

MEETING AGENDA

The City Council/Successor Agency of the City of Firebaugh

Vol. No. 20/04-06

Date/Time: April 6, 2020/6:00 p.m.

***SPECIAL NOTICE DUE TO COVID-19 MEETING WILL BE HELD VIA
TELECONFERENCE ONLY – THE MEETING WILL NOT BE OPEN TO THE PUBLIC**

**PURSUANT TO PARAGRAPH 11 OF EXECUTIVE ORDER N-25-20,
EXECUTED BY THE GOVERNOR OF CALIFORNIA ON MARCH 12, 2020**

Members of the public who wish to address the Council may do so by submitting a written comments to the Deputy Clerk via email deputyclerk@ci.firebaugh.ca.us Please provide: Council Meeting Date, Item Number your comment are pertaining to, Name, Email and comment, no later than 3:00 PM the day of the meeting.

***Pursuant to Government Code Section 54953 (b)(2), all action taken during this teleconferenced meeting shall be by roll call vote.**

CALL TO ORDER

ROLL CALL

Mayor Elsa Lopez
Mayor Pro Tem Freddy Valdez
Council Member Brady Jenkins
Council Member Felipe Pérez
Council Member Marcia Sablan

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Andrew Firebaugh Community Center to participate at this meeting, please contact the Deputy City Clerk at (559) 659-2043. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Andrew Firebaugh Community Center.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the Deputy City Clerk's office, during normal business hours.

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

PRESENTATION

Mr. Ryan Jolley, CPA, of Bryant Jolley CPA Office, will present a review of the Annual Independent Auditor's Report for the period FY 2018-2019, ending June 30, 2019.

PUBLIC COMMENT

CONSENT CALENDAR

Items listed on the calendar are considered routine and are acted upon by one motion unless any Council member requests separate action. Typical items include minutes, claims, adoption of ordinances previously introduced and discussed, execution of agreements and other similar items.

1. APPROVAL OF MINUTES – The City Council regular meeting on March 16, 2020.
2. APPROVAL OF MINUTES – The City Council special meeting on March 19, 2020.

3. RESOLUTION NO. 20-15 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH DIRECTING THE FILING OF THE ANNUAL ASSESSMENTS FOR LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1 IN THE CITY OF FIREBAUGH.

Recommended Action: Council receives public comment & approves Res. No. 20-15.

PUBLIC HEARING

4. ORDINANCE NO. 20-01 - AN ORDINANCE OF THE CITY OF FIREBAUGH, COUNTY OF FRESNO, STATE OF CALIFORNIA, AMENDING ORDINANCE NO. 359, OF THE CITY OF FIREBAUGH, RELATING TO THE CLASSIFICATION OF THE ZONE OF PARTICULAR PARCELS OF REAL PROPERTY – SECOND READING.

Recommended Action: Council receives public comment & approves Ord. No. 20-01.

5. ORDINANCE NO. 20-02 - AN ORDINANCE OF THE CITY OF FIREBAUGH AMENDING SECTION 15-1.6 OF CHAPTER 15 OF THE FIREBAUGH MUNICIPAL CODE PERTAINING TO THE CITY OF FIREBAUGH WATER DISCONTINUATION POLICY- SECOND READING.

Recommended Action: Council receives public comment & approves Ord. No. 20-01.

NEW BUSINESS

6. RESOLUTION NO. 20-16 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO CHANGE THE EXISTING DEDICATION OF OUTLOTS ALONG CLYDE FANNON DRIVE TO INCLUDE THE USE AS A PUBLIC UTILITY EASEMENT FOR THE DEVELOPMENT OF TRACT 6257.

Recommended Action: Council receives public comment & approves Res. No. 20-16.

7. RESOLUTION NO. 20-17 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING THE CITY OF FIREBAUGH FY 2020/2021 LIST OF ELIGIBLE PROJECTS FOR FUNDING FROM THE ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) CREATED BY SENATE BILL 1: ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017, AND AUTHORIZING THE CITY MANAGER TO FILE WITH THE CALIFORNIA TRANSPORTATION COMMISSION THE PROJECT LIST AND ANNUAL EXPENDITURE REPORT FOR FY 2020/2021 RMRA FUNDING.

Recommended Action: Council receives public comment & approves Res. No. 20-17.

8. THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING THE TOBACCO LAW ENFORCEMENT GRANT AGREEMENT BETWEEN THE CITY OF FIREBAUGH AND FIREBAUGH LAS DELTAS SCHOOL DISTRICT.

Recommended Action: Council receives public comment & approves agreement.

CLOSED SESSION

ANNOUNCEMENT AFTER CLOSED SESSION

ADJOURNMENT

Certification of posting the Agenda

I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, April 3, 2020 at 5:00 p.m. by Rita Lozano Deputy City Clerk.



STAFF REPORT

TO: Mayor Elsa Lopez and Council Members
FROM: Pio Martin, Finance Director
DATE: April 06, 2020
SUBJECT: Fiscal Year 2018- 2019 Audit

RECOMMENDATION:

Review and accept the FY 2018-2019 audited financial statements and the auditor's report on compliance and internal control over financial accounting based on an audit of financial statements performed in accordance with Government Auditing Standards. In addition, direct staff to establish a trust account for Other Post Employment Benefits with CALPERS.

HISTORY:

Bryant L. Jolley, CPA has completed the FY 2018-2019 audit for the City of Firebaugh. Ryan Jolley will be presenting at the April 06, 2020 city council via phone conference he will be available for answer any questions regarding the audit.

DISCUSSION:

FISCAL IMPACT:

CITY OF FIREBAUGH

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

JUNE 30, 2019

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Jaribu Nelson C.P.A.
Lan T. Kimoto
Jeffrey M. Schill

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh, California, (the City) as of and for the year ended June 30, 2019, 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh, California, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 44 – 46, page 47, and page 48, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Firebaugh's basic financial statements. The combining and individual nonmajor 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 and individual 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 March 20, 2020, on our consideration of the City of Firebaugh'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 City of Firebaugh's internal control over financial reporting and compliance.

March 20, 2020



CITY OF FIREBAUGH

STATEMENT OF NET POSITION JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 7,532,545	\$ 8,547,161	\$ 16,079,706
Accounts receivable (net of allowance)	109,667	399,973	509,640
Due from other governments	549,079	3,655	552,734
Interest receivable	26,188	-	26,188
Notes and loans receivable	1,906,293	-	1,906,293
Internal balances	(972,712)	972,712	-
Capital assets, net of allowance for depreciation	4,059,178	15,315,195	19,374,373
Total assets	<u>13,210,238</u>	<u>25,238,696</u>	<u>38,448,934</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,139,123</u>	<u>201,104</u>	<u>1,340,227</u>
LIABILITIES			
Accounts payable	85,690	122,615	208,305
Accrued expenses	66,186	32,562	98,748
Accrued interest payable	-	54,613	54,613
Deposits	21,280	82,139	103,419
Compensated absences	82,005	31,906	113,911
Long-term liabilities:			
Bonds payable:			
Due within one year	126,338	232,444	358,782
Due in more than one year	585,733	12,028,584	12,614,317
Net other post employment benefits	2,785,783	1,203,596	3,989,379
Net pension liability	3,285,152	539,349	3,824,501
Total liabilities	<u>7,038,167</u>	<u>14,327,808</u>	<u>21,365,975</u>
DEFERRED INFLOWS OF RESOURCES	<u>331,949</u>	<u>84,877</u>	<u>416,826</u>
NET POSITION			
Net investment in capital assets	3,347,107	6,952,393	10,299,500
Restricted for:			
Debt service	12,695	157,705	170,400
Public ways and facilities	1,201,486	-	1,201,486
Public safety programs	138,041	-	138,041
Low-income housing activities	144,995	-	144,995
Capital projects and improvements	1,265,401	-	1,265,401
Unrestricted	869,520	3,917,017	4,786,537
Total net position	<u>\$ 6,979,245</u>	<u>\$ 11,027,115</u>	<u>\$ 18,006,360</u>

See accompanying notes.

CITY OF FIREBAUGH

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue				Net Revenue/(Expense) and Changes in Net Position		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 378,526	\$ 51,864	\$ 44,499	\$ 40,158	\$ (242,005)	\$ -	\$ (242,005)
Public ways and facilities	1,433,523	496,110	598,714	125,870	(212,829)	-	(212,829)
Public protection	2,704,692	217,961	139,894	-	(2,346,837)	-	(2,346,837)
Culture and recreation	299,693	25,481	-	-	(274,212)	-	(274,212)
Community development	325,647	168,615	-	382,226	225,194	-	225,194
Debt Service							
Interest and fiscal charges	10,902	-	-	-	(10,902)	-	(10,902)
Total governmental activities	5,152,983	960,031	783,107	548,254	(2,861,591)	-	(2,861,591)
Business-type activities							
Sewer	1,474,805	1,591,393	135	-	-	116,723	116,723
Water	2,037,071	1,646,728	-	-	-	(390,343)	(390,343)
Total business-type activities	3,511,876	3,238,121	135	-	-	(273,620)	(273,620)
Total primary government	\$ 8,664,859	\$ 4,198,152	\$ 783,242	\$ 548,254	(2,861,591)	(273,620)	(3,135,211)
General Revenue							
Property taxes					328,339	-	328,339
Sales and use taxes					2,701,424	-	2,701,424
Franchise taxes					130,458	-	130,458
Grants and contributions - unrestricted					2,127	-	2,127
Interest and investment earnings					66,368	36,053	102,421
Miscellaneous					281,619	10,162	291,781
Gain on sale of assets					500	-	500
Transfers					43,608	(43,608)	-
Total general revenue					3,554,443	2,607	3,557,050
Change in Net Position					692,852	(271,013)	421,839
Net Position							
Beginning of year, re-stated					6,286,393	11,298,128	17,584,521
End of year					\$ 6,979,245	\$ 11,027,115	\$ 18,006,360

See accompanying notes.

CITY OF FIREBAUGH

BALANCE SHEET – GOVERNMENTAL FUNDS JUNE 30, 2019

	General	Community Development	Housing	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 5,721,565	\$ -	\$ 118,807	\$ 1,692,173	\$ 7,532,545
Accounts receivable	70,698	-	-	38,969	109,667
Due from other governments	361,643	187,436	-	-	549,079
Due from other funds	201,393	-	-	-	201,393
Interest receivable	-	-	26,188	-	26,188
Notes and loans receivable	-	-	1,906,293	-	1,906,293
Total assets	<u>\$ 6,355,299</u>	<u>\$ 187,436</u>	<u>\$ 2,051,288</u>	<u>\$ 1,731,142</u>	<u>\$ 10,325,165</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities					
Accounts payable and accrued expense	53,215	4,501	-	27,974	85,690
Accrued salaries and benefits	121,701	-	-	26,490	148,191
Due to other funds	157,705	201,393	-	-	359,098
Advances from other funds	815,007	-	-	-	815,007
Deposits	21,280	-	-	-	21,280
Total liabilities	<u>1,168,908</u>	<u>205,894</u>	<u>-</u>	<u>54,464</u>	<u>1,429,266</u>
Deferred inflows of resources					
Unavailable revenues	-	-	1,906,293	-	1,906,293
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,906,293</u>	<u>-</u>	<u>1,906,293</u>
Fund Balance					
Restricted					
Debt service	12,695	-	-	-	12,695
Public ways and facilities	-	-	-	1,201,486	1,201,486
Public safety programs	-	-	-	138,041	138,041
Low-income housing activities	-	-	144,995	-	144,995
Capital projects and improvements	928,250	-	-	337,151	1,265,401
Unassigned	<u>4,245,446</u>	<u>(18,458)</u>	<u>-</u>	<u>-</u>	<u>4,226,988</u>
Total fund balance	<u>5,186,391</u>	<u>(18,458)</u>	<u>144,995</u>	<u>1,676,678</u>	<u>6,989,606</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,355,299</u>	<u>\$ 187,436</u>	<u>\$ 2,051,288</u>	<u>\$ 1,731,142</u>	<u>\$ 10,325,165</u>

See accompanying notes.

CITY OF FIREBAUGH

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2019

Total governmental fund balance	\$ 6,989,606
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Notes receivable are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	1,906,293
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	4,059,178
Deferred outflows of resources related to net pension liability and post- retirement health benefits, represent a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expenses) until that time	1,139,123
Post-retirement health benefits are not due and payable in the current period and, therefore, are not reported in the governmental funds	(2,785,783)
Governmental long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds Notes and capital lease payable	(712,071)
Net pension liability applicable to governmental activities are not due and payable in the current period and accordingly is not reported in the governmental funds	(3,285,152)
Deferred inflows of resources related to net pension liability, represent an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time	<u>(331,949)</u>
Net position of governmental activities	<u>\$ 6,979,245</u>

CITY OF FIREBAUGH

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2019

	General	Community Development	Housing	Non-Major Governmental Funds	Total Governmental Funds
Revenue					
Taxes	\$ 3,123,212	\$ -	\$ -	\$ 37,009	\$ 3,160,221
Licenses and permits	219,802	-	-	78,980	298,782
Intergovernmental	76,699	420,726	3,250	830,687	1,331,362
Charges for services	631,374	-	-	-	631,374
Fines and forfeitures	29,872	-	-	-	29,872
Investment income	49,949	-	6,000	10,419	66,368
Other	283,745	-	-	-	283,745
Total revenue	4,414,653	420,726	9,250	957,095	5,801,724
Expenditures					
Current					
General government	273,305	-	-	49,562	322,867
Public ways and facilities	420,578	-	-	892,698	1,313,276
Public protection	2,036,804	-	-	117,897	2,154,701
Culture and recreation	318,174	-	-	-	318,174
Community development	211,615	101,240	-	-	312,855
Capital outlay	871,334	282,966	-	44,547	1,198,847
Debt Service					
Principal	25,414	-	-	-	25,414
Interest and fiscal charges	10,902	-	-	-	10,902
Total expenditures	4,168,126	384,206	-	1,104,704	5,657,036
Revenue over/(under) expenditures	246,527	36,520	9,250	(147,609)	144,688
Other Financing Sources/(Uses)					
Sale of assets	500	-	-	-	500
Note payable proceeds	100,000	-	-	-	100,000
Capital lease proceeds	637,485	-	-	-	637,485
Transfers in	43,608	-	-	-	43,608
Total other financing sources/(uses)	781,593	-	-	-	781,593
Change in Fund Balance	1,028,120	36,520	9,250	(147,609)	926,281
Fund Balance					
Beginning of year	4,158,271	(54,978)	135,745	1,824,287	6,063,325
End of year	\$ 5,186,391	\$ (18,458)	\$ 144,995	\$ 1,676,678	\$ 6,989,606

See accompanying notes.

CITY OF FIREBAUGH

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

Net change in fund balance - total governmental funds	\$ 926,281
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Depreciation expense on capital assets is reported in the Statement of Activities, but they does not require the use of current financial resources, therefore, depreciation expense is not reported as expenditures in the Governmental Funds	(244,458)
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Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are capitalized as an asset and depreciated over the period of service	1,198,847
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Post-retirement benefit costs in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds	(298,273)
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Pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds	(177,474)
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Proceeds from loans and capital leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt and entering into capital lease arrangements increases long-term liabilities in the statement of net assets and does not affect the statement of activities	(737,485)
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Repayment of loans and capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	<u>25,414</u>
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Change in net position of governmental activities	<u>\$ 692,852</u>
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CITY OF FIREBAUGH

STATEMENT OF NET POSITION – PROPRIETARY FUNDS JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Airport	Total Proprietary Funds
ASSETS				
Current assets				
Cash and investments	\$ 3,769,264	\$ 4,777,897	\$ -	\$ 8,547,161
Accounts and interest receivable	252,663	147,310	-	399,973
Due from government	446	3,209	-	3,655
Due from other funds	60,458	97,247	-	157,705
Total current assets	4,082,831	5,025,663	-	9,108,494
Non-current assets				
Advances to other funds	735,007	80,000	-	815,007
Property, plant and equipment, net of allowance for depreciation	5,362,083	9,953,112	-	15,315,195
Total noncurrent assets	6,097,090	10,033,112	-	16,130,202
Total assets	10,179,921	15,058,775	-	25,238,696
DEFERRED OUTFLOWS OF RESOURCES	96,677	104,427	-	201,104
LIABILITIES				
Current liabilities				
Accounts payable	41,463	81,152	-	122,615
Accrued expenses	29,458	35,010	-	64,468
Accrued interest	40,448	14,165	-	54,613
Deposits	-	82,139	-	82,139
Current portion of long-term debt	70,000	162,444	-	232,444
Total current liabilities	181,369	374,910	-	556,279
Non-current liabilities				
Bonds payable	4,787,244	7,241,340	-	12,028,584
Net other pension benefits	610,774	592,822	-	1,203,596
Net pension liability	265,593	273,756	-	539,349
Total noncurrent liabilities	5,663,611	8,107,918	-	13,771,529
Total liabilities	5,844,980	8,482,828	-	14,327,808
DEFERRED INFLOWS OF RESOURCES	38,272	46,605	-	84,877
NET POSITION				
Net investment in capital assets	1,999,264	4,953,129	-	6,952,393
Restricted for debt service	60,458	97,247	-	157,705
Unrestricted	2,333,624	1,583,393	-	3,917,017
Total net position	\$ 4,393,346	\$ 6,633,769	\$ -	\$ 11,027,115

See accompanying notes.

CITY OF FIREBAUGH

STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Total Proprietary Funds
	Sewer	Water	Airport	
Operating Revenue				
Charges for services	\$ 1,591,393	\$ 1,646,728	\$ -	\$ 3,238,121
Total operating income	1,591,393	1,646,728	-	3,238,121
Operating Expense				
Personnel	591,121	553,039	-	1,144,160
Utilities	128,925	317,219	-	446,144
Supplies and materials	30,838	53,180	-	84,018
Maintenance and operations	47,192	179,878	-	227,070
Contractual services	183,924	137,371	-	321,295
Depreciation	258,716	481,274	-	739,990
Other expenses	73,605	60,010	-	133,615
Total operating expense	1,314,321	1,781,971	-	3,096,292
Operating income/(loss)	277,072	(135,243)	-	141,829
Nonoperating Revenue/(Expense)				
Contributed capital				
Intergovernmental	135	-	-	135
Investment income	16,212	19,841	-	36,053
Other revenue	3,325	6,837	-	10,162
Interest expense	(108,038)	(170,741)	-	(278,779)
Debt issuance expense	(52,446)	(84,359)	-	(136,805)
Total nonoperating revenue/(expense)	(140,812)	(228,422)	-	(369,234)
Other Financing Sources/(Uses)				
Transfers out	-	-	(43,608)	(43,608)
Total other financing sources/(uses)	-	-	(43,608)	(43,608)
Change in Net Position	136,260	(363,665)	(43,608)	(271,013)
Net Position				
Beginning of year	4,257,086	6,997,434	43,608	11,298,128
End of year	\$ 4,393,346	\$ 6,633,769	\$ -	\$ 11,027,115

CITY OF FIREBAUGH

STATEMENT OF CASH FLOW – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Airport	Total Proprietary Funds
Operating Activities				
Receipts from customers and users	\$ 1,473,050	\$ 1,652,228	\$ 1,771	\$ 3,127,049
Payment to suppliers of goods and services	(449,726)	(721,103)	(974)	(1,171,803)
Payment to employees	(504,211)	(498,132)	(3,609)	(1,005,952)
Net cash provided by (used in) operating activities	519,113	432,993	(2,812)	949,294
Non-capital Financial Activities				
Payments from other governments	3,325	6,837	-	10,162
Payments received from (paid to) other funds	(60,458)	(97,247)	(43,608)	(201,313)
Net cash provided by (used in) noncapital financing activities	(57,133)	(90,410)	(43,608)	(191,151)
Capital and Related Financing Activities				
Purchase of property, plant and equipment	(26,956)	-	-	(26,956)
Proceeds from the issuance of long-term debt	1,607,244	2,585,271	-	4,192,515
Debt issuance costs	(52,446)	(84,359)	-	(136,805)
Principal paid on long-term debt	(70,000)	(152,685)	-	(222,685)
Interest paid on long-term debt	(108,564)	(172,948)	-	(281,512)
Net cash provided by (used in) capital and related financing activities	1,349,278	2,175,279	-	3,524,557
Investing Activities				
Interest received	16,212	19,841	-	36,053
Net cash provided by investing activities	16,212	19,841	-	36,053
Net Increase (Decrease) in Cash	1,827,470	2,537,703	(46,420)	4,318,753
Cash				
Beginning of year	1,941,794	2,240,194	46,420	4,228,408
End of year	\$ 3,769,264	\$ 4,777,897	\$ -	\$ 8,547,161
Cash Flows from Operating Activities				
Operating income (loss)	\$ 277,072	\$ (135,243)	\$ -	\$ 141,829
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	258,716	481,274	-	739,990
(Increase) Decrease in Accounts Receivable	(118,343)	3,285	1,771	(113,287)
(Increase) Decrease in Deferred Outflows of Resources	16,974	12,554	1,930	31,458
Increase (Decrease) in Accounts Payable and Accrued Liabilities	14,758	26,555	(974)	40,339
Increase (Decrease) in Deposits	-	2,215	-	2,215
Increase (Decrease) in Compensated Absences	1	(578)	(277)	(854)
Increase (Decrease) in Deferred Inflows of Resources	(15,481)	(8,767)	(197)	(24,445)
Increase (Decrease) in OPEB liability	91,977	58,461	-	150,438
Increase (Decrease) in Net Pension Liability	(6,561)	(6,763)	(5,065)	(18,389)
Net Cash Provided by (Used in) Operating Activities	\$ 519,113	\$ 432,993	\$ (2,812)	\$ 949,294

CITY OF FIREBAUGH

STATEMENT OF FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2019

Assets

Cash and investments	<u>\$ 1,177,080</u>
Total assets	<u>1,177,080</u>

Liabilities

Accounts payable and accrued liabilities	3,822
Interest payable	23,365
Long-term debt	
Due within one year	226,749
Due in more than one year	<u>5,387,639</u>
Total liabilities	<u>5,641,575</u>

Net Position

Held in trust for other governments	<u>\$(4,466,571)</u>
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CITY OF FIREBAUGH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2019

Additions

Property taxes	\$ 723,220
Investment earnings	<u>3,672</u>
Total additions	726,892

Deductions

Program expenses	61,516
Interest and fiscal agency expenses	<u>284,225</u>
Total deductions	<u>345,741</u>

Change In Net Position

381,151

Net Position

Beginning of year, re-stated	<u>(4,847,722)</u>
End of year	<u>\$ (4,466,571)</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of Firebaugh (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

These financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units is combined with data of the primary government. Each blended component unit has a June 30 fiscal year end. There are no discretely presented component units included in these financial statements. The following sections further describe the significant accounting policies of the City.

Reporting Entity

The City of Firebaugh, State of California (the "City"), was incorporated in 1914. The City operates under a Council-Manager form of government. The City's major operations include public safety; highways and streets; water and sewer; parks and recreation; building inspection; public improvements; planning and zoning, and general administrative services.

Basis of Presentation – Fund Accounting

Government-Wide Financial Statements - The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities and Changes in Net Position) report information of all of the nonfiduciary activities of the primary government and its component units. For the most part, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City and between the City and its component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Governmental Fund Financial Statements - The Governmental Fund Financial Statements provide information about the City's funds, including fiduciary funds and the blended component unit. 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 funds are separately aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

Community Development Fund – The Community Development Fund was established to account for the monies received from various sources which are to be used for the design and construction of various projects.

Housing Fund – The Housing Fund is used to account for grant revenues and expenditures related to housing assistance loans for low income individuals (HOME grants) and businesses (Low Moderate Housing Assets).

The City reports the following additional fund types:

Private-Purpose Trust Fund – The Private-Purpose Trust Fund accounts for assets held by the City as trustee for the Successor Agency.

Basis of Accounting

The Government-Wide and Proprietary Fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Funds distinguish operating revenues and expenses from non-operating 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. Revenues and expenses not meeting this definition are reported as non-operating.

Financial Statement Amounts

Cash and Investments – Cash and investments represent the City's cash bank accounts including but not limited to certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month end cash balances in each fund.

Investments of the pool include only those investments authorized by the California Government Code such as, United States Treasury securities, agencies guaranteed by the United States Government, registered state warrants, and other investments. Investments primarily consist of deposits in the State of California Local Agency Investment Fund. Investments are stated at cost or amortized cost.

Accounts Receivable – Billed but unpaid services provided to individuals or non-governmental entities are recorded as accounts receivable. The Proprietary Funds include a year-end accrual for services through June 30, 2019, which have not yet been billed.

Fresno County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Secured property taxes are due in two installments, on November 1 and March 1, and become a lien on those dates. They become delinquent on December 10 and April 10, respectively. Collection of delinquent accounts is the responsibility of the County, which retains all penalties collected. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

Interfund Receivables/Payables – Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

Advances To/From Other Funds – This classification represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation. The current portion of any interfund long-term loan (advance) is included as an interfund receivable/payable.

Capital Assets – Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold are met.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Depreciable asset</u>	<u>Years</u>
Buildings	10-40
Improvements	10-40
Machinery and equipment	3-20
Utility system	5-50
Infrastructure	15-50

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Compensated Absences – It is the City's policy to permit all employees to accumulate earned but unused vacation and compensatory time benefits. Those employees on shift work schedules may also accumulate hours for holiday time benefits.

Vested or accumulated vacation, holiday and any compensation time that is expected to be paid with expendable available financial resources is reported as expenditure in the fund financial statements of the Governmental Fund that will pay for it. Amounts not expected to be liquidated with expendable available financial resources are reported in the Government-Wide Financial Statements.

Vested leave of Proprietary Funds are recorded as an expense and liability as the benefits accrue.

Sick leave can be accumulated, but vesting is limited and will not be paid upon termination. However, in past years unused sick leave could be used to pay post-employment health insurance. One retiree has unused benefits of \$84,776 at year end and this amount is reported as a compensated absence liability. For this reason, the City does not accrue any costs relating to sick leave.

Unearned Revenue – Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records unearned revenue related to uncollected outstanding, performing loans and intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

Long-Term Obligations – In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Non-Current Governmental Assets/Liabilities – GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

Pension Plan – All full-time City employees are members of the State of California Public Employees' Retirement System. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of July 1 by the System's actuary. See note 9 for further discussion.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Bond Discount and Issuance Costs – For governmental funds, bond discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For business-type funds, bond discounts, are deferred and amortized over the life, of the bonds. Bonds payable are reported net of applicable bond discounts. Issuance costs are expensed.

Net Position/Fund Balance– The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as net investment in capital assets, restricted and unrestricted.

- *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 the balance in this category.
- *Restricted Net Position* – This category presents external restrictions on net position 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 position of the City, not restricted for any project or other purpose.

Fund Balance – In the fund financial statements, governmental fund balance is made up of the following components:

- *Nonspendable fund balance* typically includes inventories, prepaid items, and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- *Restricted fund balance* category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.
- *Committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- *Assigned fund balance* are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- *Unassigned fund balance* is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

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 apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the Firebaugh Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during June of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 3 – Cash and Investments

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 16,079,706
Fiduciary Funds:	
Cash and Investments	<u>1,177,080</u>
Total Cash and Investments	<u>\$ 17,256,786</u>

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	\$ 431
Deposits with Financial Institutions	10,539,421
Cash with Fiscal Agent	4,212,022
Local Agency Investment Fund	<u>2,504,912</u>
Total Cash and Investments	<u>\$ 17,256,786</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 3 – Cash and Investments (Continued)

Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	Level 1	Level 2	Level 3	June 30, 2019 Balance
Investments by fair value level:				
Equity Securities:				
LAIF	\$ -	\$ 2,504,912	\$ -	\$ 2,504,912
Total Equity Securities	-	2,504,912	-	2,504,912
Cash and cash equivalents carried at cost:				
Bank Deposits and Cash on Hand				14,751,874
Cash with Fiscal Agent				4,212,022
Total Cash and Cash Equivalents carried at cost				14,751,874
Total Cash and Investments				\$ 17,256,786

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. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	AAA	None
Banker's Acceptances	1 year	None	None
Commercial Paper	None	A-1	None
Money Market Mutual Funds	None	A	None
Investment Contracts	None	None	None
Certificates of Deposits	1 year	A-1	None
Repurchase Agreements	30 days	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Municipal Bonds	None	None	None

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 3 – Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are 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 the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Percentage of Portfolio	Maximum Percentage of Portfolio
Local Agency Bonds	1 year	None	None
U.S. Treasury Obligations	1 year	A	None
U.S. Agency Securities	1 year	None	None
Banker's Acceptances	180 days	None	40%
Commercial Paper	270 days	None	25%
Negotiable Certificates of Deposit	1 year	None	30%
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	92 days	None	20% of base value
Medium-Term Notes	5 years	A	30%
Mutual Funds	N/A	A	20%
Money Market Mutual Funds	N/A	A	20%
Mortgage Pass-Through Securities	5 years	AA	20%

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2019 the City had the following investments.

Investment Type	June 30, 2019	
	Balance	Maturity Date
Equity Securities:		
LAIF	\$ 2,504,912	N/A
Total Equity Securities	<u>\$ 2,504,912</u>	

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the 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	June 30, 2019 Balance	Minimum Legal Rating	Rating of Year End
Equity Securities:			
LAIF	\$ 2,504,912	N/A	Not Rated
Total Equity Securities	<u>\$ 2,504,912</u>		

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. There are no investments in any one issuer that represent 5% or more of the total City investments.

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 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, 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.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 3 – Cash and Investments (Continued)

The custodial risk for investments is the risk that, in the event of the failure of the counterparty 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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

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

Note 4 – Notes Receivable

Revolving Loan Program – Long-term loans receivable of \$1,556,293 represent monies loaned to homebuyers in connection with a downpayment assistance programs. The loans are secured by real property with repayment due upon the sale of real property or starting at the end of the 30 year deferral period. At the time of sale, the seller pays the loan balance in full plus interest, ranging from 0% to 4%. For the homebuyer loan program, starting at the end of the 30 year deferral period, the borrower is required to repay the loan over the following 15 years.

Firebaugh San Joaquin Vista Associates – During fiscal year 2000, the Redevelopment Agency of the City of Firebaugh loaned Firebaugh San Joaquin Vista Associates \$200,000 as a subsidy in connection with a low income apartment. The note carries an interest rate of 3% and matures during 2055. The terms of the agreement specify that payments of the outstanding principal and accrued interest shall be paid annually in the amount equal to 30% of available project revenues. Payments made shall be credited first against accrued interest and then against outstanding principal. There have been no required payments to date on this note.

San Joaquin Development LLC – During fiscal year 2009, the Redevelopment Agency of the City of Firebaugh loaned San Joaquin Development LLC \$150,000 in connection with the construction of low-income condominiums. The note is non-interest bearing and is repayable upon sale of each unit at the rate of \$7,134 per unit. There have been no repayments on principal to date on this note.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 137,047	\$ 235,875	\$ -	\$ 372,922
Construction in progress	1,624,007	282,966	(1,906,973)	-
Total capital assets, not being depreciated	<u>1,761,054</u>	<u>518,841</u>	<u>(1,906,973)</u>	<u>372,922</u>
Capital assets, being depreciated				
Buildings and improvements	1,338,503	1,130,154	-	2,468,657
Infrastructure	514,825	1,055,331	-	1,570,156
Machinery and equipment	2,164,170	401,494	-	2,565,664
Total capital assets, being depreciated	<u>4,017,498</u>	<u>2,586,979</u>	<u>-</u>	<u>6,604,477</u>
Less accumulated depreciation for:				
Buildings and improvements	(714,430)	(70,638)	-	(785,068)
Infrastructure	(141,581)	(28,102)	-	(169,683)
Machinery and equipment	(1,817,752)	(145,718)	-	(1,963,470)
Total accumulated depreciation	<u>(2,673,763)</u>	<u>(244,458)</u>	<u>-</u>	<u>(2,918,221)</u>
Total capital assets, being depreciated, net	<u>1,343,735</u>	<u>2,342,521</u>	<u>-</u>	<u>3,686,256</u>
Governmental activities capital assets, net	<u>\$ 3,104,789</u>	<u>\$ 2,861,362</u>	<u>\$ (1,906,973)</u>	<u>\$ 4,059,178</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 203,705	\$ -	\$ -	\$ 203,705
Total capital assets, not being depreciated	<u>203,705</u>	<u>-</u>	<u>-</u>	<u>203,705</u>
Capital assets, being depreciated				
Buildings and infrastructure	24,284,841	-	-	24,284,841
Machinery and equipment	1,146,603	26,956	-	1,173,559
Total capital assets, being depreciated	<u>25,431,444</u>	<u>26,956</u>	<u>-</u>	<u>25,458,400</u>
Less: accumulated depreciation	<u>(9,606,920)</u>	<u>(739,990)</u>	<u>-</u>	<u>(10,346,910)</u>
Total capital assets, being depreciated, net	<u>15,824,524</u>	<u>(713,034)</u>	<u>-</u>	<u>15,111,490</u>
Business-type activities capital assets, net	<u>\$ 16,028,229</u>	<u>\$ (713,034)</u>	<u>\$ -</u>	<u>\$ 15,315,195</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 5 – Capital Assets (Continued)

Depreciation and amortization expense were charged to the following functions in the Statement of Activities:

Governmental Functions:

General Government	\$	63,222
Public Safety		110,874
Public Works		47,632
Parks and Community Services		22,730
	\$	<u>244,458</u>

Business-Type Functions:

Sewer	\$	258,716
Water		481,274
	\$	<u>739,990</u>

Note 6 – Long-term Liabilities

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The City's debt transactions are summarized below and discussed in detail thereafter:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
<u>Governmental Activity Long Term Debt</u>					
Mortgage Note Payable	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
2019 Solar Project Equipment Lease	-	337,485	-	337,485	-
2019 Fire Truck Lease	-	300,000	25,414	274,586	26,338
Total Governmental Activity Debt	<u>\$ -</u>	<u>\$ 737,485</u>	<u>\$ 25,414</u>	<u>\$ 712,071</u>	<u>\$ 126,338</u>
<u>Business-Type Activity Long Term Debt</u>					
2013 Water Revenue Refunding Bond	\$ 1,241,198	\$ -	\$ 72,685	\$ 1,168,513	\$ 82,444
2016 Wastewater Refunding Bond	3,320,000	-	70,000	3,250,000	70,000
2016 Water Refunding Bond	3,730,000	-	80,000	3,650,000	80,000
2019 Water Solar Project Equipment Lease	-	2,585,271	-	2,585,271	-
2019 Wastewater Solar Project Equipment Lease	-	1,607,244	-	1,607,244	-
Total Business-Type Activity Debt	<u>\$ 8,291,198</u>	<u>\$ 4,192,515</u>	<u>\$ 222,685</u>	<u>\$ 12,261,028</u>	<u>\$ 232,444</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

Note 6 – Long-Term Liabilities (Continued)

Long-term debt payable at June 30, 2019 was comprised of the following individual issues:

Governmental Activity Long Term Debt

Mortgage Note Payable – In November 2018, the City entered into an agreement with a private citizen (seller) to purchase real estate property at 1074 P Street, Firebaugh, California, for a total amount of \$203,866, the City made an initial payment of \$103,866 at the close of escrow and agreed to pay the seller the remaining \$100,000 in November 2019.

2019 Solar Project Equipment Lease – In May 2019, The City entered into a capital lease arrangement to finance the acquisition of certain energy efficient equipment and improvements for the City. The lease obligation is accounted for as a capital lease where the related equipment and improvements to be acquired will become property of the City when all terms of the lease agreement are met. The stated interest under terms of the agreement varies between 2.05% and 4.00% with an average rate of 3.6%. Present value of the remaining payments as of June 30, 2019 is \$4,530,000, the City has determined future payments are to be made from the General Fund, Water Enterprise Fund, and Sewer Enterprise Fund in the amounts of \$337,485, \$2,585,271 and \$1,607,244, respectively. Semiannual debt service payments under the agreement start on February 1, 2020 and end on August 1, 2029, ranging from \$72,855 to \$170,379. As of June 30, 2019, the City had not yet acquired any capital assets, Cash with Fiscal Agent from proceeds of Capital Lease, net of disbursements for issuance costs, totaled \$4,212,022.

2019 Fire Truck Lease – In May 2018, The City entered into a capital lease arrangement to finance the acquisition of a Fire Truck. The lease obligation is accounted for as a capital lease where the related equipment acquired will become property of the City when all terms of the lease agreement are met. The stated interest rate under terms of the agreement is 3.6%, present value of minimum lease payments is \$300,000. Annual debt service payments of \$36,317 start on May 31, 2019 and conclude on May 31, 2028.

Business-Type Activity Long Term Debt

2013 Water Revenue Refunding Bond – In November 2013, the City issued revenue bonds in the amount of \$1,512,415. The funds were used for the purpose of refinancing the 2005 Water Revenue Bond. Principal and interest is payable semi-annually on December 1 and June 1 each year, with an interest rate of 3.85%.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Liabilities (Continued)

2016 Water Refunding Bonds – In 2016 the City issued \$3,945,000 of Water Revenue Refunding Bonds. The proceeds of the issue were used to refinance the 2007 USDA Water Certificate of Participation. Interest on the Bond is payable semi-annually on November 1 and June 1 each year, with stated interest rates ranging from 2.00% to 4.00% per annum for an average coupon rate of 3.38%. Principal is paid annually on June 1. Pursuant to the provisions of the Bond agreement, the City has established a Rate Stabilization Fund and made an initial deposit of \$500,000 in fiscal year 2016-17, \$250,000 was used to cover debt ratio in fiscal year 2017-18, and during fiscal year 2018-19 \$115,000 was used to cover debt ratio, leaving a current ending balance of \$135,000 at June 30, 2019. Debt service is secured by a pledge of net revenues of the City's Water System. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the water system which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all water operation and maintenance costs and all bond installment payments and produce net water revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2019. Cash basis debt service paid during the fiscal year ended June 30, 2019 totaled \$323,560. Total water system net revenues calculated in accordance with the covenants were \$164,155 and net revenue available for debt service was 1.51 times debt service at June 30, 2019.

2016 Wastewater Refunding Bonds – In 2016 the City issued \$3,415,000 of Wastewater Revenue Refunding Bonds. The proceeds of the issue were used for refinance of the 2008 USDA Sewer Loan Payable. Interest on the Bond is payable semi-annually on February 15 and August 15 each year, with stated interest rates ranging from 2.00% to 4.00% per annum for an average coupon rate of 3.38%. Principal is paid annually on August 15. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the sewer system which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all sewer operation and maintenance costs and all bond installment payments and produce net sewer revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2019. Cash basis debt service paid during the fiscal year ended June 30, 2019 totaled \$178,563. Total sewer system net revenues calculated in accordance with the covenants were \$376,760 and net revenue available for debt service was 3.11 times debt service at June 30, 2019.

2019 Water Solar Project Equipment Lease – See 2019 Solar Project Equipment Lease under Governmental Activity Long Term Debt for general terms of the lease agreement. The portion of the total lease liability allocated to the Water Enterprise Fund is \$2,585,271.

2019 Wastewater Solar Project Equipment Lease – See 2019 Solar Project Equipment Lease under Governmental Activity Long Term Debt for general terms of the lease agreement. The portion of the total lease liability allocated to the Wastewater Enterprise Fund is \$1,607,244.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 6 – Long-Term Liabilities (Continued)

The annual requirement to amortize the principal and interest on all long-term debt at June 30, 2019 are as follows:

Years ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 126,338	\$ 17,246	\$ 232,444	\$ 365,222
2021	34,000	19,877	325,517	402,827
2022	42,442	18,675	427,731	392,633
2023	43,470	17,356	432,304	380,689
2024	45,280	15,997	441,123	368,571
2025-2029	108,592	50,495	2,392,370	1,648,291
2030-2034	122,774	37,860	2,464,857	1,243,277
2035-2039	142,212	17,186	2,641,603	801,581
2040-2044	46,963	1,512	1,678,079	391,523
2045-2049	-	-	1,225,000	112,788
	<u>\$ 712,071</u>	<u>\$ 196,204</u>	<u>\$12,261,028</u>	<u>\$ 6,107,402</u>

Note 7 – Interfund Balances

Interfund balances as of June 30, 2019 consist of the following:

	Due From	Due To
Major Funds:		
General Fund	\$ 201,393	\$ 157,705
Community Development	-	201,393
Enterprise Funds:		
Sewer	60,458	-
Water	97,247	-
	<u>\$ 359,098</u>	<u>\$ 359,098</u>
	Advances From	Advances To
Major Funds:		
General Fund	\$ -	\$ 815,007
Enterprise Funds:		
Sewer	735,007	-
Water	80,000	-
	<u>\$ 815,007</u>	<u>\$ 815,007</u>

All balances reported as “due to/due from” are short-term loans to cover temporary fund cash shortages as of June 30, 2019, and were repaid early in fiscal year 2020.

Balances reported as “advance to/advance from” were for capital project expenditures and have scheduled repayments in future years.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 8 – Deficit Fund Balance

Fund Balance Deficits – The Community Development Fund has a deficit fund balance as of June 30, 2019 of \$18,458. The deficit is expected to be relieved from future revenues or transfers from other funds.

Note 9 – Pension Plan

Plan Description – The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy – Participants are required to contribute eight percent (nine percent for safety employees) of their annual covered salary. The City contributes the employees required share for administrative and public works employees and 5% and 4% of the police and dispatchers required share, respectively. The City is required to contribute at an actuarially determined rate; the current rate is 6.842 – 10.609 percent for non-safety employees and 12.141 – 18.677 percent for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

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

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 9 – Pension Plan (continued)

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	Safety
	Prior to	Prior to
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.5% at 55; maximum 2% COLA	3.0% at 55; maximum 2% COLA
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	55	55
Monthly Benefits, as a % of Eligible Compensation	2.50%	3.00%
Required Employee Contribution Rates	8.00%	9.00%
Required Employer Contribution Rates	10.609%	18.677%

	PEPRA	PEPRA
	Miscellaneous	Safety
	On or After	On or After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.0% at 62; maximum 2% COLA	2.7% at 57; maximum 2% COLA
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	62	57
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.70%
Required Employee Contribution Rates	6.25%	11.50%
Required Employer Contribution Rates	6.842%	12.141%

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 July 1 following the notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of the pension expense is as follows:

Contributions – employer	\$ 521,708
Contributions – employee	\$ 163,235

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 9 – Pension Plan (continued)

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

As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,787,565
Safety	2,036,936
Total	<u>\$ 3,824,501</u>

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each Plan is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2018	0.04647%	0.03483%
Proportion - June 30, 2019	<u>0.04743%</u>	<u>0.03472%</u>
Change - Increase/(Decrease)	<u>0.00096%</u>	<u>-0.00011%</u>

For the year ended June 30, 2019, the City recognized pension expense of \$737,834. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 521,708	\$ -
Change in employer's proportion	81,368	(36,982)
Differences between employer's contributions and proportionate share of contributions	28,411	(24,656)
Differences between expected and actual experience	112,353	(23,505)
Changes of assumptions	403,647	(76,909)
Differences between projected and actual investment earnings	<u>22,628</u>	<u>-</u>
Total	<u>\$ 1,170,115</u>	<u>\$ (162,052)</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 9 – Pension Plan (continued)

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

\$521,708 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, 2019. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2020	\$ 383,533
2021	239,421
2022	(106,413)
2023	(30,187)
	<u>\$ 486,354</u>

Actuarial Methods and Assumptions – The collective total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership ¹ Date for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 9 – Pension Plan (continued)

All other actuarial assumptions used in the June 30, 2017 valuation was based on the results of an December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015), including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website.

Change of assumptions – In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 rate of returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 adjusted to account for assumed administrative expenses.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 9 – Pension Plan (continued)

The table below reflects long-term expected real rates 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 geometric rates of return are net of administrative expenses.

Asset Class	¹ New Strategic Allocation	Real Return Years 1-10	² Real Return ³ Years 11+
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Infrastructure and Forestland	0%	0.00%	0.00%
Liquidity	1%	0.00%	-0.92%
Total	100%		

¹In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

²An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

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

The following presents the City's proportionate share of the net pension liability for each Plan, calculating using the discount rate of each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Miscellaneous	\$ 2,768,695	\$ 1,787,565	\$ 977,658
Safety	\$ 3,236,615	\$ 2,036,936	\$ 1,054,011

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2019, the City has no reported outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2019.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 10 – Post-Employment Health Care Benefits

Plan Description

The City reported that the only OPEB provided is medical plan coverage.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires (1) attainment of age 50 (age 52, if a new miscellaneous member to PERS on or after January 1, 2013) with 5 years of State or public agency service or (2) an approved disability retirement.

As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. This City most recently executed resolution with CalPERS defines the level of the City's contribution to be 100% of the retiree's monthly medical premium, but not more than \$347.77 per month.

Employees Covered

Membership in the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Summary of Plan Member Counts	
Number of active plan members	36
Number of inactive plan members currently receiving benefits	6
Number of inactive plan members entitled but not receiving benefits	0

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contributions using the Entry Age Normal Cost Method. The required contribution is based on projected pay-as-you-go financing requirements.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 10 – Post-Employment Health Care Benefits (Continued)

Actuarial Assumptions

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date as of June 30, 2018.

Valuation Date	6/30/2018
Funding Method	Entry Age Normal Cost, percent of pay
Asset Valuation Method	Market Value (\$0, plan is not yet funded)
Actuarial Assumptions:	
Discount Rate	2.98% as of June 30, 2018 3.13% as of June 30, 2017
Inflation Rate	2.75%
Salary Increase	3.25%
Health Cost Trend Rates	Medical premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase
2019	7.5%
2020	7.0%
2021	6.5%
2022	6.0%
2023	5.5%
2024 & later	5.0%

The PEMHCA minimum required contribution (MEC) is assumed to increase annually by 4.5 %

Mortality rate	Pre-retirement mortality rates were based on the CalPERS 2014 experience study. Mortality Improvement rates were based on the MacLeod Watts Scale 2017 applied generationally from 2018.
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Long Term Expected Rate of Return

Not applicable, the City has reported no plan assets as of June 30, 2019.

Discount Rate

The rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 10 – Post-Employment Health Care Benefits (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 06/30/18	\$ 3,458,649	\$ -	\$ 3,458,649
Changes for the year:			
Service cost	286,261	-	286,261
Interest	116,721	-	116,721
Changes of assumptions	159,327	-	159,327
Contributions - employer	-	31,579	(31,579)
Benefit payments	(31,579)	(31,579)	-
Net changes	<u>530,730</u>	<u>-</u>	<u>530,730</u>
Balance at 06/30/19	<u>\$ 3,989,379</u>	<u>\$ -</u>	<u>\$ 3,989,379</u>

The only assumption change reflected during this period is the change in the discount rates as required by GASB 75.

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the net OPEB 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:

	1% Decrease (1.98%)	Discount Rate (2.98%)	1% Increase (3.98%)
Net OPEB liability	\$ 4,882,330	\$ 3,989,379	\$ 3,302,440

Sensitivity of the City's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB liability	\$ 3,182,771	\$ 3,989,379	\$ 5,282,996

Healthcare cost trend rate was assumed to start at 8.0% (effective January 1, 2009) and grade down to 5% for years 2025 and thereafter.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 10 – Post-Employment Health Care Benefits (Continued)

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$386,423. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 142,969	\$ (254,774)
Deferred contributions	27,143	-
	<u>\$ 170,112</u>	<u>\$ (254,774)</u>

The City will recognize the deferred contributions in the next fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30:	
2020	\$ (16,559)
2021	(16,559)
2022	(16,559)
2023	(16,559)
2024	(16,559)
Thereafter	<u>(29,010)</u>
Total	<u>\$ (111,805)</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 11 – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or 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 reports the following deferred outflows related to net pension liability and net OPEB liability in the Statement of Net Position:

Deferred outflows related to net pension liability:

Pension contributions subsequent to measurement date	\$ 521,708	
Change in employer's proportion	81,368	
Differences between employer's contributions and proportionate share of contributions	28,411	
Differences between expected and actual experience	112,353	
Changes in assumptions	403,647	
Differences between projected and actual investment earnings	<u>22,628</u>	
Total Deferred outflows related to net pension liability		1,170,115

Deferred outflows related to net OPEB liability:

Changes in assumptions	142,969	
Deferred contributions	<u>27,143</u>	
Total Deferred outflows related to net OPEB liability		<u>170,112</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>\$ 1,340,227</u>
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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent 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 reports the following deferred inflows related to net pension liability and net OPEB liability in the Statement of Net Position:

Deferred inflows related to net pension liability:

Change in employer's proportion	\$ 36,982	
Differences between expected and actual experience	23,505	
Differences between employer's contributions and proportionate share of contributions	24,656	
Changes of assumptions	<u>76,909</u>	
Total Deferred inflows related to net pension liability		162,052

Deferred inflows related to net OPEB liability:

Assumption changes	<u>254,774</u>	
Total Deferred inflows related to net OPEB liability		<u>254,774</u>

TOTAL DEFERRED INFLOWS OF RESOURCES		<u>\$ 416,826</u>
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CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 12 – Risk Management

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

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker's compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$10,000 and workers' compensation losses under \$10,000. The CSJVRMA purchases excess reinsurance from \$1,000,000 to \$15,000,000. The CSJVRMA participates in an excess pool which provides Workers' Compensation coverage from \$500,000 to \$1,500,000 and purchases excess reinsurance above \$1,500,000 to the statutory limit.

The CSJVRMA is a consortium of 55 cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500, et. seq. The CSJVRMA is governed by a Board of Directors, which meets three to four times each year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial statements of CSJVRMA can be obtained at 1831 K Street, Sacramento, CA 95814.

The latest audited financial information and the most current information available for CSJVRMA for fiscal year ended June 30, 2018 is as follows:

Total assets	\$ 110,234,633
Total liabilities	<u>92,209,231</u>
Net position	<u>\$ 18,025,402</u>
Total revenues	\$ 46,669,852
Total expenses	<u>46,619,021</u>
Increase/(decrease) in net position	<u>\$ 50,831</u>

Note 14 – Stewardship, Compliance and Accountability

Excess of expenditures over appropriations – The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2019:

General Fund:	
Current	
General government	\$ (40,568)
Public protection	\$ (97,599)
Community development	\$ (50,190)
Capital outlay	\$ (748,817)
Debt Service	
Principal	\$ (25,414)
Interest	\$ (10,902)

The excess expenditures were covered by excess revenues during the fiscal year.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

Note 15 – Contingencies

Federal and State Government Programs – The City participates in several federal and state grant programs. These programs have been audited, as needed, in accordance with the provisions of the Uniform Guidance and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Note 16 – Subsequent Events

The City evaluated subsequent events for recognition and disclosure through March 20, 2020 the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2019 that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FIREBAUGH

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenue				
Taxes	\$ 2,638,720	\$ 2,638,720	\$ 3,123,212	\$ 484,492
Licenses and permits	146,990	146,990	219,802	72,812
Intergovernmental	43,400	43,400	76,699	33,299
Charges for services	634,225	634,225	631,374	(2,851)
Fines and forfeitures	22,900	22,900	29,872	6,972
Investment income	40,450	40,450	49,949	9,499
Other	147,450	147,450	283,745	136,295
Total revenue	<u>3,674,135</u>	<u>3,674,135</u>	<u>4,414,653</u>	<u>740,518</u>
Expenditures				
Current				
General government	232,737	232,737	273,305	(40,568)
Public ways and facilities	483,063	483,063	420,578	62,485
Public protection	1,939,205	1,939,205	2,036,804	(97,599)
Culture and recreation	331,194	331,194	318,174	13,020
Community development	161,425	161,425	211,615	(50,190)
Capital outlay	122,517	122,517	871,334	(748,817)
Debt Service				
Principal	-	-	25,414	(25,414)
Interest	-	-	10,902	(10,902)
Total expenditures	<u>3,270,141</u>	<u>3,270,141</u>	<u>4,168,126</u>	<u>(897,985)</u>
Revenue over (under) expenditures	403,994	403,994	246,527	(157,467)
Other Financing Sources/(Uses)				
Sales of assets	600	600	500	(100)
Note payable proceeds	-	-	100,000	100,000
Capital lease proceeds	-	-	637,485	637,485
Transfers in	-	-	43,608	43,608
Total other financing sources/(uses)	<u>600</u>	<u>600</u>	<u>781,593</u>	<u>780,993</u>
Net Change in Fund Balance	<u>\$ 404,594</u>	<u>\$ 404,594</u>	1,028,120	<u>\$ 623,526</u>
Fund Balance				
Beginning of year			4,122,990	
End of year			<u>\$ 5,186,391</u>	

CITY OF FIREBAUGH

BUDGETARY COMPARISON SCHEDULE COMMUNITY DEVELOPMENT FUND YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
Revenue				
Intergovernmental	\$ 2,011,267	\$ 2,011,267	\$ 420,726	\$ (1,590,541)
Total revenue	<u>2,011,267</u>	<u>2,011,267</u>	<u>420,726</u>	<u>(1,590,541)</u>
Expenditures				
Current				
Community development	1,728,301	1,728,301	101,240	1,627,061
Capital outlay	<u>282,966</u>	<u>282,966</u>	<u>282,966</u>	<u>-</u>
Total expenditures	<u>2,011,267</u>	<u>2,011,267</u>	<u>384,206</u>	<u>1,627,061</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	36,520	<u>36,520</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	36,520	<u>\$ 36,520</u>
Fund Balance				
Beginning of year			(54,978)	
End of year			<u>\$ (18,458)</u>	

CITY OF FIREBAUGH

BUDGETARY COMPARISON SCHEDULE

HOUSING FUND

YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
Revenue				
Intergovernmental	\$ -	\$ -	\$ 3,250	\$ 3,250
Investment income	-	-	6,000	6,000
Total revenue	-	-	9,250	6,000
Expenditures				
Current				
Planning and community development	-	-	-	-
Total expenditures	-	-	-	-
Revenue over (under) expenditures	-	-	9,250	6,000
Net Change in Fund Balance	\$ -	\$ -	9,250	\$ 6,000
Fund Balance				
Beginning of year			110,192	
End of year			<u>\$ 144,995</u>	

CITY OF FIREBAUGH

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY LAST 10 YEARS* AS OF JUNE 30, 2019

	Miscellaneous				
	2015	2016	2017	2018	2019
Proportion of the net pension liability	0.04155%	0.04681%	0.04584%	0.04647%	0.04743%
Proportionate share of the net pension liability	\$ 1,026,968	\$ 1,284,149	\$ 1,592,387	\$ 1,831,727	\$ 1,787,565
Covered - employee payroll	\$ 1,142,658	\$ 1,185,040	\$ 1,135,047	\$ 1,085,707	\$ 1,112,066
Proportionate share of the net pension liability as a percentage of covered-employee payroll	89.88%	108.36%	140.29%	168.71%	160.74%
Plan's fiduciary net position	\$ 4,258,380	\$ 4,422,483	\$ 4,509,211	\$ 4,859,986	\$ 5,465,496
Plan's fiduciary net position as a percentage of the Total Pension Liability	80.57%	77.50%	73.90%	72.63%	75.35%
	Safety				
	2015	2016	2017	2018	2019
Proportion of the net pension liability	0.04123%	0.03571%	0.03579%	0.03484%	0.03472%
Proportionate share of the net pension liability	\$ 1,546,431	\$ 1,471,316	\$ 1,853,650	\$ 2,081,461	\$ 2,036,935
Covered - employee payroll	\$ 799,827	\$ 692,501	\$ 692,040	\$ 683,756	\$ 726,367
Proportionate share of the net pension liability as a percentage of covered-employee payroll	193.35%	212.46%	267.85%	304.42%	280.43%
Plan's fiduciary net position	\$ 5,122,434	\$ 5,447,021	\$ 5,543,143	\$ 6,046,601	\$ 6,665,456
Plan's fiduciary net position as a percentage of the Total Pension Liability	76.81%	78.73%	74.94%	74.39%	76.59%

*Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

CITY OF FIREBAUGH

SCHEDULE OF CONTRIBUTIONS LAST 10 YEARS* AS OF JUNE 30, 2019

	Miscellaneous				
	2015	2016	2017	2018	2019
Contractually required contribution (actuarially determined)	\$ 115,154	\$ 200,112	\$ 178,195	\$ 194,343	\$ 195,432
Contributions in relation to the actuarially determined contributions	(115,154)	(200,112)	(178,195)	(194,343)	(195,432)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,142,658	\$ 1,185,040	\$ 1,135,047	\$ 1,085,707	\$ 1,112,066
Contributions as a percentage of covered-employee payroll	10.85%	10.85%	15.70%	17.90%	17.57%

	Safety				
	2015	2016	2017	2018	2019
Contractually required contribution (actuarially determined)	\$ 145,022	\$ 234,881	\$ 224,508	\$ 240,914	\$ 260,485
Contributions in relation to the actuarially determined contributions	(145,022)	(234,881)	(224,508)	(240,914)	(260,485)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 799,827	\$ 692,501	\$ 692,040	\$ 683,756	\$ 726,367
Contributions as a percentage of covered-employee payroll	18.13%	33.92%	32.44%	35.23%	35.86%

*Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

SUPPLEMENTAL ONLY INFORMATION

CITY OF FIREBAUGH

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS JUNE 30, 2019

	Gas Tax	Local Transportation	Development Impact Fees	Measure C Funds	Landscape Maintenance	Public Safety	SB1	Total
ASSETS								
Cash and investments	\$ 97,522	\$ 337,999	\$ 337,151	\$ 673,884	\$ 58,597	\$ 143,415	\$ 43,605	\$ 1,692,173
Accounts receivable	-	12,720	-	15,796	-	3,321	7,132	38,969
Total assets	97,522	350,719	337,151	689,680	58,597	146,736	50,737	1,731,142
LIABILITIES AND FUND BALANCE								
Liabilities								
Accounts payable and accrued expense	14,574	1,153	-	7,912	2,396	1,939	-	27,974
Accrued expenses	1,914	6,985	-	9,349	1,486	6,756	-	26,490
Total liabilities	16,488	8,138	-	17,261	3,882	8,695	-	54,464
Fund Balance								
Restricted								
Public ways and facilities	81,034	342,581	-	672,419	54,715	-	50,737	1,201,486
Public safety programs	-	-	-	-	-	138,041	-	138,041
Capital projects and improvements	-	-	337,151	-	-	-	-	337,151
Total fund balance	81,034	342,581	337,151	672,419	54,715	138,041	50,737	1,676,678
Total liabilities and fund balance	\$ 97,522	\$ 350,719	\$ 337,151	\$ 689,680	\$ 58,597	\$ 146,736	\$ 50,737	1,731,142

CITY OF FIREBAUGH

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS YEAR ENDED JUNE 30, 2019

	Gas Tax	Local Transportation	Development Impact Fees	Measure C Funds	Landscape Maintenance	Public Safety	SB1	Total
Revenue								
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 37,009	\$ -	\$ -	\$ 37,009
Licenses and permits	-	-	78,980	-	-	-	-	78,980
Intergovernmental	157,285	174,098	-	232,868	-	117,694	148,742	830,687
Investment income	1,562	3,614	-	3,585	492	1,166	-	10,419
Total revenue	<u>158,847</u>	<u>177,712</u>	<u>78,980</u>	<u>236,453</u>	<u>37,501</u>	<u>118,860</u>	<u>148,742</u>	<u>957,095</u>
Expenditures								
Current								
General government	-	-	-	-	49,562	-	-	49,562
Public ways and facilities	118,714	325,124	-	314,925	-	-	133,935	892,698
Public safety	-	-	-	-	-	117,897	-	117,897
Capital outlay	-	-	19,176	-	25,371	-	-	44,547
Total expenditures	<u>118,714</u>	<u>325,124</u>	<u>19,176</u>	<u>314,925</u>	<u>74,933</u>	<u>117,897</u>	<u>133,935</u>	<u>1,104,704</u>
Revenue over (under) expenditures	40,133	(147,412)	59,804	(78,472)	(37,432)	963	14,807	(147,609)
Change in Fund Balance	40,133	(147,412)	59,804	(78,472)	(37,432)	963	14,807	(147,609)
Fund Balance								
Beginning of year	40,901	489,993	277,347	750,891	92,147	137,078	35,930	1,824,287
End of year	<u>\$ 81,034</u>	<u>\$ 342,581</u>	<u>\$ 337,151</u>	<u>\$ 672,419</u>	<u>\$ 54,715</u>	<u>\$ 138,041</u>	<u>\$ 50,737</u>	<u>\$ 1,676,678</u>

CITY OF FIREBAUGH

SCHEDULE OF NET REVENUE AVAILABLE FOR DEBT SERVICE JUNE 30, 2019

	Business-Type Activities - Enterprise Funds	
	Sewer	Water
Operating Revenue		
Charges for services	\$ 1,462,960	\$ 1,592,004
Delinquent fees	-	45,415
Waste Discharge fees	6,336	-
Toma Tek Service and Reimbursement Revenue	121,097	-
Rate stabilization deposits	-	115,000
Other revenue	4,322	16,152
Total Available Revenues	<u>1,594,715</u>	<u>1,768,571</u>
Operating Expense		
Personnel	591,121	553,039
Utilities	128,925	317,219
Supplies and materials	30,838	53,180
Maintenance and operations	47,192	179,878
Contractual services	183,924	137,371
Other expenses	73,604	60,010
Total operations and maintenance	<u>1,055,604</u>	<u>1,300,697</u>
Nonoperating Revenue/(Expense)		
Investment income	<u>16,212</u>	<u>19,841</u>
Total nonoperating revenue/(expense)	<u>16,212</u>	<u>19,841</u>
Total Net Revenue Available for Debt Service	555,323	487,715
Debt Service Requirements		
2013 Water Revenue Refunding Bond	-	119,772
2016 Water Refunding Bond - Series 2016A	-	203,788
2016 Wastewater Refunding Bond - Series 2016A	<u>178,563</u>	<u>-</u>
Total Debt Service	<u>178,563</u>	<u>323,560</u>
Net Revenue after Debt Service	<u>\$ 376,760</u>	<u>\$ 164,155</u>
Debt Service Coverage Ratio	3.11	1.51
Rate Stabilization Fund:		
Beginning balance at July 1, 2018	\$ -	\$ 250,000
Transfer to Water Enterprise Fund	-	(115,000)
Ending balance at June 30, 2019	<u>\$ -</u>	<u>\$ 135,000</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh, California, (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 20, 2020.

Internal Control Over Financial Reporting

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

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

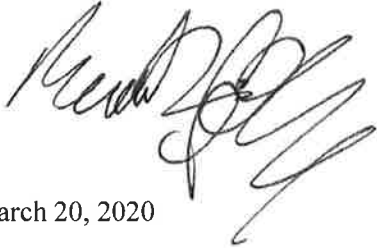
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

A handwritten signature in black ink, appearing to be "Kendall J. [unclear]", written in a cursive style.

March 20, 2020

MEETING MINUTES

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 20/03-16

**PURSUANT TO PARAGRAPH 11 OF EXECUTIVE ORDER N-25-20,
EXECUTED BY THE GOVERNOR OF CALIFORNIA ON MARCH 12, 2020**

Location of Meeting: Andrew Firebaugh Community Center
1655 13th Street, Firebaugh, CA 93622
Date/Time: March 16, 2020/6:00 p.m.
CALL TO ORDER Meeting called to order by Mayor Lopez at 6:00 p.m.
ROLL CALL Mayor Elsa Lopez
Mayor Pro Tem Freddy Valdez
Council Member Marcia Sablan
Council Member Brady Jenkins
ABSENT: Council Member Felipe Pérez

City Attorney Sanchez explained the legal basis and benefits from the proposed local emergency proclamation, Council Member Sablan participated via teleconference call.

OTHERS: City Attorney Jim Sanchez; City Manager/Acting Public Works Director, Ben Gallegos; Deputy Clerk, Rita Lozano; Finance Director, Pio Martin; Police Chief, Sal Raygoza; Erick & Veronica Navarro, Virginia Escobar, Alfredo Arambula, & others.

PLEDGE OF ALLEGIANCE Council Member Perez led pledge of Allegiance.

APPROVAL OF THE AGENDA

Motion to approve agenda by Council Member Valdez, second by Council Member Perez; motion passed by 5-0 vote.

PUBLIC COMMENT None

PRESENTATION None

CONSENT CALENDAR

1. APPROVAL OF MINUTES – The City Council regular meeting on March 2, 2020.
2. WARRANT REGISTER – Period starting February 1, and ending on February 29, 2020.

February 2020	General Warrants	#39344 - #39469	\$ 630,175.81
	Payroll Warrants	#71223 - #71241	\$ 226,044.87
TOTAL			\$ 856,220.68

Motion to approve warrants by Council Member Valdez, second by Council Member Perez; motion passed by 5-0 vote.

PUBLIC HEARING

3. RESOLUTION 20-09 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH ADOPTING A NOTICE OF EXEMPTION FOR GENERAL PLAN AMENDMENT/ZONE CHANGE 2019-04.

Motion to approve Res. No. 20-09 by Council Member Jenkins, second by Council Member Valdez; motion passed by 5-0 vote.

4. RESOLUTION 20-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING GENERAL PLAN AMENDMENT 2019-04 (CAMPA).

Motion to approve Res. No. 20-10 by Council Member Jenkins, second by Council Member Valdez; motion passed by 5-0 vote.

5. ORDINANCE NO. 20-01 - AN ORDINANCE OF THE CITY OF FIREBAUGH, COUNTY OF FRESNO, STATE OF CALIFORNIA, AMENDING ORDINANCE NO. 359, OF THE CITY OF FIREBAUGH, RELATING TO THE CLASSIFICATION OF THE ZONE OF PARTICULAR PARCELS OF REAL PROPERTY – FIRST READING.

Motion to waive the first reading of Res. No. 20-01 by Council Member Valdez, second by Council Member Jenkins; motion passed by 5-0 vote.

6. ORDINANCE NO. 20-02 - AN ORDINANCE OF THE CITY OF FIREBAUGH AMENDING SECTION 15-1.6 OF CHAPTER 15 OF THE FIREBAUGH MUNICIPAL CODE PERTAINING TO THE CITY OF FIREBAUGH WATER DISCONTINUATION POLICY- FIRST READING.

Motion to waive the first reading of Res. No. 20-02 by Council Member Jenkins, second by Council Member Perez; motion passed by 5-0 vote.

NEW BUSINESS

7. RESOLUTION NO. 20-11 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING THE RESIDENTIAL WATER DISCONTINUATION POLICY.

Motion to approve Res. No. 20-11 by Council Member Jenkins, second by Council Member Perez; motion passed by 5-0 vote.

8. RESOLUTION NO. 20-12 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING THE FINAL MAP AND A SUBDIVISION IMPROVEMENT AGREEMENT WITH GATEWAY HOMES, INC. FOR DEVELOPMENT OF TRACT 6257 PHASE 2.

Motion to approve Res. No. 20-12 by Council Member Jenkins, second by Council Member Perez; motion passed by 5-0 vote.

9. RESOLUTION NO. 20-13 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH FOR THE ACCEPTANCE OF AIRPORT FENCE AND GATE REPLACEMENT PROJECT NO. AIP 03-06-0346-007-2019, AUTHORIZING THE CITY CLERK TO RECORD A NOTICE OF COMPLETION WITH FRESNO COUNTY AND AUTHORIZING THE CITY MANAGER TO MAKE FINAL PAYMENT OF RETENTION MONIES TO GOLDEN BAY FENCE PLUS IRON WORKS, INC.

Motion to approve Res. No. 20-13 by Council Member Valdez, second by Council Member Jenkins; motion passed by 5-0 vote.

10. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS & REVIEW CITY OF FIREBAUGH SOCIAL MEDIA POLICY.

Presentation, Information item only.

11. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS & CONSIDER AUTHORIZE CONTRACT WITH KCS FOR COLLECTION SERVICES.

Item Tabled.

12. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS & CONSIDER REACQUIRING PROPERTIES OF APN's 008-074-01, 008-074-02 & 008-074-03 FROM N.F. DAVIS DRIER.

Firebaugh residents asked Council, if the City purchases the properties, what would the City do with them, will they just be vacant or empty lots?

City Council Directed the City Manager to approach Mr. Davis or a Representative of N F Davis to ask if they are interested in selling the properties back to the City and get a price estimate for the purchase of three lots, the property the City is acquiring are the lot the City sold to N F Davis, plus an additional joining lot.

13. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS & CONSIDER CITY FUNDING FOR THE REMAINING BALANCE FOR THE NEW POLICE DEPARTMENT.

The Police Department needs about \$350,000.00 to relocate to the Court House, but the amount could increase. Police Chief is seeking additional funding from the State, but if that is not possible, his recommendation is to place a tax on the ballot to local residents. The Chief will also approach USDA to inquire about a possible loan with low interest rate. Council Member Valdez suggested using the saving the City will receive from the solar project. Staff replied, the City won't see saving for several years from the solar project & the saving is to be used to make payments for the loan the City received to pay for the project.

Information Item only.

14. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS & CONSIDER HABITAT FOR HUMANITY PROPOSAL REGARDING THE SAN JOAQUIN VILLAS PROJECT.

Staff reported, of the four different funding the City provided to the developer of the San Joaquin Villas Project, only one of the provided funding agreements was a loan, in the amount of \$150,000. Representative from Habitat for Humanity stated, because they are an organization that works with the community, asks for donations & grant funding, repayment of the loan from the previous owner may be an issue, so they would have to do additional research. City Attorney Sanchez replied, the City may consider charging about \$20,000 to \$30,000 to cover their cost in research and transition of the property but not the repayment of the \$150,000 loan. Habitat for Human would hate to use donated funds to bail out the previous/current owners' debt, so not sure it is a possibility. Council Member Valdez recommended, the current owners pay for the fees as part of the sale of the property, to avoid having Habitat for Humanity from acquiring the cost.

Information Item only.

STAFF REPORTS

- **City Manager, Ben Gallegos** – Following the Coronavirus, could have a special meeting to declare a State of Emergency, city is waiving all online fees until May to lower over the counter traffic, will limit how many people can enter the city hall at one time to keep them 6ft apart, all events at city facilities have been cancelled, and 24 hour notices will mailed out, but no services will turned off. Spoke with Sean Howard about removing a flag and flag pole, per FAA regulations. FAA completed an inspection at the airport and stated the pole & flag must be removed, as a requirement of the results. Air Pollution Control is offering a commercial hybrid truck, and a webinar for a charging station, so staff will be looking in to it.
- **Police Chief Sal Raygoza** – Graffiti has been all over town, the minors were arrested & booked. They reside at the Housing Authority, as one of two of the families that relocated here. The other family has been evicted and no longer lives in Firebaugh. There has been property damage to the Maldonado Park, various things spray painted and brinks from the landscape have been removed.
- **Finance Director, Pio Martin** – The audit is done & will be presented April 6, we discussed the rate stabilization with Albert Peche and Clayton Tuckfield, Clayton informed staff, he estimated the difference this year, as part of the study, but assured us, we shouldn't have the same issue problem next year. Peche and Tuckfield, felt comfortable with the shortage, because Tuckfield expected to use \$150,000 from the rate stabilization fund. Staff will start working on the new budget and the first funds are expected to be presented in May.

- **City Attorney, James Sanchez** – Will provide a short presentation on the Social Media Policy at the next meeting. Working with city staff & Tara of RSG on the San Joaquin Villas project to address the concerns.
- **Council Member Valdez** – Had a conference call, Kingsburg has about 1000 jobs available, and I want to seek transportation for local residents to have the opportunity to go to Kingsburg for work. Following the coronavirus updates.
- **Council Member Perez** – I'm asking Fresno County to provide a laptop for our community, so the residents can use to complete their 2020 Census, information provide will be in English and Spanish.
- **Mayor Lopez** – Attended COG meeting, under the Senior Scrip Program, eligible seniors receive a 75% discount on ride fares by purchasing senior scrip, in electric credit to use with Lyft/Uber rides through GoGoGrandparent. GoGoGrandparent will access Lyft/Uber on their behalf to get drivers for them, but Firebaugh doesn't have local drivers at this time, if anyone is interested.

PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY

CLOSED SESSION

ANNOUNCEMENT

ADJOURNMENT *Motion adjourn by Consensus of the Council; motion passed by 5-0 vote at 8:16 p.m.*

SPECIAL MEETING MINUTES

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 20/03-19

**PURSUANT TO PARAGRAPH 11 OF EXECUTIVE ORDER N-25-20,
EXECUTED BY THE GOVERNOR OF CALIFORNIA ON MARCH 12, 2020**

Location of Meeting: Andrew Firebaugh Community Center
1655 13th Street, Firebaugh, CA 93622

Date/Time: March 19, 2020/3:30 p.m.

CALL TO ORDER Meeting called to order by Mayor Lopez at 6:00 p.m.

ROLL CALL

Mayor Elsa Lopez
Mayor Pro Tem Freddy Valdez
Council Member Marcia Sablan – via teleconferencing on phone at 3:36 pm
Council Member Brady Jenkins
Council Member Felipe Pérez 3:31 pm

ABSENT:

OTHERS: City Attorney Jim Sanchez; City Manager/Acting Public Works Director, Ben Gallegos;
Deputy Clerk, Rita Lozano; Finance Director, Pio Martin; Police Chief, Sal Raygoza.

PLEDGE OF ALLEGIANCE *Council Chief Raygoza led pledge of Allegiance.*

APPROVAL OF THE AGENDA

Motion to approve agenda by Council Member Jenkins, second by Council Member Valdez; motion passed by 3-0 vote.

➤ *Council Member Perez joined the meeting at 3:31 pm.*

PUBLIC COMMENT *None*

NEW BUSINESS

1. **RESOLUTION NO. 20-14 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH PROCLAIMING THE EXISTENCE OR THREATENED EXISTENCE OF A LOCAL EMERGENCY (COVID-19).**

➤ *Council Member Sablan joined the meeting at 3:36 pm.*

City Attorney Sanchez explained the legal basis and benefits from the proposed local emergency proclamation.

Motion to approve Res. No. 20-14 by Council Member Valdez, second by Council Member Jenkins; motion passed by 5-0 vote.

ADJOURNMENT

Motion adjourn by Council Member Valdez, second by Council Member Jenkins; motion passed by 5-0 vote at 4:01 p.m.

GOUVEIA ENGINEERING

MEMORANDUM

TO: Firebaugh City Council

FROM: Mario B. Gouveia, City Engineer

DATE: April 6, 2020

RE: Resolution for the Initiation of Proceedings for the Annual Levy of Assessments for Landscaping and Lighting Maintenance District No. 1

BACKGROUND

The Assessment District was formed for the purpose of financing maintenance and improvement costs for street lighting, streets, public landscaping and park improvements in the District. The levy of assessments to property owners in the District occur on an annual basis.

In order to meet the timelines required by the Landscaping and Lighting Act of 1972 (herein the "Act") and the Government Code, it is now necessary to initiate proceedings for the annual levy of assessments against all properties in the District. The City Engineer will need to prepare and file a report regarding the annual levy in accordance with Article 4 (commencing with Section 22565) of Chapter 1 of the Act.

No annexations of property have occurred to the District over the past year therefore there will be no new properties to levy.

RECOMMENDATION

Staff recommends that Council approve the attached Resolution Initiating Proceedings for the Annual Levy of Assessments for the Landscaping and Lighting Maintenance District No. 1 and to direct the City Engineer to prepare and file his annual report on the levy.

ATTACHMENT

Resolution No. 20-15

RESOLUTION NO. 20-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH DIRECTING THE FILING OF THE ANNUAL ASSESSMENTS FOR LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1 IN THE CITY OF FIREBAUGH

WHEREAS, the Firebaugh City Council wishes to designate and direct its City Engineer to comply with the assessment/reporting requirements related to the City of Firebaugh Landscaping and Lighting Maintenance District No. 1 (the "District".)

THEREFORE, BE IT RESOLVED that Mario Gouveia be designated by this Firebaugh City Council as its Engineer of work to prepare and file "Engineer's Report of the City of Firebaugh Landscaping and Lighting Maintenance District No. 1, 2020 - 2021, (the "Annual Levy Report")", and that he be designated as the person directed to file annual reports in accordance with the provisions of the Landscaping and Lighting Act of 1972 (the "LLMD Act"), California Streets & Highways Code §§ 22500 *et seq.*, for the District in the City.

The foregoing resolution was duly adopted by the Firebaugh City Council adopted at a regular meeting of the City Council of the City held on April 6, 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED

ATTEST

Elsa Lopez
Mayor

Rita Lozano
Deputy City Clerk

ORDINANCE NO. 20-01

AN ORDINANCE OF THE CITY OF FIREBAUGH, COUNTY OF FRESNO, STATE OF CALIFORNIA, AMENDING ORDINANCE NO. 359, OF THE CITY OF FIREBAUGH, RELATING TO THE CLASSIFICATION OF THE ZONE OF PARTICULAR PARCELS OF REAL PROPERTY

The City Council of the City of Firebaugh does ordain as follows:

SECTION 1. Section 25-2.1 of the Municipal Code of the City of Firebaugh is amended by changing the Zoning Map to redesignate one existing parcel C-1 (Neighborhood Commercial) to R-1 (Single Family Residential) as shown on Map 1. The subject parcel is situated on the east side of the Lyon Avenue alignment, approximately 280 feet north of N. Dos Palos Road.

SECTION 2. Severability. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance, as if such invalid portion thereof had been deleted.

SECTION 3. This ordinance shall take effect thirty (30) days after its passage.

SECTION 4. The City Clerk is hereby ordered and directed to certify the passage of this Ordinance and to cause the same to be published once in a newspaper of general circulation, published in the County of Fresno.

I hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Firebaugh held on the 16th day of March, 2020, and passed and adopted at a regular meeting of the City Council held on the 6th day of April, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

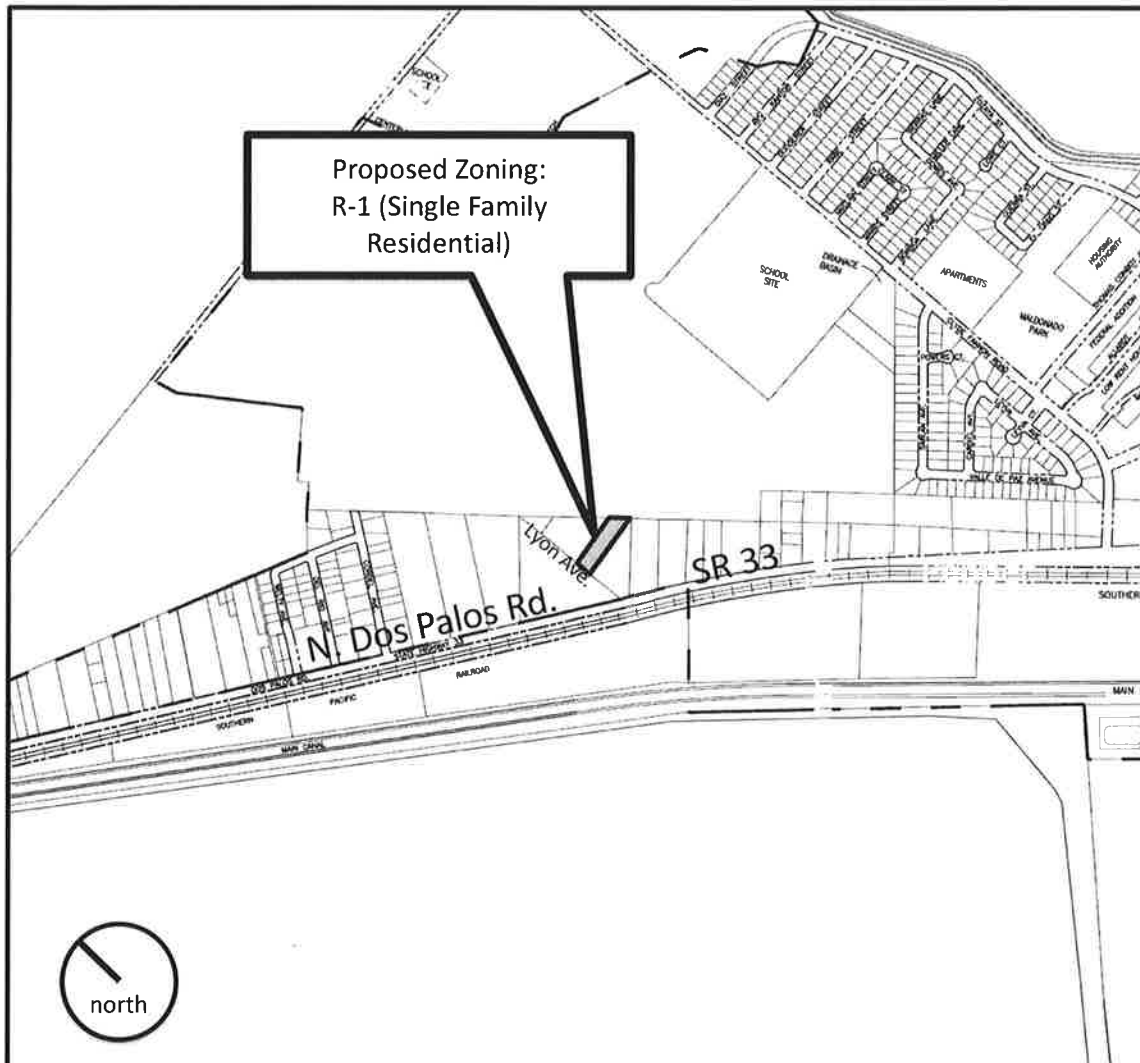
APPROVED:

ATTEST:

Elsa Lopez, Mayor
Firebaugh City Council

Rita Lozano, Deputy City Clerk
City of Firebaugh

Map 1: Zone Change 2019-03



ORDINANCE NO. 20-02

**AN ORDINANCE OF THE CITY OF FIREBAUGH AMENDING SECTION 15-1.6 OF
CHAPTER 15 OF THE FIREBAUGH MUNICIPAL CODE PERTAINING TO THE CITY OF
FIREBAUGH WATER DISCONTINUATION POLICY**

WHEREAS, on January 1, 2019, the State of California's Water Shutoff Protection Act became effective;

WHEREAS, the Water Shutoff Protection Act requires urban water suppliers to adopt a policy regarding the discontinuation of residential water service for nonpayment; and

WHEREAS, the City of Firebaugh wishes to amend its Municipal Code relating to comply with the provisions of the Waters Shutoff Act.

The City Council of the City of Firebaugh does hereby ordain as follows:

SECTION 1. Section 15-1.6 of the City of Firebaugh Municipal Code is hereby amended to read as follows:

Section 15-1.6 Billing, Connection Fees and Shutoff Procedures for Water, Sewer, and Garbage Rates

- a. Billings. All utility users shall be billed once per month for water, sewer, and garbage collection rates and delinquent and subject to shutoff of said services on the following schedule:

Service Period	Billing Date: 5th day of	Due/Delinquent Date Last Business Day of	Notice of Water Shutoff 1st Business Day of	Service Shutoff Date 7th Business Day of
January	January	January	April	April
February	February	February	May	May
March	March	March	June	June
April	April	April	July	July
May	May	May	August	August
June	June	June	September	September
July	July	July	October	October
August	August	August	November	November
September	September	September	December	December
October	October	October	January	January
November	November	November	February	February
December	December	December	March	March

- b. Delinquent Penalties. If the water, sewer, and garbage collection charges are not paid when due, a penalty of 10% of the amount delinquent shall be added and collected so long as the water, garbage collection, and sewer charges are paid within 30 days after the due date. Thereafter, a late charge of 1 1/2% per month shall be added to the delinquent water, garbage collection, and sewer charges until paid. Any partial payments of water, garbage collection, and sewer charges will be first credited to pay any accrued penalties and late charges. A water, garbage collection, or sewer service customer who is disconnected for nonpayment, shall be charged a reconnection charge as established and set forth from time to time by resolution of the city council.
- c. Water and Sewer Connection Fees. Fees for initial connection into the water and sewer systems of the city shall be as established by city council resolution after a duly noticed hearing.
- d. Discontinuation of Residential Water Service for Nonpayment. Discontinuation of residential water service for the nonpayment of a utility bill shall be governed by the City's Discontinuation of Water Service Policy, available on the City [website](#).

SECTION 2. Effective Date.

1. This ordinance shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption.

The foregoing Ordinance No. 20-01 was introduced at a regular meeting of the City Council of the City of Firebaugh held on the 16th day of March, 2020, and passed and adopted at a regular meeting of the City Council held on the 6th day of April, 2020, by the following vote:

AYES:	Council Members
NOES	Council Members
ABSTAIN:	Council Members
ABSENT:	Council Members

APPROVED:

ATTEST:

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk

STAFF REPORT

TO: Firebaugh City Council
FROM: Ben Gallegos, City Manager
DATE: April 6th, 2020
SUBJECT: Resolution to change the existing dedication of outlots along Clyde Fannon Drive to include the use as a Public Utility Easement for the development of Tract 6257

BACKGROUND & DISCUSSION

On August 5, 2019, the City Council approved the Tentative Subdivision Map 2019-01 ("Tentative Map") for the proposed Greystone Estates Subdivision Tract 6257, allowing Gateway Homes, Inc. ("Subdivider"), to divide its two existing parcels containing approximately 28.4 acres into 131 single family residential lots varying from 5,000 to 7,107 square feet in size, and 5 outlots for recreational and utility purposes. The subdivision is planned to be completed in three phases.

There are a number of outlots on the West side of Clyde Fannon Drive that are currently dedicated to the City of Firebaugh (City) for landscaping and public pedestrian purposes. These outlots are as follows:

1. Outlots A, B, & C of that certain map filed January 9, 2020 in Volume 89 of Plats, at Pages 49-51, Fresno County Records
2. Outlots A & B of that certain map filed November 20, 1989 in Volume 49 of Plats, at Pages 48-49, Fresno County Records.
3. Outlots A & B of that certain map filed January 20, 1989 in Volume 48 of Plats, at Pages 21-22, Fresno County Records.

The Subdivider is requesting the dedication of these outlots be changed to include the use of these outlots as a Public Utility Easement (PUE). By changing the dedication of these outlot parcels to include the use as a PUE the Subdivider will be able to connect the subdivision's underground dry utility improvements to PGE facilities. City staff and the City Engineer have reviewed the legal description submitted by the Subdivider, and find that changing the existing dedication from solely being for landscaping and pedestrian purposes to include the use as a PUE will not adversely affect the outlots nor will it limit their use as originally dedicated.

Therefore, Staff recommends that the City Council approve and authorize the recording of the attached resolution changing the existing dedication to include the use of these outlots as a PUE.

FISCAL IMPACT

There will be no financial impact.

RECOMMENDATION

Staff recommends that the Council adopt Resolution No. 20-16, changing the existing dedication of the outlots on Clyde Fannon Drive to include the use as a public utility easement for the development of Tract 6257.

ATTACHMENTS

1. Resolution No. 20-16.
2. Exhibit "A" Legal Description

RESOLUTION NO. 20-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO
CHANGE THE EXISTING DEDICATION OF OUTLOTS ALONG CLYDE FANNON
DRIVE TO INCLUDE THE USE AS A PUBLIC UTILITY EASEMENT
FOR THE DEVELOPMENT OF TRACT 6257**

WHEREAS, the City approves the change to the existing dedication of following Outlots to include the use of these areas as a Public Utility Easement for underground dry utilities:

1. Outlots A, B, & C of that certain map filed January 9, 2020 in Volume 89 of Plats, at Pages 49-51, Fresno County Records
2. Outlots A & B of that certain map filed November 20, 1989 in Volume 49 of Plats, at Pages 48-49, Fresno County Records.
3. Outlots A & B of that certain map filed January 20, 1989 in Volume 48 of Plats, at Pages 21-22, Fresno County Records.

As described in the attached Legal Description;

WHEREAS, the City desires to modify the existing dedication of these parcel Outlots to include their existing use as well as the use as a Public Utility Easement;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Firebaugh hereby approves the change in dedication of the existing Outlots, as described in the attached Exhibit "A" Legal Description, to include their use as a Public Utility Easement.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Firebaugh, held on the 6th day of April, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSEST:

APPROVED:

ATTEST:

Elsa Lopez, Mayor
City of Firebaugh

Rita Lozano, Deputy City Clerk
City of Firebaugh

EXHIBIT "A"
LEGAL DESCRIPTION
PUBLIC UTILITY EASEMENT

All that real property situate in the west half of Section 20, Township 12 South, Range 14 East, Mount Diablo Base and Meridian, City of Firebaugh, County of Fresno, State of California, more particularly described as follows:

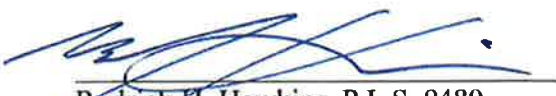
BEING Outlots A, B, & C of that certain map filed January 9, 2020 in Volume 89 of Plats, at Pages 49-51, Fresno County Records.

TOGETHER WITH Outlots A & B of that certain map filed November 20, 1989 in Volume 49 of Plats, at Pages 48-49, Fresno County Records.

ALSO TOGETHER WITH Outlots A & B of that certain map filed January 20, 1989 in Volume 48 of Plats, at Pages 21-22, Fresno County Records.

SUBJECT TO all rights-of-way and easements of record.

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors Act.


Rodrick H. Hawkins, P.L.S. 9489
March 10, 2020



STAFF REPORT

TO: Firebaugh City Council

FROM: Gouveia Engineering, Inc.

DATE: April 6, 2020

SUBJECT: Adopt a resolution approving the City of Firebaugh FY 20/21 list of eligible projects for funding from the Road Maintenance and Rehabilitation Account (RMRA) created by Senate Bill (SB) 1 Road Repair and Accountability Act of 2017, and authorizing the City Manager to file with the California Transportation Commission (CTC) the Project List and the Annual Expenditure Report for FY 20/21 RMRA Funding

BACKGROUND

Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor on April 28, 2017, in order to address the transportation funding shortfalls statewide. The 2016 California Statewide Local Streets and Roads Needs Assessment found that a majority of the city streets and roads in California are at an “at-risk” condition and this funding will provide for improving the roads system. It is anticipated that over the next decade, SB 1 will contribute to restoring streets and roads into a “good” condition. SB 1 funding will be generated from increased gasoline and diesel fuel excise taxes and additional vehicle registration fees for California residents.

SB 1 includes accountability and transparency provisions to ensure the funding is used on a fiscal year basis for eligible transportation projects including, but not limited to, road maintenance and rehabilitation, safety projects, railroad grade separations, complete streets components, and traffic control devices. Funding recipients must prepare a list of eligible projects to receive funding from the Road Maintenance and Rehabilitation Account on a fiscal year basis with these funds appropriated in the City budget. This list must include a description and the location of each proposed project, a proposed schedule for the project’s completion, and the estimated useful life of the improvement. Funding recipients will also be required to prepare annual reports to indicate expenditure levels and completion status for each proposed project on a fiscal year basis.

Cities and counties will receive an annual allocation, determined from a population formula, which will be distributed on a monthly basis. SB 1 mandates that this new RMRA funding must not be used to supplant the current level of General Fund expenditures for street improvements and will be subject to oversight by the State Controller as part of the accountability and transparency provisions.

DISCUSSION

This year’s allocation corresponds to the fourth year of funding and the third consecutive full allocation since the program’s inception. The funds were first made available to cities and counties during Fiscal Year 2017-2018 as a partial allocation from the regular fiscal year amount.

In order to receive the FY 20/21 SB 1 funding, the City of Firebaugh must submit to the California Transportation Commission by May 1, 2020, or as extended by the Commission, a list of eligible projects approved by resolution by the City Council and submitted electronically using the CTC-developed an online tool.

The City has determined a project list consisting of any new projects to be funded with the RMRA FY 20/21 allocation and previously proposed and adopted projects (re-listed) for the RMRA Program.

The City of Firebaugh's FY 20/21 allocation is estimated at \$153,588 per the Local Streets and Roads – Projected Revenues dated January, 2020 and as published by the California City Finance website. It is recommended that these funds be appropriated for the following new or re-listed eligible projects:

1. Helm Canal Rd Rehabilitation – north side (from Poplar to Birch Drive) – **Re-listed**
2. Roadway Sealing Project at KHovnanian Subdivision (various streets: Birch Drive, Dogwood Way, Cypress Way, Alder Way, Poplar Way, Willow Way, Spruce Street, Maple Court, Elm Street, Ash Street, Oak Street) – **Re-listed**

The attached project list provides more detail including the project description, location, estimated completion date, and useful life.

The City's FY 20/21 Budget will include the following revenue and expenditure items for the FY 20/21 SB 1 Allocation:

Revenue: Road Maintenance and Rehabilitation Account: \$153,588

Expenditure: Road Maintenance and Rehabilitation Projects: \$153,588

FISCAL IMPACT

The expenditures for the FY 20/21 eligible projects are anticipated to be funded 100% from the City's Road Maintenance and Rehabilitation Account. The proposed project expenditures for FY 20/21 are anticipated to match the estimated revenue of \$153,588 for FY 20/21.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 20-17, as follows:

1. Approving the City of Firebaugh FY 20/21 List of eligible projects for funding from the Road Maintenance and Rehabilitation Account administered by the California Transportation Commission in partnership with the State Controller's office, and
2. Authorizing the City Manager to file with the California Transportation Commission the Project List and Annual Expenditure Report for FY 20/21 RMRA Funding.

RESOLUTION NO. 20-17

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH
APPROVING THE CITY OF FIREBAUGH FY 2020/2021 LIST OF ELIGIBLE PROJECTS FOR
FUNDING FROM THE ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA)
CREATED BY SENATE BILL 1: ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017,
AND AUTHORIZING THE CITY MANAGER TO FILE WITH
THE CALIFORNIA TRANSPORTATION COMMISSION THE PROJECT LIST AND
ANNUAL EXPENDITURE REPORT FOR FY 2020/2021 RMRA FUNDING**

WHEREAS, the City of Firebaugh is eligible to receive funding from the Road Maintenance and Rehabilitation Account (RMRA) created by Senate Bill (SB) 1, Road Repair and Accountability Act of 2017, passed by the Legislature and signed into law by the Governor on April 28, 2017, in order to address the transportation funding shortfalls statewide; and

WHEREAS, RMRA funding will be generated from increased gasoline and diesel fuel excise taxes and additional vehicle registration fees for California residents, cities and counties will receive an annual allocation, determined from a population formula, which will be distributed on a monthly basis; and

WHEREAS, SB 1 includes accountability and transparency provisions to ensure the funding is used on a fiscal year basis for eligible transportation projects including, but not limited to, road maintenance and rehabilitation, safety projects, railroad grade separations, complete streets components, and traffic control devices, this new RMRA funding must not be used to supplant the current level of General Fund expenditures for street improvements and will be subject to oversight by the State Controller's office; and

WHEREAS, funding recipients must prepare a list of eligible projects to receive funding from the Road Maintenance and Rehabilitation Account on a fiscal year basis and approved by resolution by the governing board. This list must include a description and location of each proposed project, a proposed schedule for completion, and the estimated useful life of the improvements; and

WHEREAS, the City has ensured public input and developed the most high-priority and cost-effective projects to receive SB 1 revenues and that would meet the City's priorities for transportation investment; and

WHEREAS, the selected project list includes any new projects to be funded with the RMRA FY 20/21 allocation and previously proposed and adopted projects (re-listed) to reaffirm the public and the State the City's intent to fund these projects with Road Maintenance and Rehabilitation Account revenues; and

WHEREAS, the City of Firebaugh's FY 2020/2021 allocation for RMRA funding is estimated at \$153,588 and the City intends to appropriate these funds on its FY 20/21 Budget.

WHEREAS, the City's FY 2020/2021 allocation will be designated to the following new or re-listed eligible projects:

1. Helm Canal Rd Rehabilitation – north side (from Poplar to Birch Drive) – **Re-listed**
2. Roadway Sealing Project at KHovnanian Subdivision (various streets: Birch Drive, Dogwood Way, Cypress Way, Alder Way, Poplar Way, Willow Way, Spruce Street, Maple Court, Elm Street, Ash Street, Oak Street) – **Re-listed**; and

WHEREAS, the City is required to submit to the California Transportation Commission by May 1, 2020, or as extended by the Commission, the FY 2020/2021 List of eligible projects and a resolution that shows these projects were approved to receive FY 20/21 SB 1 funds; and

WHEREAS, funding recipients must prepare an annual report to indicate expenditure levels and completion status for each proposed project on a fiscal year basis.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Firebaugh hereby:

1. The above recitals are true and correct findings of the Firebaugh City Council.
2. The City Council hereby approves the above proposed FY 2020/2021 List for eligible projects to receive funding from the Road Maintenance and Rehabilitation Account.
3. The FY 20/21 SB 1 funds will be appropriated on the City's FY 20/21 Budget.
4. The City Manager is hereby authorized and directed to submit to the California Transportation Commission the Project List and Annual Expenditure Report for FY 2020/2021 RMRA Funding.

The foregoing resolution was duly adopted by the Firebaugh City Council at a regular meeting of the City Council of the City held on April 6, 2020.

AYES:

NOTES:

ABSENT:

ABSTAIN:

APPROVED

ATTEST

Elsa Lopez
Mayor

Rita Lozano
Deputy City Clerk

Local Streets and Roads Program

Agency Name:		Agency Contact:	FY
Firebaugh		Ben Gallegos	
		(559) 659-3412	
LoCode:	5224	bgallegos@firebaugh.org	20/21

Summary of Proposed Project List

Project No.	Project Title	Project Description	Project Location	Estimated Completion Date (mm/dd/yyyy)		Estimated Useful Life (# of yrs)	
				Pre-Construction	Construction	Min.	Max.
PP01	Helm Canal Road Rehabilitation - north side (Re-listed)	Roadway rehabilitation	In the City of Firebaugh between Poplar and Birch Drive	07/2021	07/2022	10	20
PP02	Roadway Sealing Project (Re-listed)	Roadway crack sealing and slurry sealing	At various locations in the City of Firebaugh (KHovnanian Subdivision): Birch Dr from Helm Canal to cul-de-sac; Dogwood Wy from Maple to cul-de-sac; Cypress Wy from Helm Canal to Maple; Alder Wy from Elm Street to cul-de-sac; Poplar Wy from Helm Canal to Elm St; Willow Wy from Spruce to Elm Street; Spruce St from Willow Wy to cul-de-sac; Maple Ct from Poplar to Dogwood Wy; Elm Street from Willow to Birch Drive; Ash Street from Alder to Dogwood Wy; Oak Street from Alder to Dogwood Wy	07/2020	07/2021	5	10
PP03							
PP04							
PP05							
PP06							
PP07							
PP08							
PP09							
PP10							



FIREBAUGH POLICE DEPARTMENT

Memo

To: Honorable Mayor Elsa Lopez and Council Members
From: Salvador Raygoza, Police Chief
cc: Ben Gallegos, City Manager
Date: 03/31//2020
Re: MOU Approval

The Firebaugh Las Deltas School District applied for a Tobacco Law Enforcement Grant during the 2019 year. The grant was recently approved for a period of three years by the State of California. The grant will cover salaries and benefits for one full-time officer. The only cost the city will incur will be the fuel and the use of a patrol car. The officer assigned to grant will be beneficial to both the city and the school district. The officer will focus on the current problems we are having with teenage Vaping, Smoking, Drugs and underage drinking. (SEE MOU)

I recommend city council approve the attached MOU that was reviewed by our city attorney.

**Tobacco Law Enforcement Grant Agreement
Between the City of Firebaugh and the Firebaugh Las Deltas Unified School District
for Police Services for FY 2020-2022**

This Agreement is entered into this _____ day of _____, 2020, between the City of Firebaugh ("City"), and the Firebaugh Las Deltas Unified School District ("District"), with respect to a Tobacco School Resource Officer ("TSRO").

WHEREAS, District recognizes that the Firebaugh Police Department provides necessary public safety and law enforcement services to the City which benefits District; and

WHEREAS, District further recognizes that the Firebaugh Police Department's assignment of a TSRO assigned to the District's schools to perform regular duty law enforcement services is greatly beneficial to District in assisting the school district in providing its students with campuses which are safe, secure, and peaceful; and

WHEREAS, City recognizes that assignment of a TSRO to District Schools will make a safer, secure, and peaceful City.

WHEREAS, District recognizes that the TSRO will provide students and citizens in the City anti-tobacco and anti-drug education services that will greatly benefit the District.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, and premises hereinafter contained, to be kept and performed by the respective parties, it is mutually agreed as follows:

Section 1. Role and Responsibilities

The City of Firebaugh Police Department agrees to assign (1) one full-time Police Officer to the Firebaugh Las Deltas School District schools. The base of operations for the Officer will be Firebaugh High School and Firebaugh Middle School where it is understood that the officer will respond to related school calls, as needed, attend school meetings, and provide anti-tobacco and anti-drug education at all schools and within the community. The scope of work shall be limited to those duties described in the Scope of Work document attached hereto as **Exhibit "A"** and incorporated by this reference.

Section 2. Compensation

District agrees to reimburse the City the ~~total~~ cost of the salary and benefits of one full-time police officer for services rendered under this Agreement. The city will invoice the District quarterly for the officer's salary and benefits. Payments will be made no later than 30 days from the invoice date. The fees paid will be used by the City to cover the cost of the salary, benefits, and equipment needed to perform duties of the TSRO. The City shall be responsible for the cost and provision of equipment to the TSRO.

Section 3. Effectiveness, Duration and Termination

This Agreement shall be effective as of the date first written above, and shall remain in effect for an initial term running through December 31st, 2022. Either party may at any time terminate this Agreement without cause at the party's convenience by giving not less than 60 days prior written notice to the other party. Upon such termination, all rights and obligations of each party under this Agreement shall cease as of the Effective Date of Termination, except for those specific obligations that shall survive termination as set forth herein. In the event of early termination, parties agree to pay or reimburse a pro-rated share of the compensation based upon a 12-month timeframe.

Section 4. Indemnification

- A. The District shall indemnify, defend, and hold harmless the City, its officers, officials, employees, and volunteers from and against any and all liability, claims, damage, cost, expenses, awards, fines, judgments, and expenses of litigation (including, without limitation, costs, attorney fees, expert witness fees and prevailing party fees and cost) of every nature arising out of or in connection with the assigned officer's performance of work or his or her failure to comply with any of its obligations contained in the Agreement, except such loss or damage which was caused by the negligence of the City, or the negligence or willful misconduct of the assigned officer.
- B. The City shall indemnify, defend, and hold harmless the District, its officers, officials, employees, and volunteers from and against any and all liability, claims, damage, cost, expenses, awards, fines, judgments, and expenses of litigation (including, without limitation, costs, attorney fees, expert witness fees and prevailing party fees and cost) of every nature arising out of the negligence by the City or the negligence or willful misconduct of the assigned officer during the performance of work hereunder.
- C. The Parties acknowledge that it is not the intent of the Agreement to create a duty of care by the City or its assigned officer that they would not owe in the absence of the Agreement. The Agreement does not create an affirmative duty of care (including, without limitation, a duty to protect, a duty to deter and/or a duty to intervene) by the City or the assigned officer and the absence of the assigned officer and/or the patrol vehicle is not a material breach of this Agreement. The Parties further acknowledge that by entering into this Agreement neither the City nor its assigned officer intends to waive any immunities to which they would be entitled in the absence of the Agreement.
- D. In the event of concurrent negligence on the part of the District or any of its officers, officials, employees, agents or volunteers, and City or any of its officers, officials, employees, agents or volunteers, the liability for any and all such claims, demands and actions in law or equity for such losses, fines, penalties, forfeitures, costs and damages shall be apportioned under the State of California's theory of comparative negligence as presently established or as may be modified hereafter.
- E. The parties' duty to indemnify each other and its officials, officers, employees, agents and volunteers shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the Agreement of indemnification to be provided by the parties. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of the parties or any of its officers, board members, employees, agents, volunteers, invitees, caterers, concessionaires, suppliers, vendors, consultants, contractors or subcontractors.

F. This section shall survive termination or expiration of this Agreement.

Section 4. Entire Agreement.

This Agreement, including all recitals constitutes the entire agreement of the Parties. This Agreement may be amended or modified only by the mutual written agreement of the Parties. This Agreement is invalid unless approved by the legislative body of each Party, although it may be executed by an authorized agent of each Party. An authorized agent of the City shall be a person specifically authorized by the City Council to execute this Agreement.

Section 5. Insurance. It is understood and agreed that District and City maintain insurance policies or self-insurance programs to fund their respective liabilities. Evidence of Insurance, Certificates of Insurance or other similar documentation shall not be required of either party under this Agreement.

Section 6. Nondiscrimination. The parties agree that they will not discriminate in the provision of services under this Agreement on the basis of any characteristic or condition upon which state or federal law prohibits discrimination.

Section 7. Independent Contractor and Not a Partnership. For the purposes of this Agreement, City and District shall act in an independent capacity and not as officers or employees or agents of the other. Nothing in this Agreement establishes, constitute, or will be construed as establishing or constituting a partnership or agency or employment relationship between City and District. Officers providing services under this Agreement shall remain the employees of City, and shall not be employees of District.

Section 8. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be dully given if delivered personally or deposited into the United States mail, with postage prepaid, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice.

Section 9. Binding. Once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each parties' respective heirs, successors, assigns, transferees, agents, servants, employees and representatives.

Section 10. Assignment. Neither party may assign or transfer, by operation of law or otherwise, all or any of its rights or obligations under this Agreement without the prior written consent of the other party.

Section 11. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

Section 12. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.

Section 13. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Agreement.

Section 14. Severability. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the other provisions.

Section 15. Interpretation. The parties acknowledge that this Agreement in its final forms is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

Section 16. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

Section 17. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, attached and incorporated into and made a part of this Agreement.

IN WITNESS THEREOF, the parties have caused their authorized agents to execute this Agreement as of the date first set forth above:

CITY OF FIREBAUGH,
A municipal corporation

By: _____
Benjamin Gallegos, City Manager

Date: _____

APPROVED AS TO FORM

James Sanchez, City Attorney

THE FIREBAUGH LAS DELTAS UNIFIED SCHOOL DISTRICT

By: _____
RUSSLE FREITAS, Superintendent

Date: _____

EXIHIBIT A

SCOPE OF WORK

TOBACCO SCHOOL RESOURCE OFFICER DUTIES

- A. The Tobacco School Resource Officer (TSRO) is a full-time sworn city police officer assigned to provide law enforcement expertise, anti-tobacco education, anti-drug education, assist staff in maintaining safety, respond to any school related criminal activity and act as a resource for school staff.
- B. The TSRO will implement educational programs at district schools that focus on the prevention of tobacco use, substance abuse and e-cigarette use by students. The programs will promote a tobacco-free, drug free lifestyle through education and leadership.
- C. Support the School Administration in providing a drug free, safe, and crime free environment at all the schools. Under the direction of school administration enforce California Laws related to the illegal sale of vaping devices and the sale of illegal substances on school grounds.
- D. The TSRO will conduct community presentations related to staying tobacco free and drug free. TSRO will provide outreach and education to local retailers on laws relating to the proper sale of tobacco products.
- E. Counseling students and parents related to substance abuse, tobacco use and juvenile crime. Resolve problems at the lowest echelon possible through counseling and mentorship.
- F. Act as a public relations officer in the enhancement of the law enforcement image in the schools and community. The TSRO provides a visible deterrent to crime and a positive representative of the Firebaugh Police Department to students and staff.
- G. TSRO will receive training in substance abuse prevention and utilizing the skills from the training in the schools to educate students against substance abuse including tobacco and alcohol.
- H. The TSRO shall wear the Firebaugh Police Department regulation police uniform and operate a marked police patrol vehicle while on duty unless otherwise authorized by a supervisor for a specific purpose.
- I. With the approval of each school's principal, the TSRO may make formal presentations to student clubs, school-based community organizations, parent clubs and school advisory groups. TSRO participation in other activities such as panel discussions, mentoring programs, and community coalitions or task forces must be approved, in advance by the school superintendent and the Chief of Police.
- J. Other duties and responsibilities of the TRO includes proper disposal of illegal substances recovered by school staff and not needed for criminal prosecution.

- K. The TRO's duty schedule will be mutually determined by the District Superintendent and the Chief of Police. The TSRO's schedule will generally be arranged to provide coverage throughout the school day to include peak arrival and departure times before and after school. Whenever possible, the SRO will be visible patrolling the exterior and interior grounds, particularly during the opening or closing of school and during the lunch periods.

SUPERVISION

- A. The TSRO supervisor shall ensure that open lines of communication are in place between all the District schools and the Firebaugh Police Department. Meetings with the TSRO shall be arranged as needed with school administration. The Chief of Police or his/her designee shall meet with the District Administration at least twice each semester to discuss progress and any changes needed to the program. The Chief of Police shall address any concerns regarding the performance of the TSRO
- B. The City shall retain full authority to direct and control the activities of the police officers and supervise and discipline the officers in accordance with City policies and procedures.

POLICE INVESTIGATIONS

- A. The TSRO at times may need to interview, question and take police action against students. With certain exceptions, the investigation and questioning of students during school hours shall be approved by the principal. Investigations and questioning of students for offenses not related to the operation of or occurring at the school would occur in such situations where, for example, delay might result in danger to any person, flee from the jurisdiction by the person suspected of a crime or destruction of evidence.
- B. The TSRO shall provide information to the Sergeant or Police Chief of any crimes or leads that come to the attention of the TSRO. The TSRO should be kept advised of all investigations that involve students from his/her assigned school.
- C. The school principal will be notified as soon as practical of any significant enforcement actions taken by the TSRO or other investigating officer(s).
- D. The School District has designated the TSRO to be "school officials" who may have a legitimate educational interest in accessing student records. If such access is provided, the TSRO must protect the privacy of the student records it receives and may only disclose the student records, or the information obtained from the students records, in compliance with state and federal law.
- E. The TSRO shall generally have access to pupil records in accordance with law. The DISTRICT will allow the TSRO to inspect and copy pupil records maintained by a school, such as yearbooks and student directory information as defined in Education Code 49061. If information in a student's cumulative or other confidential record is needed in an emergency to protect the health or safety of the student or other individuals, the District shall disclose to the TSRO that information which is reasonably needed to respond to the emergency situation. If confidential student records information is requested, but no emergency situation exists, the information may be released upon probable cause and

exigent circumstances, the issuance of a court order, or by written authorization of the parent/guardian.

- F. The CITY and TSRO will comply with policies of the DISTRICT relative to release of student information, except as provided herein.

ARREST PROCEDURES

- A. TSRO are expected to be familiar with school rules and their application with the school. Routinely, rule infractions will not be handled as violations of law, but instead referred to the principal, or his agent, for action.
- B. The following procedures should be adhered to where arrests of students or staff become necessary:
 - 1. The arrest of a student or school staff member with a warrant or petition should be coordinated through the notification of the principal, patrol sergeant and accomplished after school hours, when practical.
 - 2. Arrests of students or school staff members during school hours or on school grounds shall be reported to the principal as soon as practical and prior to the arrest.
 - 3. Discretion and good judgment by the TSRO may determine alternative action other than arrest.

SEARCH AND SEIZURE

- A. School officials may conduct searches of students' property or person under their jurisdiction when reasonable suspicion exists that the search will reveal evidence that the student has violated or is violating either the law or the rules of the school. The standard for the search is reasonable suspicion.
- B. The TSRO shall not become involved in administrative (school related) searches unless specifically requested by the school to provide security, protection, or for handling of contraband. These searches must be at the direction and control of the school officials. At no time shall the TSRO request that an administrative search be conducted for law enforcement purposes or have the administrator act as his or her agent.
- C. Any Search by an officer shall be based upon probable cause and, when required, a search warrant should be obtained. To the extent consistent with law, stop and frisk will remain as an option when there is reasonable suspicion that a criminal act has been committed or may be committed, or that the suspect may be armed with a weapon.



STAFF REPORT

TO: Mayor Elsa Lopez and Council Members
FROM: Pio Martin, Finance Director
DATE: April 06, 2020
SUBJECT: Finance Department

FINANCE:

- As of March 20, 2020 utility payments made online or by phone all service charges are waived. This will go until the end of April or unless directed to extended the wavier of credit card service fees.
- City Hall lobby has been closed to public. Walk up payments for utility services are being accepted by checks or money orders only, which are being placed in dropbox. No cash payments are being collect.
- Late fee for non-payment for utility services for billing service dates March 5th and April 5th are being waived. No, late payment reminders (pink notice) are being mailed, resident will only receive their regular monthly bill and any previous balance included. This will continue until billing service date May 5th.
- City Hall, has been updating the resident through city web page firebaugh.org and [Facebook](#) regarding COVID-19.
- AF Community Center events canceled through the end of April. A total of six (6) events at Community Center, one (1) Jaripeo at Rodeo Grounds, and Circus at Maldonado Park.



STAFF REPORT

TO: Mayor Elsa Lopez and Council Members
FROM: Anita Sanchez, Senior Center Coordinator
DATE: April 06, 2020
SUBJECT: C-1 COVID-19 Emergency Meals

SENIOR CENTER:

- As of March 30, 2020, all C1 Congregate Nutrition Site (Senior Center) and *Food Safety Training*, Coordinators need to obtain a Food Safety Manager or Food Protection Manager Certificate. When C1 sites are able to reopen, they will all be treated as new sites and will be subject to the new site assessment process. All, site requirements will need to be met to expedite the site assessment and approval process.
- Meals are still being delivered to the active seniors who have signed up for delivery. Any, Senior that would like to be added for lunch delivery may do so by calling City Hall at 559-407-8811 option 9.
- Agency on Aging Serving Fresno & Madera is hopeful that full services can begin again this fall.