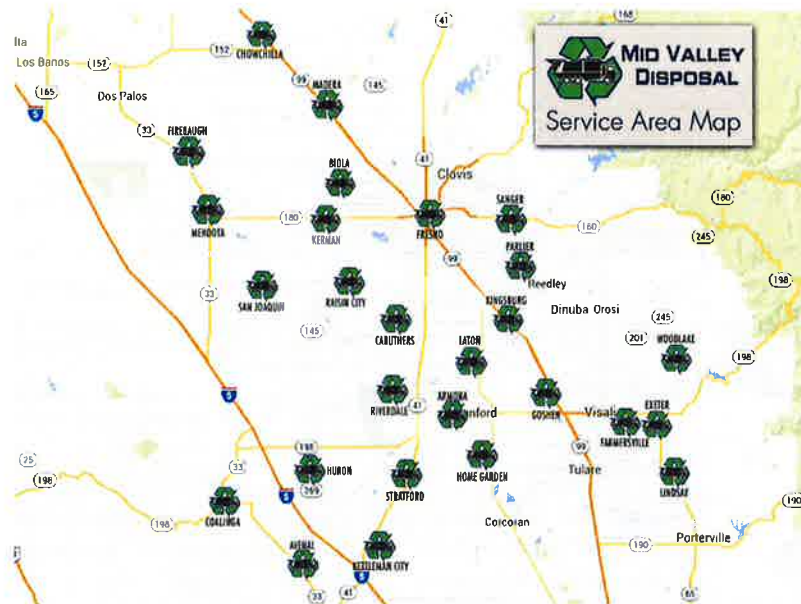
**Annette Kwock**  
Recycling Coordinator

"I love my job because of the variety—from presenting in classrooms to attending City Council meetings; every day is different and interesting. It's a privilege to work towards improving my community!"



### 3) Current Contracts

Mid Valley Disposal currently services 85,000 Residential Accounts and 27,000 Commercial Accounts each of the contracts were obtained through dedication, vision and hard work. Most recently, MVD implemented a contract with California State University, Fresno.



Communities from which we implement recycling programs, collection of solid waste, recycling and organics:

Armona CSD	Avenal	Biola
Coalinga	Chowchilla	City of Fresno
Firebaugh	Exeter	Farmersville
Huron	Kerman	Home Garden CSD
Kingsburg	Laton	Kettleman CSD
Madera	Mendota	Lindsay
Sanger	Fresno County	Parlier
Woodlake	Stratford	San Joaquin
Fresno County ESAP	Riverdale	Tulare County

School District's and College campuses served by Mid Valley Disposal for solid waste, recycling and organics services:

Reef Sunset Unified	Farmersville Unified
Coalinga/Huron Unified	Woodlake Unified
Golden Plains Unified	Exeter Unified
Central Unified	Lindsay Unified
Mendota Unified	Parlier Unified
Kerman Unified	Madera Unified
Laton Unified	Clovis Unified
Firebaugh-Las Deltas	West Hills-Coalinga
West Hills-Firebaugh	California State University, Fresno

## Section 3: Brief Overview of Current Services

Task	Mid Valley Disposal
Cart Storage & Delivery	MVD only delivers commercial bins to customers.
Mail-Out	MVD provides the City with an educational flyer to insert inside the billing for residents. Provides recycling education to each residential customer.
Newsletter- Report to Council	MVD presents biannual update to City Council regarding Citywide recycling programs, outreach and tonnage reports.
New Programs	MVD implements new commercial recycling and multi-family programs.
C&D Reporting	MVD provides the City with the diversion reports for C&D projects using MVD roll-off services.
Business Recycling	MVD Recycling Coordinator, Annette, conducts weekly site visits, implementation, education and technical support daily.
Routine Recycling Education	Recycling Coordinator provides education during events, City and business employee, tenant and student presentations, site visits, delivers recycling brochures and flyers to City Hall. Annette attends community events and sets up multi-family presentations and delivers education door-to-door.
Roll-Off Services & Orders	MVD sets up new accounts and services.
Rent-A-Bins	MVD sets up new accounts.
Sharps Kiosk	MVD oversees the collection services with a 3rd party hauler Stericycle and promotes program throughout the City.

## Section 4: Proposed Services

---

### Customer Service

Mid Valley Disposal prides itself on delivering customer service of the highest quality and professionalism. MVD's Customer Service Representatives (CSRs) will handle all of City of Madera's service and customer concerns and requests courteously and efficiently. MVD will permanently resolve all repair and cleaning requests within seventy-two (72) business hours. For the convenience of Madera residents and commercial businesses, the Company will have a dedicated CSR answering City of Madera's local (1-800-706-5779) number; assisting with any type of customer service issue. MVD's Customer Service Call Center will be staffed between 7:00 am – 5:00 pm Monday through Friday.

Specific billing, new and cancel service requests/questions will be referred to City of Madera's Finance Department.

MVD will have a Recycling Office located in town where (2) Recycling Coordinator's will be available to schedule an appointment to discuss any type of service questions or request. MVD's Recycling Coordinator's will be readily available by cell phone for customers to request a visit or answer any service questions.

City of Madera staff can call with any questions or concerns. The City will also have direct contact with MVD's District Manager and Recycling Director.

### Implementation Plan/ Transition Guidelines

Mid Valley Disposal is aware of potential confusion that may arise with a transition of customer service operations from the City of Madera's Solid Waste Department. However, MVD is confident its Implementation Plan will assist in making transition smooth. MVD principals will work with City staff to complete and execute the Implementation Plan included in this section and will constantly monitor the progress and performance of MVD's expert operations team to ensure all milestones are met on schedule.

## Implementation Plan/ Transition Guidelines

Mid Valley Disposal is aware of potential confusion that may arise with a transition of customer service operations from the City of Madera's Solid Waste Department. However, MVD is confident its Implementation Plan will assist in making transition smooth. MVD principals will work with City staff to complete and execute the Implementation Plan included in this section and will constantly monitor the progress and performance of MVD's expert operations team to ensure all milestones are met on schedule.

Task	Description	Purpose	Distribution/ Frequency
<b>START-UP</b>			
1	Postcard Announcement	Introduces MVD's 1-800-706-5779 as the primary customer service phone number for City of Madera residents and commercial accounts. Phone number will service as a method of contact for customer concerns and service requests. Informs customers of the questions MVD Customer Service Department can assist with. Additional CSR will be trained and employed to handle increased phone call volumes.	All MVD customers; approximately one month prior to the operations start date, for the first year.
2	Full Billing Audit	Mid Valley Disposal will complete a full commercial account audit to all commercial accounts in the City of Madera to assure accounts are being billed accurately with services on-site.	All commercial accounts; when new contract is initiated, for the first year.
<b>ONGOING</b>			
3	Communication Meetings	Quarterly progress meetings with City of Madera staff and Mid Valley Disposal team. Meetings will allow MVD to report advancement, comments and concerns for a continued smooth transition.	City of Madera staff and MVD staff; quarterly.
4	Work Log	MVD team will create a work log for ACR employees. Work log will consist of work orders created from CSR team.	All ARC employees; daily.

## Collection

### Cart Ordering

Mid Valley Disposal will oversee the cart ordering and inventory for the City of Madera. MVD will track and order inventory as needed.

### Cart Storage and Delivery

Residential and commercial carts will remain stored at the City of Madera Public Works yard. MVD will provide all required services and personnel for delivery and pick up of trash, recycling and organics carts and bins to residents and commercial businesses. MVD will continue to deliver carts to newly constructed homes. All bin and cart delivery will be managed by a MVD Operations Manager and Supervisor who will be 100% responsible for ensuring timely and accurate deliveries.

### Cleaning and Repair

MVD will continue the partnership with ARC of Madera with a (one) year contract for 2018 for the number of hours currently contracted with the City of Madera. MVD drivers will call in all damage carts regardless of severity and Route Supervisor will follow-up to document all findings. If damage is more severe the container will be exchanged immediately and the damaged container will be repaired by ARC of Madera team. MVD will make sure that all carts remain looking new for the life of the contract. All repair and service requests made from City staff will be resolved within seventy-two (72) business hours of notification.



## Public Education and Outreach Program

Mid Valley Disposal's Recycling Department consist of six Recycling Coordinators, a Communications Director and a Recycling Director which work together as a team to improve recycling efforts by implementing hands on recycling education programs and providing technical support to all customers. MVD's Education and Outreach Program has worked in all of MVD's other jurisdictions to bring increased awareness, regulatory compliance, and results. It includes:

- MVD's Recycling Coordinator will assist with implementation of new services.
- Education Materials will be provided for residential, commercial, school, and other types of recycling, organics, and additional special programs regarding proper and safe disposal of waste materials.
- Attend Community Outreach events.
- Presentations will be offered to non-profit groups, civic groups, employees, tenants, owners, and students regarding recycling programs.
- School outreach will be provided to Madera Unified School District and schools within the City. Mid Valley Disposal's school educational program offers classroom presentations, assembly's and special event participations to promote waste reduction and recycling.
- MVD's Recycling Coordinator will continue to monitor and track education and outreach efforts including City recycling, organics and solid waste tonnages.
- Mid Valley Disposal's Recycling Coordinator will present bi-annual updates to City council regarding City wide recycling and waste reduction programs.
- Phone number education to City of Madera residents and commercial customers.

MVD's Education Program is successful in reaching out to specific and various target audiences resulting in changed habits to improve the environment and reduce waste by recycling, reducing and reusing materials that would have been sent to a landfill. Mid Valley Disposal's Education Program is also vital in assisting the City meet State Recycling mandates such as AB341 and AB1826.

## Special Services

### Clean-Up Events

Mid Valley Disposal Supervisor and staff will plan and coordinate the collection of materials at the curb during the 6-week event.

### Roll-Off Services/ Requests and Orders

Mid Valley Disposal provides industrial size bin services ranging from 10 to 50 yards for residential, industrial, commercial cleanup and construction or demolition projects. Mid Valley Disposal has implemented a process to track waste generated during Construction and Demolition projects through our roll-off services, producing a C&D diversion report for contractors to submit to the City's Planning Department. All tonnages collected by our roll-off services will be tracked by material type.

### Rent-A-Bin

MVD's Customer Service Department will set up new accounts and services.

### Sharps Kiosk

Mid Valley Disposal's Sharps Kiosk provides an environmentally responsible solution for City of Madera residents to dispose of home-generated sharps. MVD will oversee the collection services with 3rd party hauler, Stericycle. Promotion of the program will continue with outreach throughout the City. In approved containers customers can deposit:

- Used needles and syringes
- Lancets
- Other sharps

### Battery Collection

MVD's Recycling Coordinator collects used batteries from City Hall and Public Works Yard for safe and proper recycling.

### Holiday Trees

MVD will collect unadorned holiday trees placed curbside by single- and multi-family customers at least during the first week after New Year's Day. For all practical purposes, MVD will collect holiday trees during the season whenever they appear. Holiday trees will be recycled into mulch or composted. No collected holiday trees will be landfilled.

## State Compliance

Mid Valley Disposal is proposing to offer a comprehensive waste reduction and recycling programs for the City of Madera. MVD is confident we can implement a program customized to the City's needs, in order to meet mandatory state law requirements.

- Mid Valley Disposal will implement waste reduction and recycling programs to meet AB939- (50% diversion requirement), AB341 Mandatory Commercial Recycling, AB1826 Mandatory Commercial Organics Recycling and SB1016-New Goal measurement system for disposal compliance.
- MVD's Recycling Coordinator will provide ongoing technical support to assure programs are successful.
- Commercial business site visits will be conducted weekly to monitor recycling efforts, implement new recycling programs, and provide education to the employees.
- Multi-family communities will be visited weekly to monitor recycling efforts and contamination, implement new recycling program, and provide education and outreach to the tenants.
- Mid Valley Disposal's Recycling Coordinator will contact the Madera Unified School District annually to receive approval for MVD's school outreach program to be at each school site. The school recycling program will include monitoring recycling services, implementing new programs, and providing presentations in a classroom or assembly format.
- Annual Reports will be completed by Mid Valley Disposal. The annual report is due each year by August 1st and requires program updates meeting state diversion programs.
- Mid Valley Disposal will work with each of the schools sites to implement Mandatory Organics Recycling Programs within each cafeteria.

MVD's Education Program is successful in reaching out to specific and various target audiences resulting in changed habits to improve the environment and reduce waste by recycling, reducing and reusing materials that would have been sent to a landfill. Mid Valley Disposal's Education Program is also vital in assisting the City meet State Recycling mandates such as AB341 and AB1826.

## Technology

### 3rd Eye

Mid Valley Disposal's collection fleets are equipped with the latest technology. MVD has invested in 3rd Eye Cams, a driver enhancement system with the capability to record drivers, monitor driving behavior and provide live vehicle tracking during daily routes. Using geofencing with bread crumbs, it allows MVD's Operation Manager know the exact location of a truck and provides a trail of day-to-day vehicle activity. With a push of a button MVD Drivers are able to take pictures of overloaded and blocked bins; pictures are then automatically uploaded to system. 3rd Eye Cam's also highlight risky behaviors that can lead to accidents, personal injury, property damage, and endanger a driver's professional livelihood. By showing a driver's unsafe actions, we can coach our team to be safer. This technology has helped us increase customer satisfaction while improving operational efficiency.

### Type and Description of Customer Management Software Used

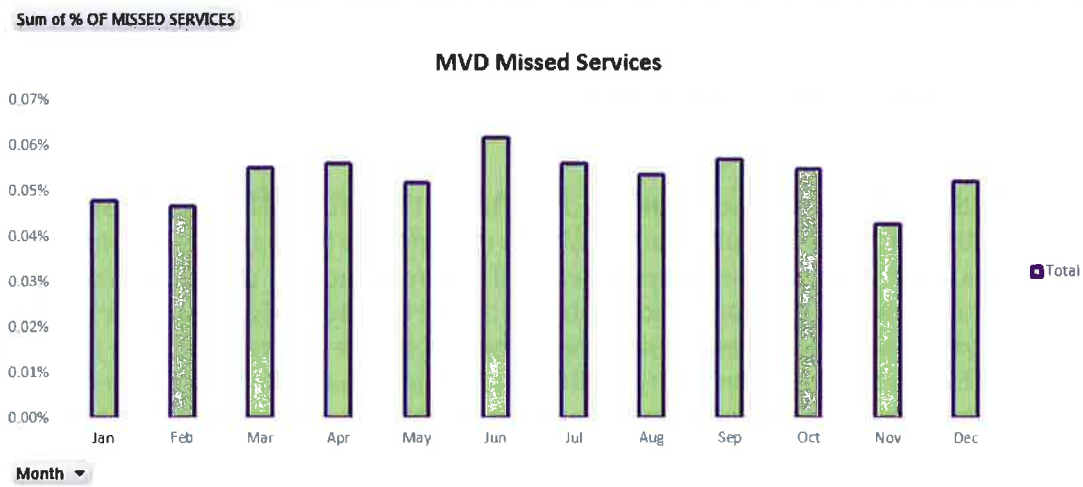
MVD uses a sophisticated software application specifically designed for the waste services industry called Encore, which is Microsoft certified. The Company selected Encore because of the dispatching and customer service components. Route or service problems can be tracked easily at the route level, which transfers into customer notes. Customer service note-taking and service orders can also be created and tracked efficiently. Encore has user-friendly Crystal Reports built into it as well. All customer requests and concerns regardless of how they are routed to MVD are logged into this system. MVD's work order system is a closed-loop work order system; work orders remain open until they are complete. The system is monitored by MVD's customer service leadership team to ensure all matters are resolved within one business day.

Capabilities and features include:

- Customer Management
- Integrated Email
- Customer Website Portal
- Accounts Receivable Billing and Accounts Payable Accounting
- Brokerage Tracking with Shipping Reconciliation
- Onboard Truck Computer Integration
- On-Call Services, Roll-Off, Recurring Route Mapping and Route Optimization
- Scale Management: Transfer Station, Landfill, MRF, and Recycling Facilities
- Link Pictures and Attachments to Scale Tickets and Work Orders
- Split Ticket Multiple Customer, Multiple Material Loads
- Recycling Management: AP, AR, and MRF Management
- Process, Purchase Order, and Sales Order Management
- Fleet and Equipment Management and Maintenance

## Reporting

MVD prides itself in having developed systems and a culture of full accountability to avoid operational missteps that generate customer concerns. MVD will provide customer service reporting to the City based on City preference and the finalized Agreement. MVD will produce reports from the information gathered through the customer management software described in the section above. MVD will work cooperatively with the City to develop reporting due dates and templates that provide the City with the information it needs to monitor MVD’s activity and performance.



Mid Valley performs 10,669 bin services per week & 167,948 cart services per week. As evidenced by the chart above, MVD has phenomenal success in keeping missed services to less than a half a percent of the total services performed each month.

## C&D Reporting

Mid Valley Disposal has implemented a comprehensive program to assist the City meet Cal Green Code and Cal Recycle Annual report requirements to divert Construction and Demolition (C&D) materials from landfill. Mid Valley Disposal’s transfer station in Kerman is used primarily to sort C&D materials from City projects. Our drivers and transfer station employees are trained to separate C&D waste from materials that can be salvaged or recycled. Our roll-off drivers complete a diversion report when materials are transported in our roll-off and are off loaded onto the transfer floor. The Driver Diversion report and weight ticket are then turned into the scale house where the process begins to track C&D material type and tonnage per City and Project. Mid Valley Disposal has diversion report available for contractors to turn in to City Planning Departments for tonnages hauled to landfill and diverted from each project monthly. Mid Valley Disposal will continue working in partnership with the City’s Planning Department to assist in meeting the 65% diversion requirement under Cal Green Code.

## Performance Measures

The chart, below, includes MVD's own internal performance measures and the Company's recommendations for measures of successful performance associated with any performance review the City might undertake.

The measures for successful performance could be as simple as adopting the thresholds listed below. The City could measure compliance through its own monitoring—such as through observation or intentional investigation of customer service, or through a City-procured audit using an objective consulting firm, or through a reporting function that presents a periodic snapshot of MVD performance. If the City found MVD non-compliant, the City could adopt a system of fines for failure to perform to contract performance standards. Liquidated damages for failure to perform are a common form of incentive. A more positive approach is to offer both a carrot and stick to encourage excellent performance. For example, it could offer an automatic contract extension if MVD meets all performance standards in the subject review year.

MVD can confidently recommend either system because performance excellence is the Company's driving ethic; MVD takes its performance seriously, always striving to exceed customer expectations.

Item	Measure
CSR phone call initial answer time	A live human voice within 3 rings.
Customer on-hold time	No more than 1 minute on-hold.
Residential missed collection rate	No more than 1 percent.
Commercial missed collection rate	No more than 1 percent.
Customer service staffing	Provide customer service staffing during office hours.
Customer complaints	Customer complaints to City over 6 per month.
Customer complaints	Failure to resolve any customer complaint within 48 hours.
Liter	Failure to clean up spillage or litter during the course of collection operations.
Outreach	Failure to provide program guidelines to new customers.
School Education Program	Failure to provide notice to schools of availability of educational presentations and materials.
Reporting	Failure to submit reports to City on time.
Diversion	Failure to meet all State recycling diversion mandates.

## Section 5: Additional Submittals

### Staffing Chart

<b>MVD Staff for City of Madera</b>			
Position	Current	New	Difference
Recycling Coordinator	1	2	1
Customer Service Representative	0	1	1
Bin Driver	0	1	1
Route Supervisor	(1) part-time	1 full-time	1
Management Oversight	(1) part-time	1 full-time	1

# Mid-Valley Disposal

## Cost Proposal for admin services to City of Madera

### Annual Operating Costs

	<u>Recycle Cordinator</u>	<u>Customer Service</u>	<u>Bin/Cart Delivery</u>	<u>Route Supervisor</u>
Labor Costs				
Wages/Salary	\$ 52,000	\$ 38,500	\$ 48,000	\$ 60,000
PTO and Holiday Pay	2,600	2,400	2,800	4,100
Payroll Taxes	4,280	3,820	4,570	6,670
Annual Workers Comp Premium Cost	1,430	1,270	4,780	6,980
Employee Health and 401k Plan	6,880	6,340	6,720	7,200
Total Employee Cost	\$ 67,190	\$ 52,330	\$ 66,870	\$ 84,950
Number FTE needed	1.00	1.00	0.20	0.40
Allocated Employee Costs	\$ 67,190	\$ 52,330	\$ 13,374	\$ 33,980
Subtotal - Labor Costs	\$ 166,874			
Vehicle and related direct expenses	17,500			
Total Direct Costs	184,374			
Overhead burden (9.0%)	16,594			
Total Operating Costs	\$ 200,968			

### **Total Costs to provide service**

	<b>\$ 200,968</b>
Single Family Residences	12,929
Cost Per Month per Home	\$ 1.30

### Residential Cart Replacement

	Grey	Green	Blue	Total
Cart Totals (Provided by City)	12,486	12,362	12,210	37,058
Estimated Annual Replacement Rate	5.00%	4.50%	4.00%	
Estimated Annual Replacement Carts	624	556	488	1,668
Estimated Annual New Starts	180	180	180	540
Totals	804	736	668	2,208

Annual Carts Purchased	2,208
\$ per Cart	\$ 59.00

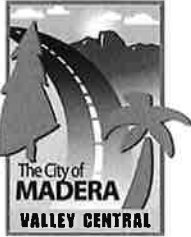
Annual Cart Purchase Costs	\$ 130,272
Replacement Lids, Parts and Supplies	28,000
ARC contracted services	25,000

### **Total Cart Costs**

	<b>\$ 150,000</b>
Single Family Residences	12,929
Cost Per Month per Home	\$ 0.97

<b>Total Monthly Cost per Home</b>	<b>\$ 2.26</b>
------------------------------------	----------------





## REPORT TO CITY COUNCIL

Approved by:

*Donna Alvarez*

Department Director

*Steve Franzen*

City Administrator

Council Meeting of: May 2, 2018

Agenda Number: F-1

**SUBJECT:** Request for Letter in Support of AB 3218 – Millerton Lake State Recreation Area: Expansion. Acquisition of Land

**RECOMMENDATION:** Staff recommends that Council consider the information and presentation by Council Member Oliver requesting a letter in support of AB 3218, Millerton Lake State Recreation Area: Expansion. Acquisition of Land.

**SUMMARY:** Council Member Oliver serves as the City of Madera's representative on the San Joaquin River Conservancy. He has requested that the Council join him in support of AB 3218 by authorizing the Mayor to sign a letter of support on behalf of the City. The proposed legislation would allow for the properties acquired by the San Joaquin River Conservancy, for the purposes of the San Joaquin River Parkway, to be managed under the Millerton Lake State Recreation Area. Supporting documents as well as the proposed letter of support are attached.

**FINANCIAL IMPACT:** There is no financial impact associated with approval of the letter of support.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:** Approval of the letter of support is not addressed in the vision or action plans; however, it generally aligns with Strategy 411 - Recreational Opportunities: Enhance and expand recreational activities available to Maderans.

## **Sonia Alvarez**

---

**From:** William Oliver  
**Sent:** Thursday, April 26, 2018 9:00 AM  
**To:** Sonia Alvarez  
**Cc:** Steve Frazier  
**Subject:** AB 3218-- Letter of Support Request

Hi Sonia,

I would like the Mayor and City Council to consider providing a letter of support for AB 3218 which is sponsored by Assemblymember Joaquin Arambula. AB 3218 would allow for the properties acquired by the San Joaquin River Conservancy (SJRC) for the purposes of the San Joaquin River Parkway to be managed under the Millerton State Recreational Area, thus providing needed operations and maintenance funding.

The San Joaquin River Conservancy is a regionally governed agency created to develop and manage the San Joaquin River Parkway, a planned 22-mile natural and recreational area in the floodplain extending from Friant Dam to Highway 99. The Conservancy's mission includes acquiring approximately 5,900 acres from willing sellers; developing, operating, and managing those lands for public access and recreation; and protecting, enhancing, and restoring riparian and floodplain habitat.

I currently represent the City of Madera on the SJRC Board as Vice-Chairman with Councilmember Derek Robinson serving as an Alternate. Since its inception, the lack of operations and maintenance funding has been the achilles' heel in realizing the San Joaquin River Parkway Masterplan. AB 3218 would help bridge that funding gap, allowing the SJRC to secure critical operations and maintenance dollars through the State's Millerton Lake Recreation Area. This legislation is supported by the County of Madera, City of Fresno and County of Fresno.

### **Assemblymember Arambula's Statement:**

**Author's Statement:** For 26 years, there have been efforts to establish a river park way along the San Joaquin River from Millerton Lake to Highway 99. Residents of the Central Valley have long been promised the ability to enjoy the beautiful scenic area adjacent to the San Joaquin River. One issue in providing this recreational AB 3218 Page 2 opportunity is operation and maintenance. AB 3218 is a logical attempt to solve the problem of operation and maintenance funding challenges that have plagued the current land available for public use. **Background and Purpose:** According to the author, this bill extends the Millerton State Recreational Area to include the areas of the San Joaquin River Parkway currently managed by the San Joaquin River Conservancy in order to allow for operation and maintenance to be handled by the DPR through the Millerton State Recreation Area. Despite legislation creating the San Joaquin River Conservancy (SJRC), discussed below, the author argues that the "dream of having a continuous parkway is not a reality."

## **Madera City Council**

Mayor Andrew J. Medellin

Mayor Pro Tem Jose Rodriguez, District 2

Council Member Cece Foley Gallegos, District 1

Council Member William Oliver, District 3

Council Member Derek O. Robinson Sr., District 4

Council Member Charles F. Rigby, District 5

Council Member Donald E. Holley, District 6



May 2, 2018

Assemblymember Eduardo Garcia  
Chair, Water, Parks, and Wildlife Committee  
1020 N Street, Room 160  
Sacramento, CA 95814

**RE: Support for AB 3218 Millerton Lake State Recreation Area: expansion. acquisition of land.**

Dear Assemblymember Garcia,

On behalf of the City of Madera, I am pleased to extend our support of Assembly Bill 3218 (Arambula) which aims to bring much needed operation and maintenance funding to the San Joaquin River Parkway. By allowing the Millerton Lake State Recreation Area to operate and manage the current area, resources can be used more efficiently to help make the San Joaquin River Parkway a recreational resource that everyone could enjoy.

Since 1992, the San Joaquin River Conservancy's goal has been to create a continuous river parkway from Friant Dam to Highway 99. This area of land will be used for pedestrian, biking, and equestrian trails. The idea of having a stretch of park land along the river for communities to enjoy is not new and is one enjoyed by many cities in California, such as the City of Madera.

Unfortunately, the San Joaquin Valley has historically suffered from a dearth of park space, compared to the rest of the state and nation. As residents in the heart of the Valley, we have the dubious distinction of living in some of the worst air quality in our State with areas most often classified as severely disadvantaged under the Cal Enviro Screen.

AB 3218 will help expand recreational opportunities for the Valley and increase open-space by making the San Joaquin River Parkway a reality and providing our communities with safe and healthy recreational and outdoor access areas.

For these reason, we support AB 3218 and respectfully urge the passage of AB 3218.

Sincerely,

Andrew J. Medellin  
Mayor, City of Madera



## ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, 31<sup>ST</sup> DISTRICT

### **AB 3218 –Millerton Lake State Recreation Area: expansion. – As Amended**

#### **Summary**

In 1992, The San Joaquin Conservancy Act (AB 2452) created the San Joaquin River Conservancy with a mission of “acquiring approximately 5,900 acres from willing sellers; developing, operating, and managing those lands for public access and recreation; and protecting, enhancing, and restoring riparian and floodplain habitat.” For 26 years, there have been efforts to create a River Parkway from Friant Dam to Highway 99 along the San Joaquin River.

#### **Background**

The area along the San Joaquin River has long been envisioned as a Parkway where residents of the San Joaquin Valley can enjoy the natural landscapes created by the San Joaquin River.

AB 2452, The San Joaquin River Conservancy Act, by Jim Costa created the San Joaquin River Conservancy to develop and manage the San Joaquin River Parkway, a planned 22-mile natural and recreational area in the floodplain extending from Friant Dam to Highway 99.

The Conservancy is governed by a fifteen-person board, four of whom are elected officials. The chairperson of the board rotates every two years among the mayor or designated council member of the City of Fresno, the member of the Board of Supervisors of Madera County, and the member of the Board of Supervisors of Fresno County.

There are six members representing various state agencies, including the California Parks Department, and three citizen representatives on the board.

The San Joaquin River Conservancy is funded from three sources: the San Joaquin River Conservancy Fund, the Environmental License Plate Fund, and several bond funds approved by state voters.

These bonds are prioritized for acquiring lands for conservation and recreation in the Parkway from willing sellers.

#### **This bill**

This bill would give the Conservancy the ability to enter into a management agreement with State Parks in order for operation and maintenance to be handled by the California Parks Department through the Millerton State Recreation Area.

#### **Support**

California Partnership for the San Joaquin Valley  
California State Parks Foundation  
City of Huron  
Fresno County Board of Supervisors  
The San Joaquin River Parkway & Conservancy  
City of Fresno  
County of Fresno  
County of Madera

#### **Related Legislation**

San Joaquin River Conservancy. Chapter 1012 of 1992 (AB 2452, Costa)

Parks and nature education facilities: Central Valley Vision. Chapter 546 of 2007 (AB 1426, Wolk)

#### **For More Information Call**

Arturo Barajas  
916-319-2031  
[arturo.barajas@asm.ca.gov](mailto:arturo.barajas@asm.ca.gov)



# California LEGISLATIVE INFORMATION

[Home](#)[Bill Information](#)[California Law](#)[Publications](#)[Other Resources](#)[My Subscriptions](#)[My Favorites](#)

## AB-3218 Millerton Lake State Recreation Area: acquisition of land. (2017-2018)

SHARE THIS:



Date Published: 04/25/2018 09:00 PM

AMENDED IN ASSEMBLY APRIL 25, 2018

AMENDED IN ASSEMBLY APRIL 02, 2018

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

### ASSEMBLY BILL

**No. 3218****Introduced by Assembly Member Arambula****February 16, 2018**

An act to add ~~Section 5005.2~~ *Sections 5005.2 and 32539* to the Public Resources Code, relating to state parks.

### LEGISLATIVE COUNSEL'S DIGEST

AB 3218, as amended, Arambula. Millerton Lake State Recreation Area: acquisition of land.

Existing law designates all parks, public campgrounds, monument sites, landmark sites, and sites of historical interest established or acquired by the state, or that are under its control, as the state park system, except as specified. Under existing law, the Department of Parks and Recreation controls the state park system, which is made up of units, one of which is the Millerton Lake State Recreation Area.

*Existing law establishes the San Joaquin River Conservancy and prescribes the membership of and functions and duties of the conservancy with respect to the acquisition, conservation, and management of specified public lands within the San Joaquin River Parkway, and lands adjacent to both sides of the river.*

This bill would require the department to effectively manage lands currently within its jurisdiction in the Millerton Lake State Recreation Area adjacent to the San Joaquin River, and ~~to take action to acquire approximately 5,900 acres adjacent to the river, as specified, if those lands, or any portion of those lands, are offered for sale. The bill would prohibit the department from using the power of eminent domain to acquire any additional lands for the recreation area pursuant to the bill.~~ *would authorize the department to enter into an agreement with the conservancy to manage lands acquired by the conservancy adjacent to the state recreation area, as specified.*

*The bill would require the conservancy to take action to acquire approximately 5,900 acres adjacent to both sides of the river, as specified, if those lands, or any portion of those lands, are offered for sale, and to prioritize the purchase of those lands, as prescribed.*

This bill would make legislative findings and declarations as to the necessity of a special statute for purposes of expanding the Millerton Lake State Recreation Area.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 5005.2 is added to the Public Resources Code, to read:

**5005.2.** ~~(a)~~ The department shall effectively manage lands currently within its jurisdiction in the Millerton Lake State Recreation Area adjacent to the San Joaquin River, and ~~shall take action to acquire approximately 5,900 acres adjacent to both sides of the San Joaquin River between Friant Dam and Highway 99, if those lands, or any portion of those lands, are offered for sale.~~ *may enter into an agreement with the San Joaquin River Conservancy to manage lands acquired by the conservancy adjacent to the state recreation area that are acquired by the conservancy pursuant to Section 32539.*

~~(b) The department shall not use the power of eminent domain to acquire any additional lands for the recreation area pursuant to this section.~~

**SEC. 2.** Section 32539 is added to the Public Resources Code, to read:

**32539.** *(a) The conservancy shall take all necessary action to acquire approximately 5,900 acres adjacent to both sides of the San Joaquin River between Friant Dam and Highway 99 if those lands, or any portion of those lands, are offered for sale.*

*(b) The conservancy shall prioritize the purchase of lands described in subdivision (a) that are adjacent and provide access to the Millerton Lake State Recreation Area.*

*(c) The conservancy shall not use the power of eminent domain to acquire any lands pursuant to this section.*

~~SEC. 2.~~ **SEC. 3.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need to expand the Millerton Lake State Recreation Area.