

MEETING AGENDA

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 24/04-01

Location of Meeting: Andrew Firebaugh Community Center
1655 13th Street, Firebaugh, CA 93622
Date/Time: April 1, 2024/5:30 p.m.

CALL TO ORDER

ROLL CALL
Mayor Elsa Lopez
Mayor Pro Tem Freddy Valdez
Council Member Silvia Renteria
Council Member Brady Jenkins
Council Member Felipe Perez

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

- BRYANT JOLLEY, CPA Office, will present the ANNUAL INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD FY 2022-2023, ending June 30, 2023.
- Keith Bergthold of Regenerate California Innovation, Inc. to provide information on the proposed non-profit organization: Community Energy Fresno.
- Shane Swart - Lower San Joaquin Levee District regarding California Prop 218.
- Fidel and Nancy Avila – Firebaugh Maldonado Park Soccer Field.

PUBLIC COMMENT

Any person or persons wishing to address the City Council on any matter that is not on the agenda may do so at this time. Individuals must limit their comments to three minutes. Issues raised during Public Comments are informational only and the Council cannot take action at this time. All comments should be directed at the Mayor and not at individual Councilmembers or staff members.

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 18, 2024.

PUBLIC HEARING

None

NEW BUSINESS

2. **RESOLUTION 24-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING A DENSITY BONUS (FOR THE FRESNO HOUSING AUTHORITY'S LA JOYA COMMONS (PHASE 2) PROJECT).**

Recommended Action: Council receives public comment & approves Res. No. 24-10.

3. **RESOLUTION NO. 24-11 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH AUTHORIZING: SUBMISSION OF THE 2022-2023 HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING IN THE AMOUNT UP TO \$12,000,000; AND IF AWARDED, THE EXECUTION OF A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND OTHER RELATED DOCUMENTS NECESSARY TO PARTICPATE AND COMPLY WITH IN THE HOME INVESTMENT PARTNERSHIP PROGRAM.**

Recommended Action: Council receives public comment & approves Res. No. 24-11.

4. **RESOLUTION NO. 24-12 - 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. 24-12.

5. **RESOLUTION NO. 24-13 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH RENEWING ORDINANCE 22-03 AND POLICY 708 OF THE FIREBAUGH POLICE DEPARTMENT POLICY MANUAL AUTHORIZING THE USE MILITARY EQUIPMENT IN ACCORDANCE WITH GOVERNMENT CODE SECTION 7070, ET SEQ.**

Recommended Action: Council receives public comment & approves Res. No. 24-13.

6. **RESOLUTION NO. 24-14 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING THE RETIREMENT AND SALE OF K9 KONA FROM THE FIREBAUGH POLICE DEPARTMENT.**

Recommended Action: Council receives public comment & approves Res. No. 24-14.

7. **THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS SPARKLETTS WATER DELIVERY SERVICE.**

Recommended Action: Council receives public comment & gives direction.

STAFF REPORTS – *Written enclosed in agenda packet.*

PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY

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, March 29, 2024, 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 1, 2024
SUBJECT: Fiscal Year 2022 - 2023 Audit and Management Report

RECOMMENDATION:

Review and accept the FY 2022 - 2023 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.

HISTORY:

Bryant L. Jolley, CPA have completed the FY 2022-2023 audit for the City of Firebaugh. A representative from Bryant Jolley office will be presenting at the April 1, 2024.

DISCUSSION:

Audit report presented by Bryant L. Jolley CPAs.

FISCAL IMPACT:

None.

CITY OF FIREBAUGH

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

JUNE 30, 2023

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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.
Luis A. Perez C.P.A.
Lan T. Kimoto

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Changes in the City's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 45 – 48, page 49, page 50, page 51, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Firebaugh's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the schedule of expenditures of federal awards 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 14, 2024, 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 solely 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 the effectiveness of the City of Firebaugh's 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.

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

March 14, 2024

CITY OF FIREBAUGH

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 10,594,765	\$ 6,971,572	\$ 17,566,337
Accounts receivable (net of allowance)	43,286	329,580	372,866
Due from other governments	2,777,092	86,615	2,863,707
Interest receivable	11,521	-	11,521
Notes and loans receivable	1,671,270	-	1,671,270
Internal balances	(815,007)	815,007	-
Capital assets, net of allowance for depreciation	18,748,060	17,063,940	35,812,000
Total assets	<u>33,030,987</u>	<u>25,266,714</u>	<u>58,297,701</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,587,727</u>	<u>442,132</u>	<u>3,029,859</u>
LIABILITIES			
Accounts payable	1,286,740	76,389	1,363,129
Accrued expenses	183,924	30,383	214,307
Accrued interest payable	4,224	98,981	103,205
Deposits	37,085	100,622	137,707
Compensated absences	44,859	-	44,859
Long-term liabilities:			
Bonds payable:			
Due within one year	45,280	446,887	492,167
Due in more than one year	420,541	10,407,220	10,827,761
Net other post employment benefits	1,509,076	623,291	2,132,367
Net pension liability	4,152,439	560,212	4,712,651
Total liabilities	<u>7,684,168</u>	<u>12,343,985</u>	<u>20,028,153</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,226,630</u>	<u>1,215,397</u>	<u>4,442,027</u>
NET POSITION			
Net investment in capital assets	18,282,239	6,461,169	24,743,408
Restricted for:			
Public ways and facilities	1,364,315	-	1,364,315
Public safety programs	701,342	-	701,342
Low-income housing activities	425,132	-	425,132
Capital projects and improvements	1,652,919	-	1,652,919
Unrestricted	2,281,969	5,688,295	7,970,264
Total net position	<u>\$ 24,707,916</u>	<u>\$ 12,149,464</u>	<u>\$ 36,857,380</u>

See accompanying notes.

CITY OF FIREBAUGH

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expense	Program Revenue			Net Revenue/(Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 398,044	\$ 72,463	\$ 38,846	\$ -	\$ (286,735)	\$ -	\$ (286,735)
Public ways and facilities	1,297,144	559,926	1,310,150	217,597	790,529	-	790,529
Public protection	3,377,342	157,264	395,011	-	(2,825,067)	-	(2,825,067)
Culture and recreation	490,673	-	-	-	(490,673)	-	(490,673)
Community development	1,249,338	175,027	1,146,545	2,693,332	2,765,566	-	2,765,566
Debt Service							
Interest and fiscal charges	17,236	-	-	-	(17,236)	-	(17,236)
Total governmental activities	<u>6,829,777</u>	<u>964,680</u>	<u>2,890,552</u>	<u>2,910,929</u>	<u>(63,616)</u>	<u>-</u>	<u>(63,616)</u>
Business-type activities							
Sewer	1,519,582	1,801,031	-	86,257	-	367,706	367,706
Water	2,056,519	1,802,773	-	-	-	(253,746)	(253,746)
Total business-type activities	<u>3,576,102</u>	<u>3,603,804</u>	<u>-</u>	<u>86,257</u>	<u>-</u>	<u>113,959</u>	<u>113,959</u>
Total primary government	<u>10,405,879</u>	<u>4,568,484</u>	<u>2,890,552</u>	<u>2,997,186</u>	<u>(63,616)</u>	<u>113,959</u>	<u>50,343</u>
General Revenue							
Property taxes					469,843	-	469,843
Sales and use taxes					3,437,490	-	3,437,490
Franchise taxes					185,329	-	185,329
Interest and investment earnings					59,434	29,517	88,951
Miscellaneous					193,979	(570)	193,409
Transfers					(136,624)	136,624	-
Total general revenue					<u>4,209,451</u>	<u>165,571</u>	<u>4,375,022</u>
Change in Net Position					4,145,835	279,530	4,425,365
Net Position							
Beginning of year, restated					20,562,081	11,869,934	32,432,015
End of year					<u>\$ 24,707,916</u>	<u>\$ 12,149,464</u>	<u>\$ 36,857,380</u>

See accompanying notes.

CITY OF FIREBAUGH

**BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Community Development	Housing	Development Impact Fees	Public Safety	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 6,033,346	\$ -	\$ 394,934	\$ 1,627,925	\$ 264,011	\$ 2,274,549	\$ 10,594,765
Accounts receivable	43,286	-	-	-	-	-	43,286
Due from other governments	348,133	2,125,163	18,677	-	67,432	217,687	2,777,092
Due from other funds	1,849,961	-	-	-	-	-	1,849,961
Interest receivable	-	-	11,521	-	-	-	11,521
Notes and loans receivable	-	-	1,671,270	-	-	-	1,671,270
Total assets	<u>\$ 8,274,726</u>	<u>\$ 2,125,163</u>	<u>\$ 2,096,402</u>	<u>\$ 1,627,925</u>	<u>\$ 331,443</u>	<u>\$ 2,492,236</u>	<u>\$ 16,947,895</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities							
Accounts payable and accrued expense	\$ 323,754	\$ 220,597	\$ -	\$ -	\$ -	\$ 742,389	\$ 1,286,740
Accrued salaries and benefits	167,172	-	-	-	2,246	14,506	183,924
Interest payable	4,224	-	-	-	-	-	4,224
Due to other funds	-	1,849,961	-	-	-	-	1,849,961
Advances from other funds	815,007	-	-	-	-	-	815,007
Deposits	37,085	-	-	-	-	-	37,085
Total liabilities	<u>1,347,242</u>	<u>2,070,558</u>	<u>-</u>	<u>-</u>	<u>2,246</u>	<u>756,895</u>	<u>4,176,941</u>
Deferred inflows of resources							
Unavailable revenues	-	29,611	1,671,270	-	-	-	1,700,881
Total deferred inflows of resources	<u>-</u>	<u>29,611</u>	<u>1,671,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700,881</u>
Fund Balance							
Restricted							
Public ways and facilities	-	-	-	-	-	1,364,315	1,364,315
Public safety programs	-	-	-	-	329,197	372,145	701,342
Low-income housing activities	-	-	425,132	-	-	-	425,132
Capital projects and improvements	-	24,994	-	1,627,925	-	-	1,652,919
Unassigned	6,927,484	-	-	-	-	(1,119)	6,926,365
Total fund balance	<u>6,927,484</u>	<u>24,994</u>	<u>425,132</u>	<u>1,627,925</u>	<u>329,197</u>	<u>1,735,341</u>	<u>11,070,073</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,274,726</u>	<u>\$ 2,125,163</u>	<u>\$ 2,096,402</u>	<u>\$ 1,627,925</u>	<u>\$ 331,443</u>	<u>\$ 2,492,236</u>	<u>\$ 16,947,895</u>

See accompanying notes.

CITY OF FIREBAUGH

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2023

Total governmental fund balance	\$ 11,070,073
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	1,700,881
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	18,748,060
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	2,587,727
Post-retirement health benefits are not due and payable in the current period and, therefore, are not reported in the governmental funds	(1,509,076)
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	(465,821)
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	(4,152,439)
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	(3,226,630)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(44,859)</u>
Net position of governmental activities	<u>\$ 24,707,916</u>

CITY OF FIREBAUGH

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

	General	Community Development	Housing	Development Impact Fees	Public Safety	Non-Major Governmental Funds	Total Governmental Funds
Revenue							
Taxes	\$ 4,029,500	\$ -	\$ -	\$ -	\$ -	\$ 63,162	\$ 4,092,662
Licenses and permits	247,831	-	-	3,317	-	-	251,148
Intergovernmental	101,851	2,864,369	37,477	-	367,051	2,430,733	5,801,481
Charges for services	683,347	-	-	-	-	-	683,347
Fines and forfeitures	30,185	-	-	-	-	-	30,185
Investment income	46,221	-	5,729	-	925	6,559	59,434
Other	193,980	-	-	-	-	-	193,980
Total revenue	<u>5,332,915</u>	<u>2,864,369</u>	<u>43,206</u>	<u>3,317</u>	<u>367,976</u>	<u>2,500,454</u>	<u>11,112,237</u>
Expenditures							
Current							
General government	341,346	-	-	1,936	-	-	343,282
Public ways and facilities	696,123	3,466	-	5,774	-	754,579	1,459,942
Public protection	2,658,541	27,960	-	27,512	355,330	-	3,069,343
Culture and recreation	381,624	3,578	-	20,787	-	-	405,989
Community development	284,698	684,148	44,967	-	-	268,297	1,282,110
Capital outlay	792,957	2,105,999	-	336,063	1,979,849	1,322,195	6,537,063
Debt Service							
Principal	43,470	-	-	-	-	-	43,470
Interest and fiscal charges	17,236	-	-	-	-	-	17,236
Total expenditures	<u>5,215,995</u>	<u>2,825,151</u>	<u>44,967</u>	<u>392,072</u>	<u>2,335,179</u>	<u>2,345,071</u>	<u>13,158,435</u>
Change in Fund Balance	116,920	39,218	(1,761)	(388,755)	(1,967,203)	155,383	(2,046,198)
Fund Balance							
Beginning of year	6,810,564	(14,224)	426,893	2,016,680	2,296,400	1,579,958	13,116,271
End of year	<u>\$ 6,927,484</u>	<u>\$ 24,994</u>	<u>\$ 425,132</u>	<u>\$ 1,627,925</u>	<u>\$ 329,197</u>	<u>\$ 1,735,341</u>	<u>\$ 11,070,073</u>

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, 2023

Net change in fund balance - total governmental funds	\$ (2,046,198)
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	(358,169)
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	6,400,439
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	(55,104)
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	121,283
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	29,611
Compensated absence 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	10,503
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>43,470</u>
Change in net position of governmental activities	<u>\$ 4,145,835</u>

CITY OF FIREBAUGH

STATEMENT OF NET POSITION – PROPRIETARY FUNDS JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total Proprietary Funds
ASSETS			
Current assets			
Cash and investments	\$ 3,837,371	\$ 3,134,201	\$ 6,971,572
Accounts and interest receivable	221,292	108,288	329,580
Due from government	83,406	3,209	86,615
Total current assets	<u>4,142,069</u>	<u>3,245,698</u>	<u>7,387,767</u>
Non-current assets			
Advances to other funds	735,007	80,000	815,007
Property, plant and equipment, net of allowance for depreciation	<u>6,557,620</u>	<u>10,506,319</u>	<u>17,063,940</u>
Total noncurrent assets	<u>7,292,627</u>	<u>10,586,319</u>	<u>17,878,947</u>
Total assets	<u>11,434,696</u>	<u>13,832,017</u>	<u>25,266,714</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>238,239</u>	<u>203,893</u>	<u>442,132</u>
LIABILITIES			
Current liabilities			
Accounts payable	72,779	3,610	76,389
Accrued expenses	12,326	18,057	30,383
Accrued interest	57,508	41,473	98,981
Deposits	-	100,622	100,622
Current portion of long-term debt	<u>142,412</u>	<u>304,475</u>	<u>446,887</u>
Total current liabilities	<u>285,025</u>	<u>468,237</u>	<u>753,262</u>
Non-current liabilities			
Bonds payable	4,253,076	6,154,144	10,407,220
Net other pension benefits	335,848	287,443	623,291
Net pension liability	<u>301,868</u>	<u>258,344</u>	<u>560,212</u>
Total noncurrent liabilities	<u>4,890,792</u>	<u>6,699,931</u>	<u>11,590,723</u>
Total liabilities	<u>5,175,817</u>	<u>7,168,168</u>	<u>12,343,985</u>
DEFERRED INFLOWS OF RESOURCES	<u>654,895</u>	<u>560,502</u>	<u>1,215,397</u>
NET POSITION			
Net investment in capital assets	2,258,484	4,202,684	6,461,169
Unrestricted	<u>3,583,739</u>	<u>2,104,556</u>	<u>5,688,295</u>
Total net position	<u>\$ 5,842,223</u>	<u>\$ 6,307,241</u>	<u>\$ 12,149,464</u>

CITY OF FIREBAUGH

STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total Proprietary Funds
Operating Revenue			
Charges for services	\$ 1,801,031	\$ 1,802,773	\$ 3,603,804
Total operating income	<u>1,801,031</u>	<u>1,802,773</u>	<u>3,603,804</u>
Operating Expense			
Personnel	606,908	583,920	1,190,828
Utilities	33,754	160,256	194,010
Supplies and materials	68,366	121,841	190,207
Maintenance and operations	142,089	189,149	331,238
Contractual services	134,496	144,749	279,245
Depreciation	259,655	528,022	787,677
Other expenses	125,581	113,319	238,900
Total operating expense	<u>1,370,849</u>	<u>1,841,256</u>	<u>3,212,105</u>
Operating income/(loss)	<u>430,182</u>	<u>(38,483)</u>	<u>391,699</u>
Nonoperating Revenue/(Expense)			
Investment income	13,213	16,304	29,517
Other revenue (expenses)	(1,551)	981	(570)
Interest expense	(148,734)	(215,263)	(363,997)
Total nonoperating revenue/(expense) before capital contributions	<u>(137,072)</u>	<u>(197,978)</u>	<u>(335,050)</u>
Other Financing Sources/(Uses)			
Transfers in	68,312	68,312	136,624
Total other financing sources/(uses)	<u>68,312</u>	<u>68,312</u>	<u>136,624</u>
Capital Contributions	<u>86,257</u>	<u>-</u>	<u>86,257</u>
Change in Net Position	447,679	(168,149)	279,530
Net Position			
Beginning of year	5,394,544	6,475,390	11,869,934
End of year	<u>\$ 5,842,223</u>	<u>\$ 6,307,241</u>	<u>\$ 12,149,464</u>

CITY OF FIREBAUGH

STATEMENT OF CASH FLOW – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total Proprietary Funds</u>
Operating Activities			
Receipts from customers and users	\$ 1,798,536	\$ 1,866,403	\$ 3,664,939
Payment to suppliers of goods and services	(438,922)	(820,738)	(1,259,660)
Payment to employees	(643,806)	(580,314)	(1,224,120)
Net cash provided by (used in) operating activities	<u>715,808</u>	<u>465,351</u>	<u>1,181,159</u>
Non-capital Financial Activities			
Payments from other governments	24,079	981	25,060
Net cash provided by (used in) noncapital financing activities	<u>24,079</u>	<u>981</u>	<u>25,060</u>
Capital and Related Financing Activities			
Purchase of property, plant and equipment	(99,200)	(15,545)	(114,745)
Principal paid on long-term debt	(142,412)	(296,724)	(439,136)
Interest paid on long-term debt	(150,155)	(216,618)	(366,773)
Net cash provided by (used in) capital and related financing activities	<u>(391,767)</u>	<u>(528,887)</u>	<u>(920,654)</u>
Investing Activities			
Interest received	13,213	16,304	29,517
Net cash provided by investing activities	<u>13,213</u>	<u>16,304</u>	<u>29,517</u>
Net Increase (Decrease) in Cash	361,333	(46,251)	315,082
Cash			
Beginning of year	3,476,038	3,180,452	6,656,490
End of year	<u>\$ 3,837,371</u>	<u>\$ 3,134,201</u>	<u>\$ 6,971,572</u>
Cash Flows from Operating Activities			
Operating income (loss)	\$ 430,182	\$ (38,483)	\$ 391,699
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	259,655	528,022	787,677
(Increase) Decrease in Accounts Receivable	(2,495)	63,307	60,812
(Increase) Decrease in Deferred Outflows of Resources	(59,116)	(55,078)	(114,194)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	65,364	(91,424)	(26,060)
Increase (Decrease) in Deposits	-	323	323
Increase (Decrease) in Compensated Absences	1,152	618	1,770
Increase (Decrease) in Deferred Inflows of Resources	334,383	292,963	627,346
Increase (Decrease) in OPEB liability	(431,202)	(335,785)	(766,987)
Increase (Decrease) in Net Pension Liability	117,885	100,888	218,773
Net Cash Provided by (Used in) Operating Activities	<u>\$ 715,808</u>	<u>\$ 465,351</u>	<u>\$ 1,181,159</u>

See accompanying notes.

CITY OF FIREBAUGH

STATEMENT OF FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2023

Assets

Cash and investments	\$ 658,622
Total assets	<u>658,622</u>

Liabilities

Accounts payable and accrued liabilities	2,504
Interest payable	16,916
Long-term debt	
Due within one year	240,468
Due in more than one year	<u>4,381,961</u>
Total liabilities	<u>4,641,849</u>

Net Position

Held in trust for other governments	<u>\$ (3,983,227)</u>
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CITY OF FIREBAUGH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2023

Additions

Property taxes	\$ 604,163
Investment earnings	<u>2,971</u>
Total additions	<u>607,134</u>

Deductions

Program expenses	48,827
Interest and fiscal agency expenses	<u>225,744</u>
Total deductions	<u>274,571</u>

Change In Net Position

332,563

Net Position

Beginning of year	<u>(4,315,790)</u>
End of year	<u>\$ (3,983,227)</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2023

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).

Development Impact Fees Fund – This fund is used to account for impact fees collected for various purposes.

Public Safety Fund – This fund is used to account for monies received from various sources which are to be used for the provision of public safety services.

The City reports the following major enterprise funds:

Water Fund – The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City's sewer system.

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.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, 2023, which have not yet been billed.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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. Two retirees carry unused benefits balances 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.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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 – 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.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

- 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.

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, 2023

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, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 17,566,337
Fiduciary Funds:	
Cash and Investments	<u>658,622</u>
Total Cash and Investments	<u>\$ 18,224,959</u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 382
Deposits with Financial Institutions	15,586,803
Cash with Fiscal Agent	12
Local Agency Investment Fund	<u>2,637,762</u>
Total Cash and Investments	<u>\$ 18,224,959</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, 2023

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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2023 Balance</u>
Investments by fair value level:				
Equity Securities:				
LAIF	\$ -	\$ 2,637,762	\$ -	\$ 2,637,762
Total Equity Securities	<u>-</u>	<u>2,637,762</u>	<u>-</u>	<u>2,637,762</u>
Cash and cash equivalents carried at cost:				
Bank Deposits and Cash on Hand				15,587,185
Cash with Fiscal Agent				<u>12</u>
Total Cash and Cash Equivalents carried at cost				<u>15,587,197</u>
Total Cash and Investments				<u>\$ 18,224,959</u>

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage Allowed</u>
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, 2023

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.

Investment Type	June 30, 2023 Balance	Minimum Legal Rating	Rating of Year End
Equity Securities:			
LAIF	<u>\$ 2,637,762</u>	<u>N/A</u>	<u>Not Rated</u>
Total Equity Securities	<u>\$ 2,637,762</u>		

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, 2023 the City had the following investments.

Investment Type	June 30, 2023 Balance	Maturity Date
Equity Securities:		
LAIF	<u>\$ 2,637,762</u>	<u>N/A</u>
Total Equity Securities	<u>\$ 2,637,762</u>	

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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.

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%

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, 2023

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 \$1,330,293 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. Balance at June 30, 2023 was \$190,977.

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, 2023

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 372,922	\$ -	\$ -	\$ 372,922
Construction in progress	<u>8,779,935</u>	<u>5,971,315</u>	<u>(9,054,811)</u>	<u>5,696,439</u>
Total capital assets, not being depreciated	<u>9,152,857</u>	<u>5,971,315</u>	<u>(9,054,811)</u>	<u>6,069,361</u>
Capital assets, being depreciated				
Buildings and improvements	2,474,857	7,367,636	-	9,842,493
Infrastructure	1,598,775	1,771,512	-	3,370,287
Machinery and equipment	<u>3,263,583</u>	<u>481,411</u>	<u>(136,624)</u>	<u>3,608,370</u>
Total capital assets, being depreciated	<u>7,337,215</u>	<u>9,620,559</u>	<u>(136,624)</u>	<u>16,821,150</u>
Less accumulated depreciation for:				
Buildings and improvements	(944,756)	(139,716)	-	(1,084,472)
Infrastructure	(288,516)	(39,969)	-	(328,485)
Machinery and equipment	<u>(2,551,010)</u>	<u>(178,484)</u>	<u>-</u>	<u>(2,729,494)</u>
Total accumulated depreciation	<u>(3,784,282)</u>	<u>(358,169)</u>	<u>-</u>	<u>(4,142,451)</u>
Total capital assets, being depreciated, net	<u>3,552,933</u>	<u>9,262,390</u>	<u>(136,624)</u>	<u>12,678,699</u>
Governmental activities capital assets, net	<u>\$ 12,705,790</u>	<u>\$ 15,233,705</u>	<u>\$ (9,191,435)</u>	<u>\$ 18,748,060</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 203,705	\$ -	\$ -	\$ 203,705
Construction in progress	<u>4,408,767</u>	<u>83,656</u>	<u>(4,159,431)</u>	<u>332,992</u>
Total capital assets, not being depreciated	<u>4,176,871</u>	<u>83,656</u>	<u>(4,159,431)</u>	<u>536,697</u>
Capital assets, being depreciated				
Buildings and infrastructure	24,284,841	4,159,431	-	28,444,272
Machinery and equipment	<u>1,173,559</u>	<u>31,089</u>	<u>136,624</u>	<u>1,341,272</u>
Total capital assets, being depreciated	<u>25,458,400</u>	<u>4,190,520</u>	<u>136,624</u>	<u>29,785,544</u>
Less: accumulated depreciation				
	<u>(12,470,624)</u>	<u>(787,677)</u>	<u>-</u>	<u>(13,258,301)</u>
Total capital assets, being depreciated, net	<u>13,677,369</u>	<u>3,402,843</u>	<u>136,624</u>	<u>16,527,243</u>
Business-type activities capital assets, net	<u>\$ 17,854,240</u>	<u>\$ 3,486,499</u>	<u>\$ (4,022,807)</u>	<u>\$ 17,063,940</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 5 – Capital Assets (Continued)

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

Governmental Functions:

General Government	\$	74,520
Public Safety		124,069
Public Works		57,000
Parks and Community Services		102,580
	<u>\$</u>	<u>358,169</u>

Business-Type Functions:

Sewer	\$	259,655
Water		528,022
	<u>\$</u>	<u>787,677</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:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>
<u>Governmental Activity Long Term Debt</u>					
<i>Direct Borrowings:</i>					
2019 Solar Project Financed Purchase	\$ 316,625	\$ -	\$ 14,155	\$ 302,470	\$ 14,900
2019 Fire Truck Financed Purchase	192,666	-	29,315	163,351	30,380
<i>Other Noncurrent Liabilities:</i>					
Net other post employment benefits	3,403,782	-	1,894,706	1,509,076	-
Net pension liability	2,077,782	2,074,657	-	4,152,439	-
Total Governmental Activity Debt	<u>\$ 5,990,855</u>	<u>\$ 2,074,657</u>	<u>\$ 1,938,176</u>	<u>\$ 6,127,336</u>	<u>\$ 45,280</u>
<u>Business-Type Activity Long Term Debt</u>					
<i>Direct Placements:</i>					
Bonds payable:					
2013 Water Revenue Refunding Bond	\$ 934,868	\$ -	\$ 98,291	\$ 836,577	\$ 96,787
2016 Wastewater Refunding Bond	3,030,000	-	75,000	2,955,000	75,000
2016 Water Refunding Bond	3,395,000	-	90,000	3,305,000	90,000
<i>Direct Borrowings:</i>					
2019 Water Solar Project Financed Purchase	2,425,475	-	108,433	2,317,042	117,688
2019 Wastewater Solar Project Finance Purchase	1,507,900	-	67,412	1,440,488	67,412
<i>Other Noncurrent Liabilities:</i>					
Net other post employment benefits	1,390,278	-	766,987	623,291	-
Net pension liability	341,439	218,773	-	560,212	-
Total Business-Type Activity Debt	<u>\$ 13,024,960</u>	<u>\$ 218,773</u>	<u>\$ 1,206,123</u>	<u>\$ 12,037,610</u>	<u>\$ 446,887</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Long-Term Liabilities (Continued)

Long-term debt payable at June 30, 2023 was comprised of the following individual issues:

Governmental Activity Long Term Debt

2019 Solar Project Financed Purchase – In May 2019, The City entered into an arrangement to finance the acquisition of certain energy efficient equipment and improvements for the City. The obligation is accounted for as a financed purchase where the related equipment and improvements to be acquired will become property of the City when all terms of the 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 payments as of inception of the financing arrangement was \$4,440,000, the City determined payments were to be made from the General Fund, Water Enterprise Fund, and Sewer Enterprise Fund in the amounts of \$330,780, \$2,533,908 and \$1,575,312, 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, 2022, the City had expended the entire \$4,440,000 in the construction and completion of the energy and solar improvements.

2019 Fire Truck Financed Purchase – In May 2018, The City entered into an arrangement to finance the acquisition of a Fire Truck. The obligation is accounted for as a financed purchase where the related equipment acquired will become property of the City when all terms of the agreement are met. The stated interest rate under terms of the agreement is 3.6%, present value of minimum 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. During December 2020, the City entered into a Rate Adjustment Transaction with Pinnacle Public Finance, Inc., the sole Bond owner of the 2013 Bonds, to reduce the interest rate on the 2013 Bonds in order to achieve debt service savings. Terms after the rate adjustment transaction are as follows: Principal and interest is payable semi-annually on December 1 and June 1 each year, debt service payment amounts range from \$56,665 to \$60,964, and interest rate was reduced from 3.85% to 2.50%.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, the fund has a current ending balance of \$135,000 at June 30, 2023. 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, 2023. Cash basis bonds debt service paid during the fiscal year ended June 30, 2023 totaled \$330,420. Total water system net revenues calculated in accordance with the covenants were \$506,823 and net revenue available for debt service was 1.53 times debt service at June 30, 2023.

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, 2023. Cash basis bond debt service paid during the fiscal year ended June 30, 2023 totaled \$176,963. Total sewer system net revenues calculated in accordance with the covenants were \$701,501 and net revenue available for debt service was 3.96 times debt service at June 30, 2023.

2019 Water Solar Project Financed Purchase – See 2019 Solar Project Financed Purchase under Governmental Activity Long Term Debt for general terms of the purchase agreement. The portion of the total liability allocated to the Water Enterprise Fund is \$2,533,908.

2019 Wastewater Solar Project Financed Purchase – See 2019 Solar Project Finance Purchased under Governmental Activity Long Term Debt for general terms of the purchase agreement. The portion of the total liability allocated to the Wastewater Enterprise Fund is \$1,575,312.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Long-Term Liabilities (Continued)

The annual requirement to amortize the principal and interest on all long-term debt at June 30, 2023 are as follows:

Years ending June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 45,280	\$ 15,997	\$ 446,887	\$ 355,722
2025	46,384	14,588	460,236	344,462
2026	47,529	13,138	458,499	332,925
2027	49,459	11,643	480,743	321,280
2028	50,688	10,094	498,325	307,637
2029-2033	86,793	37,266	2,489,105	1,304,137
2034-2038	104,300	18,901	2,550,700	876,583
2039-2043	35,387	1,423	1,919,612	433,833
2044-2048	-	-	1,550,000	138,863
2049-2053	-	-	-	-
	<u>\$ 465,821</u>	<u>\$ 123,051</u>	<u>\$10,854,107</u>	<u>\$ 4,415,441</u>

Note 7 – Interfund Balances

Interfund balances as of June 30, 2023 consist of the following:

All balances reported as “due to/due from” are short-term loans to cover temporary fund cash shortages as of June 30, 2023, and were repaid early in fiscal year 2023.

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund	\$ 1,849,961	\$ -
Community Development	-	1,849,961
	<u>\$ 1,849,961</u>	<u>\$ 1,849,961</u>

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

	<u>Advances From</u>	<u>Advances To</u>
Major Funds:		
General Fund	\$ -	\$ 815,007
Enterprise Funds:		
Sewer	735,007	-
Water	80,000	-
	<u>\$ 815,007</u>	<u>\$ 815,007</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Deficit Fund Balance

Fund Balance Deficits – The Landscape Maintenance Fund has a deficit fund balance as of June 30, 2023 of \$1,119. 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 7.470 – 12.780 percent for non-safety employees and 12.210 – 21.840 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, 2023

Note 9 – Pension Plan (continued)

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
	Prior to	Prior to
	January 1, 2013	January 1, 2013
Hire Date		
Benefit Formula	2.5% at 55; maximum 2%	3.0% at 55; maximum 2%
	COLA	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	12.210%	21.840%
	 PEPRA	
	<u>Miscellaneous</u>	<u>PEPRA Safety</u>
	On or After	On or After
	January 1, 2013	January 1, 2013
Hire Date		
Benefit Formula	2.0% at 62; maximum 2%	2.7% at 57; maximum 2%
	COLA	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	7.470%	12.780%

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, 2023, the contributions recognized \$851,112 as part of the pension expense.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 9 – Pension Plan (continued)

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

As of June 30, 2023, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,916,317
Safety	2,796,334
Total	<u>\$ 4,712,651</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, 2021, 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, 2021 rolled forward to June 30, 2022 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, 2022 and 2023 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2022	0.06151%	0.03565%
Proportion - June 30, 2023	<u>0.04095%</u>	<u>0.04069%</u>
Change - Increase/(Decrease)	<u>-0.02056%</u>	<u>0.00504%</u>

For the year ended June 30, 2023, the City recognized pension expense of \$529,918. At June 30, 2023, 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	\$ 725,671	\$ -
Change in employer's proportion	317,328	(458,801)
Differences between employer's contributions and proportionate share of contributions	-	(280,515)
Differences between expected and actual experience	154,214	(56,141)
Changes of assumptions	478,325	-
Differences between projected and actual investment earnings	<u>792,603</u>	<u>-</u>
Total	<u>\$ 2,468,141</u>	<u>\$ (795,457)</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 9 – Pension Plan (continued)

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

\$725,671 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, 2024. 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	
2024	\$ 224,329
2025	168,972
2026	69,644
2027	484,068
	<u>\$ 947,013</u>

Actuarial Methods and Assumptions – The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.30%
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 2.3% 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, 2023

Note 9 – Pension Plan (continued)

All other actuarial assumptions used in the June 30, 2018 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 – None.

Discount rate – The discount rate used to measure the total pension liability for PERF C was 6.90%. 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.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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, 2023.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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	Assumed Asset Allocation	Real Return Years 1-10	1, 2
Global equity - cap-weighted	30%	4.45%	
Global equity - noncap-weighted	12%	3.84%	
Private equity	13%	7.28%	
Treasury	5%	0.27%	
Mortgage-backed securities	5%	0.50%	
Investment grade corporates	10%	1.56%	
High yield	5%	2.27%	
Emerging market debt	5%	2.48%	
Private debt	5%	3.57%	
Real assets	15%	3.21%	
Leverage	-5%	-0.59%	
Total	100%		

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021-22 Asset Liability Management study.

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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Miscellaneous	\$ 3,059,312	\$ 1,916,317	\$ 975,916
Safety	\$ 4,311,985	\$ 2,796,334	\$ 1,557,685

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, 2023, the City has no reported outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2023.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2023:

Summary of Plan Member Counts	
Number of active plan members	37
Number of inactive plan members currently receiving benefits	7
Number of inactive plan members entitled but not receiving benefits	6*

* Retirees eligible to return to the City for PEMHCA

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, 2023

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

Actuarial Assumptions

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date as of June 30, 2022.

Valuation Date	6/30/2022
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Discount Rate	4.09% as of June 30, 2022 2.18% as of June 30, 2021
Inflation Rate	2.50%
Salary Increase	3.00%
Health Cost Trend Rates	5.6 % in 2023, fluctuating down to 3.9% by 2076
Retirement age	From ages 50 to 75
Mortality	CalPERS 2021 Experience Study
Mortality Improvement	MW Scale 2022 Generationally

Long Term Expected Rate of Return

Not applicable, the City has reported no plan assets as of June 30, 2023.

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, 2023

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 Fiscal Year Ending 06/30/22 (Measurement Date 6/30/21)	\$ 4,794,060	\$ -	\$ 4,794,060
Changes for the year:			
Service cost	347,380	-	347,380
Interest	111,552	-	111,552
Changes of assumptions	(2,523,365)	-	(2,523,365)
Plan experience	(548,472)	-	(548,472)
Contributions - employer	-	48,788	(48,788)
Benefit payments	(48,788)	(48,788)	-
Net changes	<u>(2,661,693)</u>	<u>-</u>	<u>(2,661,693)</u>
Balance at Fiscal Year Ending 06/30/23 (Measurement Date 6/30/22)	<u>\$ 2,132,367</u>	<u>\$ -</u>	<u>\$ 2,132,367</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 (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Net OPEB liability	\$ 2,479,738	\$ 2,132,367	\$ 1,848,814

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	\$ 1,788,334	\$ 2,132,367	\$ 2,573,995

Healthcare cost trend rate was assumed to start at 5.8% (effective January 1, 2023) and grade down to 4% for years 2076 and thereafter.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$131,773. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 37,264	\$ -
Assumption changes	524,455	(2,996,996)
Differences between expected and actual experience	-	(649,573)
	<u>\$ 561,719</u>	<u>\$ (3,646,569)</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:

<u>Year Ended June 30:</u>	
2024	\$ (327,159)
2025	(327,159)
2026	(327,159)
2027	(318,597)
2028	(298,495)
Thereafter	<u>(1,523,545)</u>
Total	<u>\$ (3,122,114)</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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 has two items to report in this category:

- The City has \$2,468,141 in pension related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in Note 9.
- The City has \$561,719 in other post-employment benefit related items that qualify to be reported in deferred outflows of resources. The other post-employment benefit related deferred outflows of resources are described in Note 10.

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 has three items to report in this category:

- The City has \$795,457 in pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in Note 9.
- The City has \$3,646,569 in other post-employment benefit related items that qualify to be reported in deferred inflows of resources. The other post-employment benefit related deferred inflows of resources are described in Note 10.
- Unavailable revenues arise only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The City has \$1,671,270 in notes and loans receivable in the Housing Fund and \$29,611 due from other governments in the Community Development Fund reported as deferred inflows of resources reported for unavailable revenues.

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2023 is as follows:

Total assets	\$ 153,984,502
Total liabilities	<u>120,022,096</u>
Net position	<u>\$ 33,962,406</u>
Total revenues	\$ 73,088,767
Total expenses	<u>71,300,255</u>
Increase/(decrease) in net position	<u>\$ 1,788,512</u>

CITY OF FIREBAUGH

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 13 – 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, 2023:

General Fund:	
Current	
General government	\$ (7,843)
Public protection	\$ (198,143)
Community development	\$ (72,000)
Capital outlay	\$ (102,547)
Debt Service	
Principal	\$ (43,470)
Interest	\$ (17,236)

The excess expenditures are expected to be covered by future excess revenues.

Note 14 – 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 14, 2024 the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023 that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FIREBAUGH

BUDGETARY COMPARISON SCHEDULE GENERAL FUND YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 3,316,000	\$ 3,316,000	\$ 4,029,500	\$ 713,500
Licenses and permits	214,400	214,400	247,831	33,431
Intergovernmental	930,268	930,268	101,851	(828,417)
Charges for services	625,716	625,716	683,347	57,631
Fines and forfeitures	25,000	25,000	30,185	5,185
Investment income	41,305	41,305	46,221	4,916
Other	244,325	244,325	193,980	(50,345)
Total revenue	<u>5,397,014</u>	<u>5,397,014</u>	<u>5,332,915</u>	<u>(64,099)</u>
Expenditures				
Current				
General government	333,503	333,503	341,346	(7,843)
Public ways and facilities	949,083	949,083	696,123	252,960
Public protection	2,460,398	2,460,398	2,658,541	(198,143)
Culture and recreation	418,597	418,597	381,624	36,973
Community development	212,698	212,698	284,698	(72,000)
Capital outlay	690,410	690,410	792,957	(102,547)
Debt Service				
Principal	-	-	43,470	(43,470)
Interest	-	-	17,236	(17,236)
Total expenditures	<u>5,064,689</u>	<u>5,064,689</u>	<u>5,215,995</u>	<u>(151,306)</u>
Net Change in Fund Balance	<u>\$ 332,325</u>	<u>\$ 332,325</u>	116,920	<u>\$ (215,405)</u>
Fund Balance				
Beginning of year			<u>6,810,564</u>	
End of year			<u>\$ 6,927,484</u>	

CITY OF FIREBAUGH

BUDGETARY COMPARISON SCHEDULE COMMUNITY DEVELOPMENT FUND YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ 5,715,238	\$ 5,715,238	\$ 2,864,369	\$ (2,850,869)
Total revenue	<u>5,715,238</u>	<u>5,715,238</u>	<u>2,864,369</u>	<u>(2,850,869)</u>
Expenditures				
Current				
Public ways and facilities	3,466	3,466	3,466	-
Public protection	27,960	27,960	27,960	-
Culture and recreation	3,578	3,578	3,578	-
Community development	2,240,234	2,240,234	684,148	1,556,086
Capital outlay	<u>5,790,000</u>	<u>5,790,000</u>	<u>2,105,999</u>	<u>3,684,001</u>
Total expenditures	<u>8,065,238</u>	<u>8,065,238</u>	<u>2,825,151</u>	<u>5,240,087</u>
Net Change in Fund Balance	<u>\$ (2,350,000)</u>	<u>\$ (2,350,000)</u>	39,218	<u>\$ 2,389,218</u>
Fund Balance				
Beginning of year			<u>(14,224)</u>	
End of year			<u>\$ 24,994</u>	

CITY OF FIREBAUGH

**BUDGETARY COMPARISON SCHEDULE
HOUSING FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 37,477	\$ (27,523)
Investment income	-	-	5,729	5,729
Total revenue	<u>65,000</u>	<u>65,000</u>	<u>43,206</u>	<u>(21,794)</u>
Expenditures				
Current				
Planning and community development	<u>65,000</u>	<u>65,000</u>	<u>44,967</u>	<u>20,033</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>44,967</u>	<u>20,033</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,761)	<u>\$ (1,761)</u>
Fund Balance				
Beginning of year			426,893	
End of year			<u>\$ 425,132</u>	

CITY OF FIREBAUGH

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenue				
Intergovernmental	\$ 195,578	\$ 195,578	\$ 367,051	\$ 171,473
Investment income	1,060	1,060	-	(1,060)
Other	-	-	925	925
Total revenue	<u>196,638</u>	<u>196,638</u>	<u>367,976</u>	<u>171,338</u>
Expenditures				
Current				
Public protection	440,741	440,741	355,330	85,411
Capital outlay	1,979,849	1,979,849	1,979,849	-
Total expenditures	<u>2,420,590</u>	<u>2,420,590</u>	<u>2,335,179</u>	<u>85,411</u>
Net Change in Fund Balance	<u>\$ (2,223,952)</u>	<u>\$ (2,223,952)</u>	(1,967,203)	<u>\$ 256,749</u>
Fund Balance				
Beginning of year			2,296,400	
End of year			<u>\$ 329,197</u>	

CITY OF FIREBAUGH

SCHEDULE OF CHANGES IN CITY'S NET OPEB LIABILITY AND RELATED RATIOS LAST 10 YEARS* AS OF JUNE 30, 2023

Fiscal Year Ending	2023	2022	2021	2020	2019	2018
<i>Measurement Date</i>	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<i>Discount Rate on Measurement Date</i>	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Total OPEB liability						
Service cost	\$ 347,380	\$ 293,288	\$ 341,640	\$ 313,522	\$ 286,261	\$ 314,831
Interest	111,552	113,673	136,485	127,822	1,116,721	98,956
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(548,472)	-	(208,193)	-	-	-
Changes of assumptions	(2,523,365)	429,180	(798,744)	165,842	159,327	(320,608)
Benefit payments	(48,788)	(44,420)	(38,271)	(27,143)	(31,579)	(24,191)
Net change in total OPEB liability	(2,661,693)	791,721	(567,083)	580,043	1,530,730	68,988
Total OPEB liability - beginning	4,794,060	4,002,339	4,569,422	3,989,379	3,458,649	3,389,661
Total OPEB liability - ending (a)	\$ 2,132,367	\$ 4,794,060	\$ 4,002,339	\$ 4,569,422	\$ 4,989,379	\$ 3,458,649
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 2,132,367	\$ 4,794,060	\$ 4,002,339	\$ 4,569,422	\$ 4,989,379	\$ 3,458,649
<i>Covered-employee payroll</i>	\$ 2,505,720	\$ 2,225,247	\$ 2,153,482	\$ 2,056,534	\$ 2,004,877	\$ 1,976,550
<i>Net OPEB liability as a % of covered payroll</i>	85%	215%	186%	222%	249%	175%

Notes to Schedule:

Changes of assumptions : Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. Discount rates used in each period are illustrated above.

* GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Only results for years since GASB 75 was implemented are shown in the table.

CITY OF FIREBAUGH

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY LAST 10 YEARS* AS OF JUNE 30, 2023

Miscellaneous								
Year	Proportion of the net pension liability	Proportionate share of the net pension liability		Proportionate share of the net pension liability as a percentage of		Plan's fiduciary net position		Plan's fiduciary net position as a percentage of the Total Pension Liability
		Proportionate share of the net pension liability	Covered - employee payroll	covered-employee payroll	Plan's fiduciary net position			
2015	0.04155%	\$ 1,026,968	\$ 1,142,658	89.88%	\$ 4,258,380	80.57%		
2016	0.04681%	\$ 1,284,149	\$ 1,185,040	108.36%	\$ 4,422,483	77.50%		
2017	0.04584%	\$ 1,592,387	\$ 1,135,047	140.29%	\$ 4,509,211	73.90%		
2018	0.04647%	\$ 1,831,727	\$ 1,085,707	168.71%	\$ 4,859,986	72.63%		
2019	0.04743%	\$ 1,787,565	\$ 1,112,066	160.74%	\$ 5,465,496	75.35%		
2020	0.03340%	\$ 1,337,483	\$ 1,182,459	113.11%	\$ 5,679,947	80.94%		
2021	0.04948%	\$ 2,102,085	\$ 1,236,894	169.95%	\$ 6,192,635	74.66%		
2022	0.06151%	\$ 1,167,960	\$ 1,284,535	90.92%	\$ 7,750,225	86.90%		
2023	0.04095%	\$ 1,916,317	\$ 1,295,897	147.88%	\$ 6,468,448	77.15%		

Safety								
Year	Proportion of the net pension liability	Proportionate share of the net pension liability		Proportionate share of the net pension liability as a percentage of		Plan's fiduciary net position		Plan's fiduciary net position as a percentage of the Total Pension Liability
		Proportionate share of the net pension liability	Covered - employee payroll	covered-employee payroll	Plan's fiduciary net position			
2015	0.04123%	\$ 1,546,431	\$ 799,827	193.35%	\$ 5,122,434	76.81%		
2016	0.03571%	\$ 1,471,316	\$ 692,501	212.46%	\$ 5,447,021	78.73%		
2017	0.03579%	\$ 1,853,650	\$ 692,040	267.85%	\$ 5,543,143	74.94%		
2018	0.03484%	\$ 2,081,461	\$ 683,756	304.42%	\$ 6,046,601	74.39%		
2019	0.03472%	\$ 2,036,936	\$ 726,367	280.43%	\$ 6,665,456	76.59%		
2020	0.03458%	\$ 2,158,923	\$ 740,988	291.36%	\$ 6,988,249	76.40%		
2021	0.03498%	\$ 2,330,725	\$ 771,654	302.04%	\$ 7,309,665	75.82%		
2022	0.03565%	\$ 1,251,290	\$ 978,789	127.84%	\$ 8,873,767	87.64%		
2023	0.04069%	\$ 2,796,334	\$ 906,118	308.61%	\$ 8,178,575	74.52%		

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

CITY OF FIREBAUGH

SCHEDULE OF CONTRIBUTIONS

LAST 10 YEARS*

AS OF JUNE 30, 2023

	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
Miscellaneous:					
2015	\$ 115,154	\$ (115,154)	\$ -	1,142,658	10.85%
2016	\$ 200,112	\$ (200,112)	\$ -	1,185,040	10.85%
2017	\$ 178,195	\$ (178,195)	\$ -	1,135,047	15.70%
2018	\$ 194,343	\$ (194,343)	\$ -	1,085,707	17.90%
2019	\$ 195,432	\$ (195,432)	\$ -	1,112,066	17.57%
2020	\$ 224,323	\$ (224,323)	\$ -	1,182,459	18.97%
2021	\$ 257,851	\$ (257,851)	\$ -	1,236,894	20.85%
2022	\$ 288,598	\$ (288,598)	\$ -	1,284,535	22.47%
2023	\$ 314,419	\$ (314,419)	\$ -	1,295,897	24.26%
Safety:					
2015	\$ 145,022	\$ (145,022)	\$ -	799,827	18.13%
2016	\$ 234,881	\$ (234,881)	\$ -	692,501	33.92%
2017	\$ 224,508	\$ (224,508)	\$ -	692,040	32.44%
2018	\$ 240,914	\$ (240,914)	\$ -	683,756	35.23%
2019	\$ 260,485	\$ (260,485)	\$ -	726,367	35.86%
2020	\$ 297,385	\$ (297,385)	\$ -	740,988	40.13%
2021	\$ 261,485	\$ (261,485)	\$ -	771,654	33.89%
2022	\$ 300,919	\$ (300,919)	\$ -	978,789	30.74%
2023	\$ 340,734	\$ (340,734)	\$ -	906,118	37.60%

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

SUPPLEMENTAL ONLY INFORMATION

CITY OF FIREBAUGH

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS JUNE 30, 2023

	Gas Tax	Local Transportation	Measure C Funds	Landscape Maintenance	SBI	ARPA	Total
ASSETS							
Cash and investments	\$ 202,643	\$ 618,945	\$ 947,780	\$ 3,713	\$ 42,570	\$ 458,898	\$ 2,274,549
Due from other governments	18,654	66,916	99,114	-	33,003	-	217,687
Total assets	<u>\$ 221,297</u>	<u>\$ 685,861</u>	<u>\$ 1,046,894</u>	<u>\$ 3,713</u>	<u>\$ 75,573</u>	<u>\$ 458,898</u>	<u>\$ 2,492,236</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable and accrued expense	722	811	649,024	4,003	1,076	86,753	742,389
Accrued salaries and benefits	1,898	2,523	9,256	829	-	-	14,506
Total liabilities	<u>2,620</u>	<u>3,334</u>	<u>658,280</u>	<u>4,832</u>	<u>1,076</u>	<u>86,753</u>	<u>756,895</u>
Fund Balance							
Restricted							
Public ways and facilities	218,677	682,527	388,614	-	74,497	-	1,364,315
Public safety programs	-	-	-	-	-	372,145	372,145
Unassigned	-	-	-	(1,119)	-	-	(1,119)
Total fund balance	<u>218,677</u>	<u>682,527</u>	<u>388,614</u>	<u>(1,119)</u>	<u>74,497</u>	<u>372,145</u>	<u>1,735,341</u>
Total liabilities and fund balance	<u>\$ 221,297</u>	<u>\$ 685,861</u>	<u>\$ 1,046,894</u>	<u>\$ 3,713</u>	<u>\$ 75,573</u>	<u>\$ 458,898</u>	<u>\$ 2,492,236</u>

CITY OF FIREBAUGH

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS YEAR ENDED JUNE 30, 2023

	<u>Gas Tax</u>	<u>Local Transportation</u>	<u>Measure C Funds</u>	<u>Landscape Maintenance</u>	<u>SB1</u>	<u>ARPA</u>	<u>Total</u>
Revenue							
Taxes and assessments	\$ -	\$ -	\$ -	\$ 63,162	\$ -	\$ -	\$ 63,162
Intergovernmental	214,213	625,959	409,934	-	188,337	992,290	2,430,733
Investment income	-	2,831	3,227	501	-	-	6,559
Total revenue	<u>214,213</u>	<u>628,790</u>	<u>413,161</u>	<u>63,663</u>	<u>188,337</u>	<u>992,290</u>	<u>2,500,454</u>
Expenditures							
Current							
Public ways and facilities	246,371	77,089	141,656	80,906	208,557	-	754,579
Community development	-	-	-	-	-	268,297	268,297
Capital outlay	-	39,199	695,077	-	-	587,919	1,322,195
Total expenditures	<u>246,371</u>	<u>116,288</u>	<u>836,733</u>	<u>80,906</u>	<u>208,557</u>	<u>856,216</u>	<u>2,345,071</u>
Change in Fund Balance	(32,158)	512,502	(423,572)	(17,243)	(20,220)	136,074	155,383
Fund Balance							
Beginning of year	250,835	170,025	812,186	16,124	94,717	236,071	1,579,958
End of year	<u>\$ 218,677</u>	<u>\$ 682,527</u>	<u>\$ 388,614</u>	<u>\$ (1,119)</u>	<u>\$ 74,497</u>	<u>\$ 372,145</u>	<u>\$ 1,735,341</u>

CITY OF FIREBAUGH

SCHEDULE OF NET REVENUE AVAILABLE FOR DEBT SERVICE JUNE 30, 2023

	Business-Type Activities - Enterprise Funds	
	Sewer	Water
Operating Revenue		
Charges for services	\$ 1,762,175	\$ 1,787,523
Waste Discharge fees	8,182	-
Toma Tek Service and Reimbursement Revenue	30,674	-
Other revenue/(expenses)	(1,551)	16,233
Total Available Revenues	<u>1,799,480</u>	<u>1,803,756</u>
Operating Expense		
Personnel	606,908	583,920
Utilities	33,754	160,256
Supplies and materials	68,366	121,842
Maintenance and operations	142,089	189,149
Contractual services	134,496	144,749
Other expenses	125,579	113,321
Total operations and maintenance	<u>1,111,192</u>	<u>1,313,237</u>
Nonoperating Revenue/(Expense)		
Investment income	13,213	16,304
Total nonoperating revenue/(expense)	<u>13,213</u>	<u>16,304</u>
Total Net Revenue Available for Debt Service	701,501	506,823
Debt Service Requirements		
2013 Water Revenue Refunding Bond	-	125,882
2016 Water Refunding Bond - Series 2016A	-	204,538
2016 Wastewater Refunding Bond - Series 2016A	176,963	-
Total Debt Service	<u>176,963</u>	<u>330,420</u>
Net Revenue after Debt Service	<u>\$ 524,539</u>	<u>\$ 176,404</u>
Debt Service Coverage Ratio	3.96	1.53
Rate Stabilization Fund:		
Beginning balance at July 1, 2022	\$ -	\$ 135,000
Transfer to Water Enterprise Fund	-	-
Ending balance at June 30, 2023	<u>\$ -</u>	<u>\$ 135,000</u>

BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto

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, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 14, 2024.

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) as a basis for designing 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.

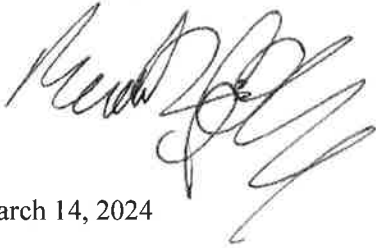
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Report on 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 financial statements. 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 14, 2024

BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Firebaugh's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Firebaugh complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Firebaugh and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Firebaugh's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Firebaugh's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Firebaugh's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Firebaugh's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Firebaugh's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Firebaugh's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Firebaugh's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

March 14, 2024

CITY OF FIREBAUGH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)			
Passed through California Department of Housing and Community Development			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-12000	\$ 396,495
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	18-CDBG-12895	1,790,442
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-CV2-017	31,552
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-CV2-3-2	<u>76,542</u>
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			<u>2,295,031</u>
Total U.S. Department of Housing and Urban Development (HUD)			<u>2,295,031</u>
U.S. Department of Transportation Highway Planning and Construction			
Passed through State of California Department of Transportation			
Highway Planning and Construction	20.205	STPL-5224(028)	22,832
Highway Planning and Construction	20.205	CML-5224(023)	4,577
Highway Planning and Construction	20.205	CML-5224(026)	18,669
Highway Planning and Construction	20.205	CML-5224(027)	<u>486,541</u>
Total Highway Planning and Construction			<u>532,619</u>
Total U.S. Department of Transportation Highway Planning and Construction			<u>532,619</u>
U.S. Department of the Treasury			
Passed through State of California Department of Finance			
Corona State and Local Fiscal Recovery Funds	21.027	N/A	<u>772,700</u>
Total Corona State and Local Fiscal Recovery Funds			<u>772,700</u>
Total U.S. Department of the Treasury			<u>772,700</u>
<i>Total Federal Expenditures</i>			<u>\$ 3,600,350</u>

CITY OF FIREBAUGH

NOTES SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Note 1 – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the City of Firebaugh, California (the City). Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California, are included in the SEFA. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the City's basic financial statements. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in, or used in the preparation of, the SEFA may differ from amounts presented in the basic financial statements.

Note 4 – Relationship to the Financial Statements

Expenditures of federal awards are reported in the City's basic financial statements as expenditures/expenses in the General Fund, nonmajor special revenue funds, nonmajor capital project funds, and the enterprise funds.

Note 5 – Indirect Cost Rate

The City did not elect to use the 10% de minimus cost rate as covered in 2 CFR §200.414.

CITY OF FIREBAUGH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2023

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
- Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

B. Findings – Financial Statements Audit

None noted.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None noted.

CITY OF FIREBAUGH

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

There were no prior year audit findings.

CITY OF FIREBAUGH
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

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Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 10, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on an evaluation of collectability primarily focused on past due accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension liability and Net OPEB liability and related deferrals is based on actuarial valuations which include significant assumptions regarding discount rate, inflation, payroll growth, projected salary increases and investment rate of return. We evaluated the key factors and assumptions used to develop the liability and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

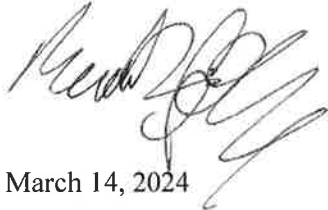
We applied certain limited procedures to the Budgetary Comparison Schedules, Proportionate Share of Net Pension Liability, and Schedule of Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Very truly yours,

A handwritten signature in black ink, appearing to be "Kendall J. [unclear]", written over the text "Very truly yours,".

March 14, 2024

A Concept for Rural Cities and Unincorporated Communities Working Together

Community Energy Fresno

dba Comunidades de Energía, Fresno

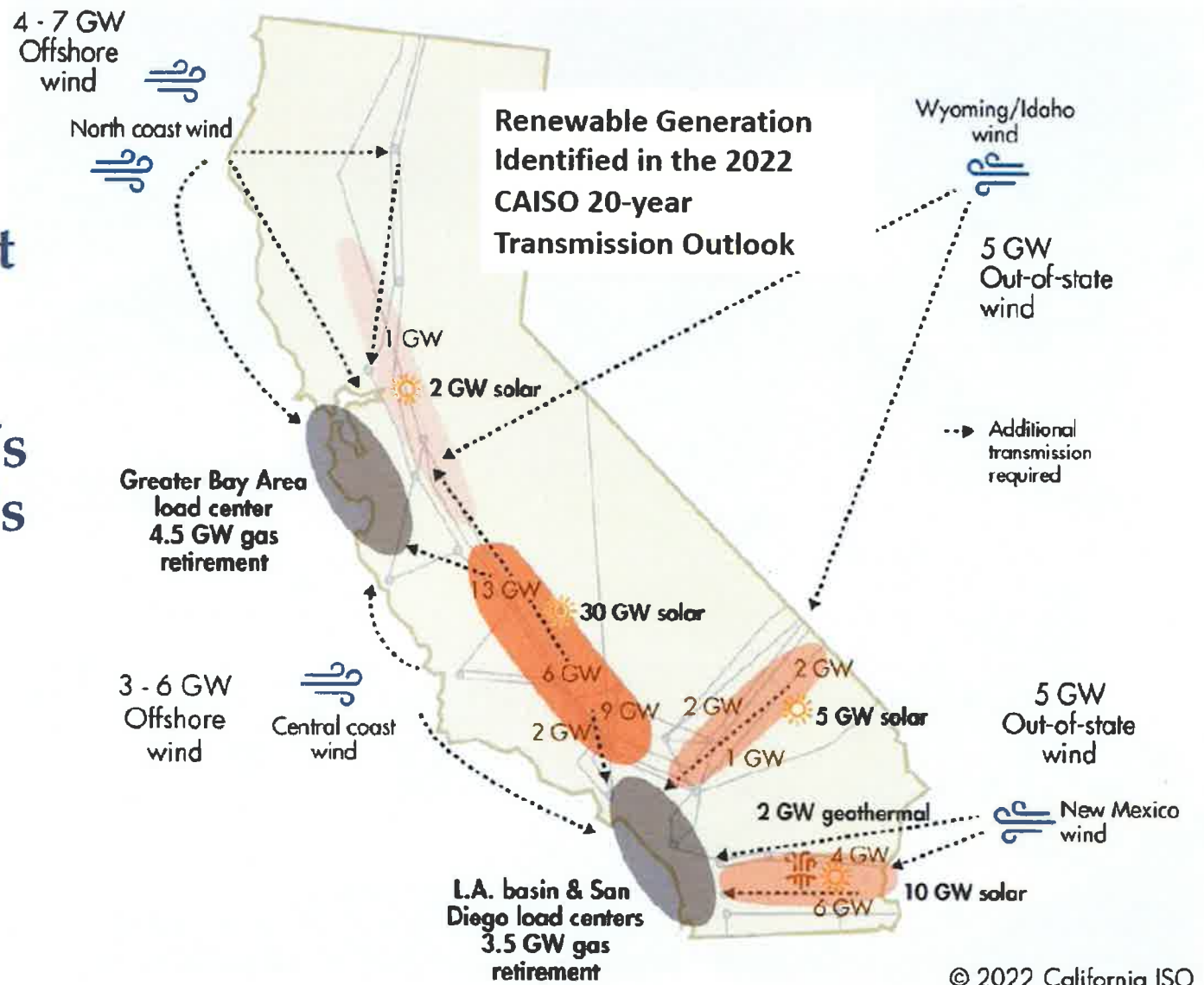
Community Determined Community Benefits from Clean Energy Development

*A Possible Multi-Community Nonprofit with the Inclusive Representation, Standing, and Power to Secure
Significant Community Benefit Agreements in Western Fresno County*

- ***The Largest Power Plant in the World is in CHINA – Three Gorges Dam – 22.5 Giga Watts***
- ***The Largest Cluster of Clean Energy Solar Planned in the World is in INDIA – 22.5 Giga Watts***

Truly global scale clusters of solar, battery storage, and green hydrogen (30 Giga Watts proposed in Fresno County alone) and other types of clean energy production and transmission facilities are being planned for hundreds of thousands of acres in Fresno County, and the potentially one million acres of farmland likely to be retired across the eight counties of the San Joaquin Valley because of reduced future water availability. Significant direct benefits from new energy developments are clearly warranted for the rural communities in these areas that will be the direct impact areas for development.

Solar Development in the Central Valley is Essential to Meet California's Clean Energy Goals

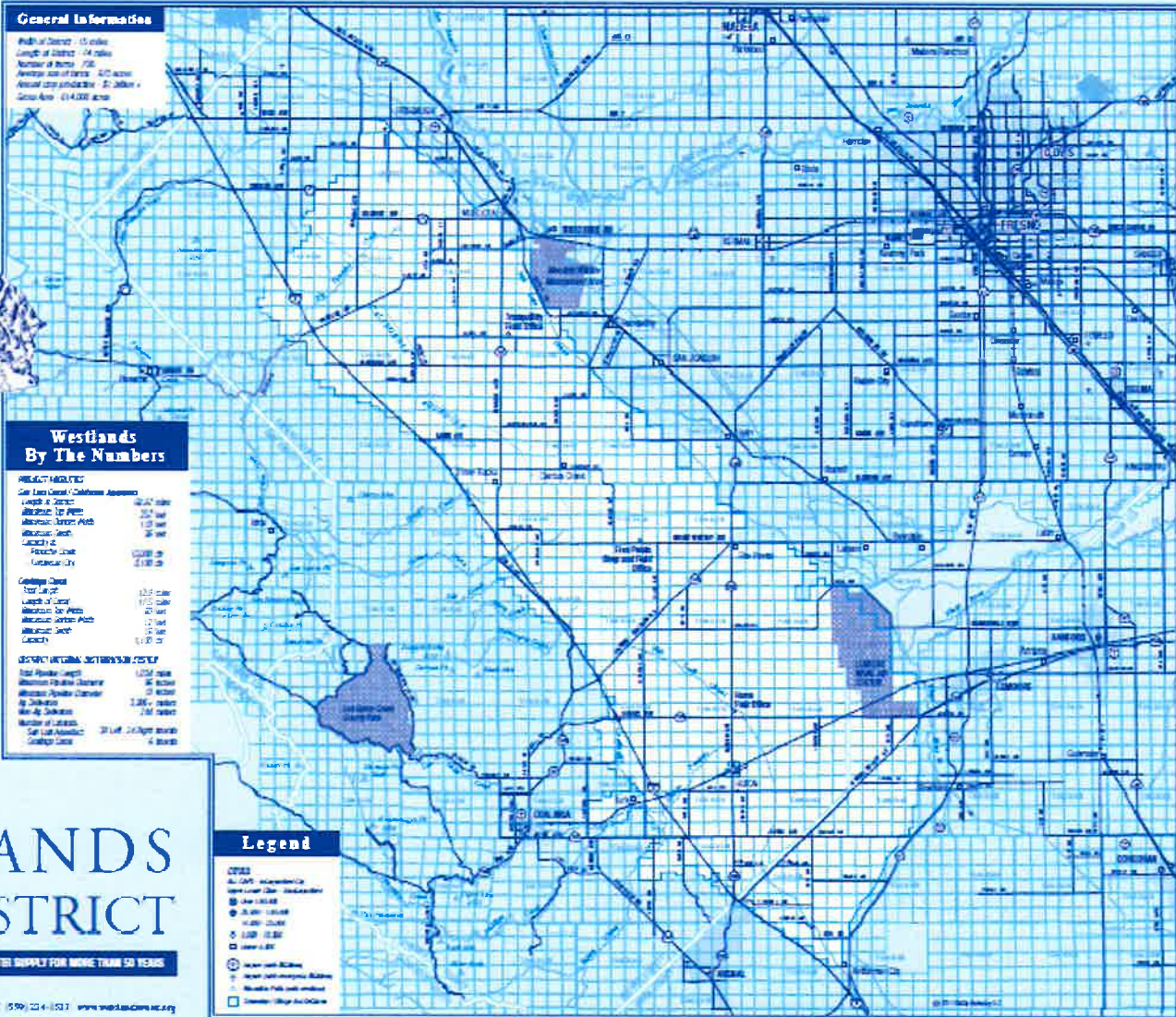




WESTLANDS WATER DISTRICT

COMMITTED TO PROVIDING GARDENERS WITH A RELIABLE WATER SUPPLY FOR MORE THAN 50 YEARS

1190 N. Fresno Street, P.O. Box 4034, Fresno, CA 93712-4034 (559) 234-1517 www.westlands.com/arc



General Information

Width of District: 15 miles
 Length of District: 14 miles
 Number of Acres: 750
 Average size of farms: 470 acres
 Average crop production: \$1.2 billion +
 Gross Area: 494,000 acres

Westlands By The Numbers

PROJECT FACILITIES

San Luis Canal / California Aqueduct
 Length at District: 42.7 miles
 Allocation to Westlands: 11.2 miles
 Allocation Jordan Area: 31 miles
 Allocation to Westlands: 20 miles
 Capacity: 1,100 cfs
 Location: Colusa, CA

Central Valley
 Total Length: 12.9 miles
 Length at District: 6.5 miles
 Allocation to Westlands: 4.5 miles
 Allocation Jordan Area: 1.2 miles
 Allocation to Westlands: 1.0 miles
 Capacity: 1,100 cfs

DISTRICT INTERNAL DISTRIBUTION SYSTEM
 Total Pipeline Length: 1,250 miles
 Allocation Pipeline Capacity: 30 million gallons per day
 Allocation Pipeline Capacity by District: 2.2 million gallons per day
 Main Ar. Capacity: 2.8 million gallons per day
 Number of Lateral: 30 Lateral / 24,000 acres
 San Luis Allocation: Colusa Lateral: 4 Lateral

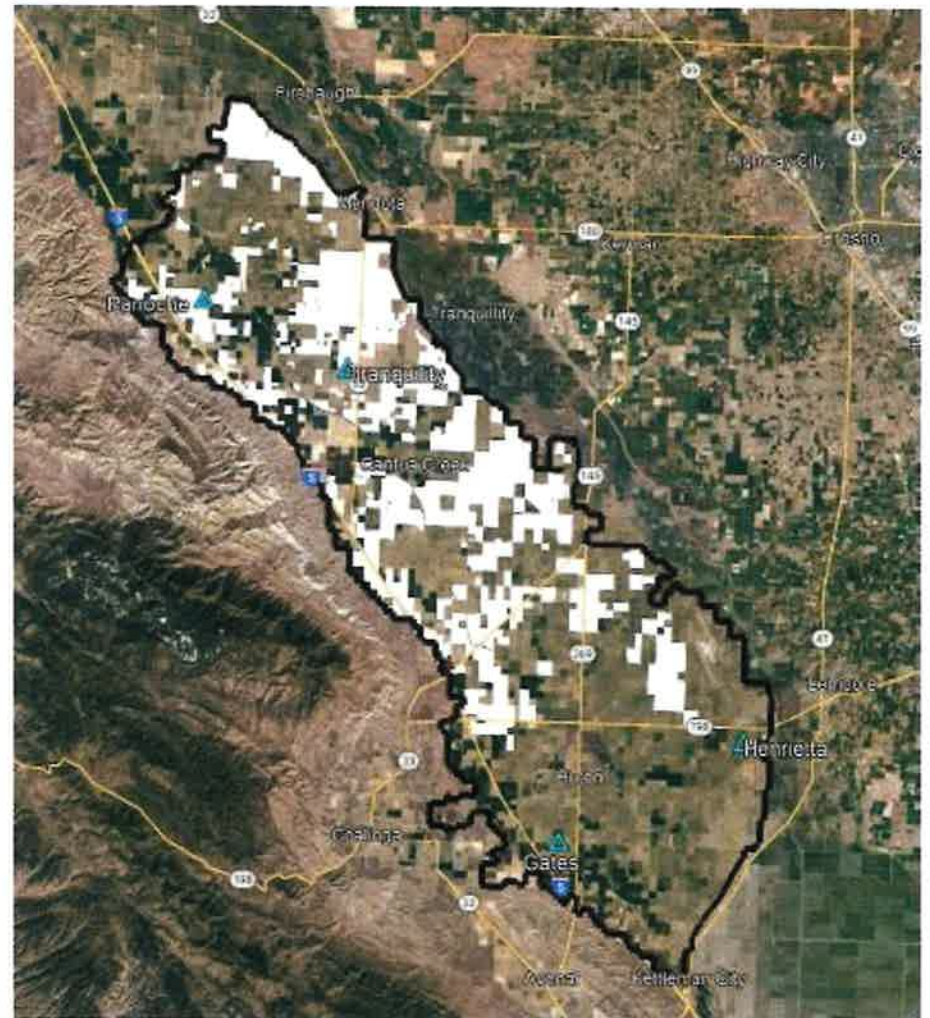
Legend

- CPDS**
- San Luis Allocation to Westlands
 - San Luis Allocation to Jordan Area
 - San Luis Allocation to Westlands
 - San Luis Allocation to Jordan Area
 - San Luis Allocation to Westlands
 - San Luis Allocation to Jordan Area
 - San Luis Allocation to Westlands
 - San Luis Allocation to Jordan Area

© 2011 Westlands Water District

185,000+ Acres Under Evaluation for Development in Westlands Water District

Golden State Clean Energy has a commitment of up to 75,000+ acres by owned by Westlands Water District, plus interest from private landowners (within WWD service territory) accounting for over an additional 110,000 acres submitted in our open window that closed on June 30, 2023.





Potential to Deliver up to 30 GW of Renewable Energy

The Golden State Clean Energy/Westland Water District Master Plan Area is in the ideal location to deliver renewable energy from a master-planned, pre-permitted, geographically contiguous development zone to load centers in both Northern and Southern California.

HOW DO WE ELEVATE RURAL COMMUNITIES IN THE CLEAN ENERGY TRANSITION?

To be successful in the Clean Energy Era, rural communities will have to organize together, and build their knowledge, capabilities, technical relationships, and collaborative leadership to factually and powerfully speak for themselves and negotiate their own community benefit agreements (CBAs) with energy developers and others. To do so will not only capture much greater direct benefits from clean energy, but position the organized rural communities to have voice and represent themselves in the never-ending competition for the adoption of policies, allocation of resources and securing of business commitments they need from county, state and federal governments, the nonprofit sector, and the market economy. We need transformative community organizing, not more token engagement.

We can ground our CBA work through the ‘Guiding Principles for Community Benefits Related to Clean Energy Projects in the San Joaquin Valley (SJV)’ developed by the Clean Air Task Force Team we worked with on the SJV Clean Energy Transition Vision:

- Rural cities and communities will likely bear the brunt of negative impacts of the transition to clean energy in the SJV, and therefore should receive the greatest share of direct community benefits.

'Guiding Principles for Community Benefits Related to Clean Energy Projects in the San Joaquin Valley (SJV)'

- California has a history of marginalizing SJV communities, relying on the Valley's people and plentiful agricultural and energy resources to serve the "greater good." These rural communities have not traditionally benefited from a hundred years of extractive industry (agricultural, solar, mining, oil, gas, etc.). Benefits and mitigations, exacted by government via CEQA or by other intermediary organizations, have not improved SJV communities' socioeconomic status, health, and wellbeing.
- The clean energy industrial transition can provide SJV residents with community benefits (direct and indirect) that have the potential to transform these impacted communities and address historic injustices.

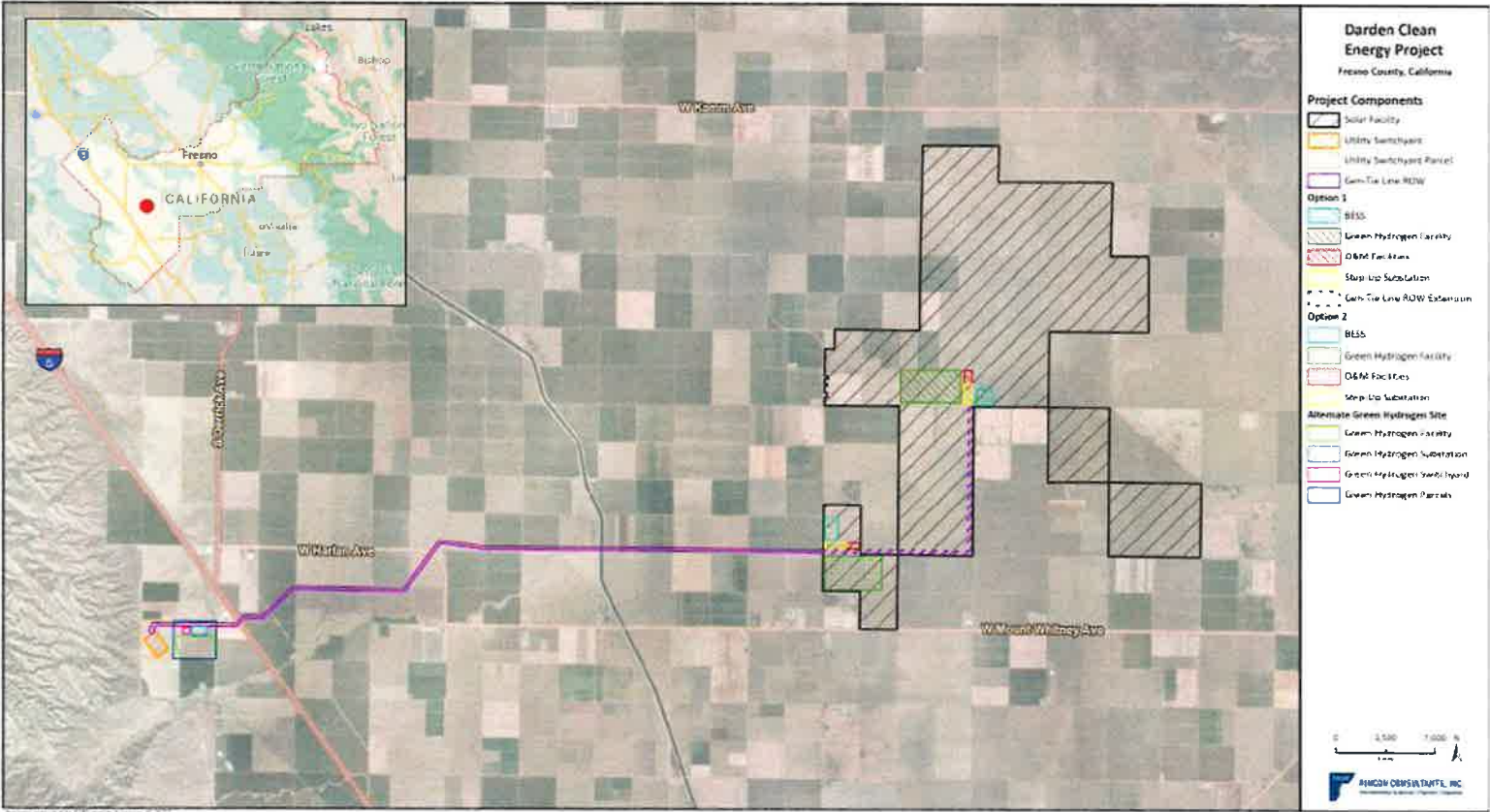
'Guiding Principles for Community Benefits Related to Clean Energy Projects in the San Joaquin Valley (SJV)'

- Clarity and certainty around community benefits has potential to accelerate desired clean energy projects, which are those that are consistent with the SJV Clean Energy Deployment Vision and Objectives statement (see attached). Strong community benefits mechanisms can lower impacts, costs, and risks associated with industrial scale clean energy deployment; attract investment; and deliver feasible, real, and durable benefits to impacted communities.
- Community benefits should be determined by the local impacted communities and should be the maximum feasible, so that desirable projects are still financially viable. While benefits from a single project cannot solve the challenges faced by communities, aggregated community benefits from multiple projects can have a substantial impact.

'Guiding Principles for Community Benefits Related to Clean Energy Projects in the San Joaquin Valley (SJV)'

- Rural community prosperity will not happen without respect for, deference to, and engagement and empowerment of residents and leaders in impacted rural communities. Communities must be able to articulate their vision and objectives, be part of the examination and determination of the full suite of project impacts, and author their own community-determined benefits packages including negotiated agreement(s).

Project Location



Possible Working Draft Purpose Statement to be Expanded in Community Energy

Fresno Formation and Crafting of Nonprofit Corp. Bylaws: The purpose of Community Energy Fresno is to increase and sustain inclusive health, economic opportunity, civic engagement, social equity, community infrastructure and environmental quality for residents of the rural communities of western Fresno County. This purpose will be accomplished by a rural community nonprofit organization and representative board of directors that negotiate, receive, and accountably manage funds from Community Benefit Agreements based upon revenue sharing, direct payments and other forms of community benefits derived from clean energy and other types of related rural development incentivized by federal, state and local governments. Nonprofit organizational expenditures will be governed by Community Energy Fresno corporation bylaws that require focus on improving the Social Determinants of Health in all rural communities of western Fresno County.

'Social Determinants of Health'



Community Determined Community Benefits from Clean Energy Development based on The Social Determinants of Health

Community Benefits secured as Direct Payments and Revenue Sharing by the **Comunidades de Energía, Fresno (Community Energy Fresno)** 501c3 will be restricted via adopted bylaws to expenditures that focus on addressing the ‘Social Determinants of Health’ in member communities as determined by the Board of Directors. Other forms of Community Benefits may also be negotiated as part of specific agreements with clean energy developers. Regardless of form, when contextualizing the general topic of Community Benefits to be refined by **Comunidades de Energía, Fresno (Community Energy Fresno)**, reference is made and will be incorporated into bylaws relating to the Federal Plan for Equitable Long-Term Recovery and Resilience (Federal Plan for ELTRR), which leverages the Vital Conditions for Health and Well-Being as the guiding framework related to The Social Determinants of Health.

The ELTRR vital conditions identify the factors that people depend on to reach their full potential, organized into 7 categories:

- Belonging + Civic Muscle
- Meaningful Work + Wealth
- Lifelong Learning
- Humane Housing
- Reliable Transportation
- Basic Needs for Health + Safety
- Thriving Natural World



FYS FC33 Youth Soccer Club

Petition for New Soccer Fields

Presented by: Fidel Avila
Nancy Avila

Our Mission

As a non profit youth organization our mission is to bring forward a safe and enriching environment to the children within our community. Here children of many ages are welcomed to develop their knowledge and skills through soccer. This sport serves as a second home for children to learn, have fun, and raise self confidence while moving through the club as this will provide elevated competition across all age soccer programs within Firebaugh.



Our Vision

Our vision is to make a difference within these children's lives and provide a safe environment as they grow and open doors for themselves and progress into a brighter future utilizing all that they've learned throughout FC33. Our youth is the key to creating better opportunities for Firebaugh as a whole, they are the foundation of future coaches, athletes, and determined college graduates. Our dream is that we will later be seeing these youth come back and share their knowledge and guidance they once experienced and give it back into the community in their own ways whether coaching or merely sharing the memories they once had within the FC33 club.



History of FC33



- ★ Established in 2018
- ★ 14 Players U15
- ★ Participated in out of city Leagues and Tournaments (Los Banos, San Jose, Morgan Hill)
- ★ Started with 2 coaches



FC33 Now

- ★ Committed to giving youth the opportunity to play in different leagues and tournaments available within surrounding communities such as Los Banos League, Madera Indoor Soccer, and Firebaugh hosted tournaments and league
- ★ Total of 130 youth soccer players and increasing ...
- ★ Building relationships with communities such as Mendota, Los Banos, Dos Palos, Merced, Tranquility, Kerman, and Mariposa
- ★ Involving parent volunteers within coaching and fundraising
- ★ Participating within other community activities (PAL soccer program, Firebaugh high school senior night presentation, Firebaugh Middle School trunk or treat, PAL Ripken, Firebaugh Flight, and Pop Warner)





All Girls Teams ! 61 New Players !

★ U8

★ U10

New to FC33

★ U12

★ U14

*Uniting Cities
DYS FC33*



Miguel Manriquez
9 yrs experience



Nancy Avila
15 yrs experience



Martin Rios
3 yrs experience



Erica Villarreal
3 yrs experience



Volunteer Coaches



Alfredo Torres
6 yrs experience



Jorge Alvarado
6 yrs experience

Alejandro
Martinez
15 yrs experience



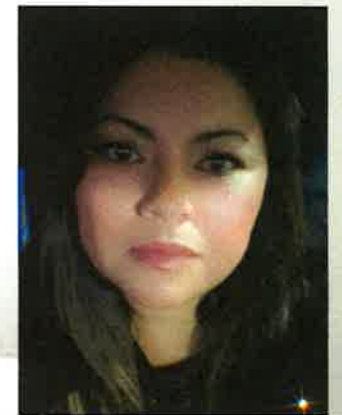
Carlos Flores 9
yrs experience



Fidel Avila
24 yrs experience



Nancy C. Avila 20
yrs experience



2021-2022
Achievements
Los Banos & Madera
Indoor League



U12 2nd Place



U13 2nd Place



U12 3rd Place



U10 2nd Place

Achievements Los Banos League



U10 Champions 2023



U12 Champions 2023



U14 Champions 2023

Benefits for the city & community

- ★ Hosting Tournaments where local businesses will benefit (stores, and restaurants)
- ★ Engagement into this program leads to less crime
- ★ Rises competition levels within school district
- ★ Will benefit Pal Soccer League
- ★ Allows positive outlet for energy and emotions to the youth participants
- ★ Involvement in soccer encourages and advocates for a more beneficial lifestyle between community members



Current Conditions of Training and Game areas

- ★ Areas lacking in grass
- ★ Holes throughout the field (can lead to injury)
- ★ Difficult to use during winter due to large puddles
- ★ Overcrowded by other sports and adult teams
- ★ Permission into school district fields is hard to achieve
- ★ Only soccer field available within Firebaugh



Help us make this possible...



Where to Find Us



FC33 Main Instagram-

★ [fc33_fys_est.2018](#)

FC33 Main Facebook -

★ [FYSFC33](#)

FC33 Girls soccer Instagram-

★ [fc33_girls_soccer](#)



MEETING MINUTES

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 24-03-18

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

Date/Time: March 18, 2024/5:00 p.m.

CALL TO ORDER Meeting called to order by Mayor Perez at 5:00 p.m.

ROLL CALL Mayor Pro Tem Freddy Valdez
Council Member Brady Jenkins
Council Member Silvia Renteria
Council Member Felipe Pérez

ABSENT Mayor Elsa Lopez

OTHERS: City Attorney Christina Di Filippo; City Manager, Ben Gallegos, Deputy City Clerk, Rita Lozano; Finance Director, Pio Martin; Public Works Director, Michael Molina; Police Chief, Sal Raygoza; Battalion Chief, Hector Marin, City Engineer, Roberto Orozco, Ramiro Rodriguez, Chris Gutierrez, Veronica Navarro & others.

PLEDGE OF ALLEGIANCE Council Member Jenkins led pledge of Allegiance.

APPROVAL OF THE AGENDA

Motion to approve agenda with the presentation to be moved at the end of the agenda by Council Member Jenkins, second by Council Member Perez, motion passed by 4-0 vote.

PRESENTATION

- Keith Bergthold of Regenerate California Innovation, Inc, to provide information on the proposed non-profit organization: Community Energy Fresno.

PUBLIC COMMENT Chris Gutierrez - invocation

CONSENT CALENDAR

- APPROVAL OF MINUTES – The City Council regular meeting on March 4, 2024.
- WARRANT REGISTER – Period starting February 1 and ending February 29, 2024.

February 2024	General Warrants	#45515 - #45653	\$ 775,312.15
	Payroll Warrants	#72213 - #72224	\$ 108,163.42
	TOTAL		\$ 883,575.57

Motion to approve minutes by Council Member Jenkins, second Council Member Perez; motion passed by 4-0 vote.

Council Member Jenkins pulled and inquired about the following checks:

- #45584- Salvation Army – staff reported it's for the food distribution, funded by the CDBG Grant.
- #45633-City Manager's Credit Car purchase re Council Member Renteria – staff informed it was a gas purchase for a training Council Member Renteria attended in her own vehicle.
- #45645-Sparkletts Water Service – staff stated the water delivery service is for all city departments.

Motion to approve warrants by Council Member Jenkins, second Council Member Perez; motion passed by 4-0 vote.

PUBLIC HEARING

None

NEW BUSINESS

3. **THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND CONSIDER THE TIME CHANGE OF THE CITY COUNCIL MEETINGS TO 5:30 PM.**

Motion to change the Council Meeting time to 5:30 pm by Council Member Perez, second Council Member Jenkins; motion passed by 4-0 vote.

4. **THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO REVIEW THE SELECTED DESIGNS FOR THE CALIFORNIA DEPARTMENT OF TRANSPORTATION ART AGREEMENT CLEAN CALIFORNIA BEAUTIFICATION PROJECT.**

Informational item only. The City Manager presented the designs and locations of the selected art pieces.

STAFF REPORTS

- All written staff reports were enclosed in the agenda packet.
- Council Member, Jenkins – nothing to report.
- Council Member Renteria – nothing to report.
- Council Member Perez – nothing to report.
- Council Member Valdez – nothing to report.

PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY

CLOSED SESSION

ANNOUNCEMENT AFTER CLOSED SESSION –

ADJOURNMENT

- ❖ *Motion to adjourn@ 5:18 pm by Council Member Jenkins, second by Council Member Perez, motion passes by a 4-0 vote.*

FIREBAUGH CITY COUNCIL

STAFF REPORT

Date: April 1, 2024
To: Firebaugh Planning Commission
From: Karl Schoettler, Planning Consultant
Subject: Site Plan Review 2024-01 (Fresno County Housing Authority) Phase 2 of La Hoya Commons project. A Density Bonus is also being requested

Summary/Recommendation

The project proposes the second phase of the redevelopment of the former Firebaugh Family Housing multi-family residential complex located at 1502 Clyde Fannon Road. The first phase was approved in 2020 and is now under construction. The second phase pertains to 1.7 acres on the south end of the site with the development of 28 new units. Together the two phases will function as one new housing complex operated by the Fresno Housing Authority called La Joya Commons.

The applicant is also requesting approval of a Density Bonus to allow additional units (above that permitted by zoning), as allowed by the Firebaugh Municipal Code as well as State law.

It is recommended the City Council take the following actions:

1. Ask for the City Planner to deliver the staff report;
2. Ask any questions of staff regarding the project;
3. Ask the applicant for a statement regarding the project;
4. Ask for a motion for action on the project by adopting Resolution 24-10 (to approve the Density Bonus application)

Discussion/Analysis

The Housing Authority of Fresno County has submitted an application to redevelop the southerly 1.7± acres of the former Firebaugh Family Housing complex located on the west side of P Street, south of Clyde Fannon Road (see Map 1 (location) and Map 2 (aerial photo)).

The project will be the second phase of the redevelopment of the former Firebaugh Family Housing complex into an entirely new site called La Joya Commons. The first phase was approved by the Planning Commission and City Council in 2020, and has begun construction.

Once complete, the first and second phases will function as one complex, managed by the Housing Authority.

The site is zoned R-2 (Low Density Multi Family Residential). This zone is intended to allow multi-family development at the rate of one dwelling per 3,250 square feet of lot area (equating to 13.4 dwelling units per acre). The applicant is requesting a Density Bonus to allow additional units. Density bonuses are authorized by Firebaugh Municipal Code (Chapter 30) and also by State law (Section 65915 of the Government Code) as long as the units being built are reserved for low income households (as defined by State law).

Density Bonus

Section 65915 of the California Government Code requires cities to grant an increase in the number of dwellings on a site (over that allowed by the zoning of the site), as long as the units are reserved for households that are identified in the code. These can include low income, senior and student households. In the case of the La Joya project the targeted group are low income households. The purpose of Density Bonus law is to increase the supply of affordable housing for residents of Firebaugh.

The R-2 zone allows a maximum density of one unit per 3,250 square feet of lot area. Therefore, at 1.7 acres, the site could potentially be developed with up to 23 units. Density bonus law allows up to a 35% increase in the number of units (when at least 20 percent of the units are being reserved for low income households). For this site, a 35% increase would be 8 additional units, resulting in a potential total of 31 units on the site (23 + 8). The project proposes 28 units (a density bonus of 23%) and therefore meets the density bonus allowance.

The Planning Commission voted unanimously to recommend approval of the Density Bonus at their meeting on March 19, 2024.

Site Plan Review

Information on the Site Plan Review is presented for the City Council's information; the Site Plan Review is acted on by the Planning Commission only. It should be noted that the Planning Commission voted unanimously to approve the Site Plan Review on March 19, 2024.

Exhibit 1 shows the proposed site plan for the project, while Exhibit 1A shows the full La Joya Commons complex (Phases 1 and 2) and how the phases function as a whole.

The site is long and narrow, forming an inverted "L" shape. Two 8-unit buildings (two stories) will be situated along the north property line with a third 8-unit building along the west property

line. A fourth smaller 4-unit building is situated near the west end of the site. There will also be a laundry building for use by residents.

The project proposes a variety of units sizes and configurations, as follows:

- 1 bedroom: 6 units
- 2 bedroom: 8 units
- 3 bedroom: 8 units
- 4 bedroom: 6 units

Parking and circulation is situated adjacent to the buildings. The site will have two entrances; the main entrance is from P Street on the east side of the site. This connects to a linear driveway that has adjacent parking stalls. The drive then veers north and will connect to parking areas in Phase 1. A total of 48 parking spaces are provided and one space per unit will have a carport. There will be 8 handicap accessible parking spaces. Parking provided exceeds the City's requirements (which would be 42 spaces for this project).

Phase 1 of the complex features a community center building (next to the P Street entrance). This building will include recreational rooms for residents as well as the office for complex. These facilities will be available to residents of Phase 2, as will an outdoor recreational area, including a playground with children's play equipment, a basketball court and a barbecue area, in addition to an open grassy play area in Phase 1. Phase 2 features several open space recreational areas including a barbecue under an arbor and bicycle racks.

Other features of the site plan include

- Landscaping and walkways connecting buildings and parking areas.
- Outdoor light fixtures
- Trash enclosures with decorative overhead arbors
- Street reconstruction (as needed) along the site frontages along P Street.
- Concrete masonry perimeter walls around the site

Architectural

The buildings be identical in appearance to those in Phase 1, and will feature a combination of horizontal wood siding on the front facades alternated with veneer stone on portions of the sides and rear walls of the buildings (see Exhibit 2).

According to the applicant's statement, the overall mass of the buildings will be broken up by porches, balconies, roof overhangs, trim locations and material changes. As with Phase 1, staff's opinion is that the architectural appearance of the buildings meets the intent of the City's Design Guidelines and will be a significant improvement over the existing buildings at the site.

Utilities

The project will connect to existing water and sewer utility lines that run past the site under P Street. The Public Works Department reports there is adequate capacity in these lines to accommodate increased demands of the project. The project will also connect to the City's storm drain system, which ultimately discharges to the Poso Canal, south of the site.

Traffic

The project will increase traffic over that currently generated by the existing complex. At 28 units and a rate of 6.47 trips per unit, the complex can be expected to generate up to 181 vehicle trips per day (in addition to approximately 440 trips projected for phase 1).

It is believed the surrounding streets can accommodate this increase. The site is designed with access onto both P Street and to Clyde Fannon Road, thereby dispersing traffic in two directions. Clyde Fannon Road affords direct access to State Highway 33 a short distance to the west, while P Street leads south to downtown.

The project will also include bicycle racks, thereby making it easier for residents to use bicycles for short or longer trips. Finally the applicant will be paying the City's new Development Impact Fees for traffic impacts. These fees are used by the City to make capital improvements to improve traffic flow throughout the City, including helping to fund features such as traffic signals, bike lanes, street widening, etc.

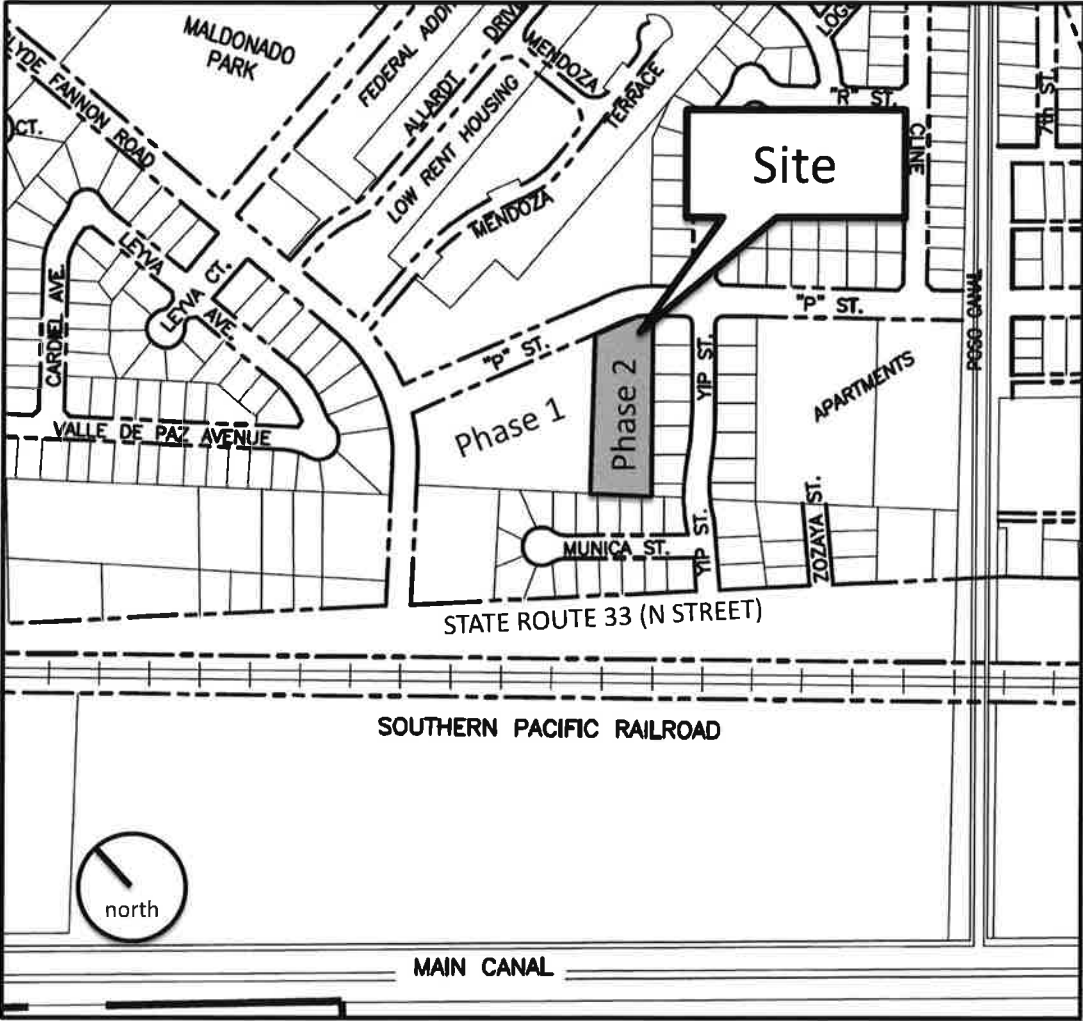
Environmental Analysis

The project is occurring on an existing site previously developed with multi-family dwellings, therefore staff has determined that the project qualifies to be exempted from environmental review under Section 15332 (Infill development on a site smaller than five acres).

Conclusion

Staff believes the project meets City standards and will be a significant improvement over the previous Firebaugh Family Housing complex. The project has been reviewed by City staff and it is recommended the City Council vote to approve the application for the Density Bonus.

Map 1: Project Location



Map 2: Aerial Photo



Exhibit 1-A: Phase 1 and Phase 2 Site Plan

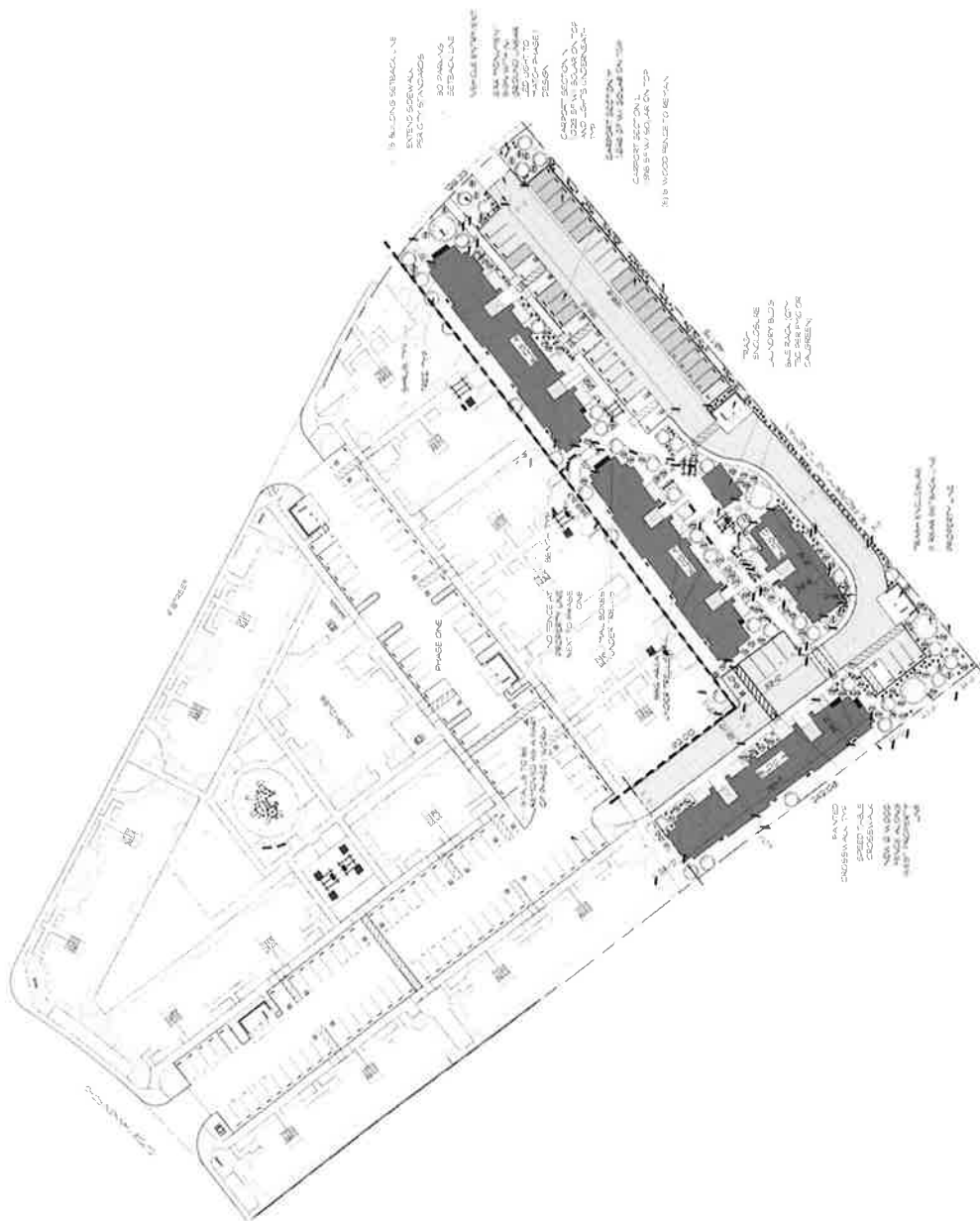


Exhibit 2: Typical Architectural Appearance



RESOLUTION 24-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING
A DENSITY BONUS (FOR THE FRESNO HOUSING AUTHORITY'S
LA JOYA COMMONS (PHASE 2) PROJECT)**

WHEREAS, the Housing Authority of Fresno County, 1331 Fulton Street, Fresno, CA 93721, has applied for a Density Bonus to redevelop the site of a former multi-family residential complex (Firebaugh Family Housing) they currently own on 1.7± acres of land, located on the west side of P Street, south of Clyde Fannon Road (Assessor Parcel Numbers 007-140-004 and 007-140-007), and

WHEREAS, a density bonus is authorized by Chapter 30 of the Firebaugh Zoning Ordinance and by Section 65915 et. seq. of the California Government Code, and

WHEREAS, the subject site is currently zoned R-2 (Low Density Multi-Family Residential) by the official zoning map of the City of Firebaugh. This zone allows a maximum density of one dwelling unit per 3,250 square feet of lot area, and

WHEREAS, the applicant is requesting a 23% percent density bonus, which represents an additional 5 units above the 23 permitted by the R-2 zone, for a total of 28 units on the site, and

WHEREAS, said Density Bonus was processed consistent with Chapter 30, Density Bonuses and Housing Goals, of the Firebaugh Zoning Ordinance, and

WHEREAS, California Government Code Section 65915 indicates that when an applicant seeks a density bonus for a housing development, the density bonus requirements are triggered when the applicant seeks and agrees to construct a housing development reserved for a target population (including low-income households), and

WHEREAS, the project qualifies for up to a 35% increase in units (above the maximum allowed by the site zoning) as long as at least 20 percent of the units are reserved for low-income households, and

WHEREAS, the Planning Department has prepared a staff report on the Density Bonus application along with a finding that the project is exempt from review for environmental impacts, consistent with CEQA (California Environmental Quality Act), and

WHEREAS, the City Council considered the Density Bonus in a duly posted public meeting on April 1, 2024, accepted testimony and reviewed the staff report on said Density Bonus.

NOW, THEREFORE, BE IT RESOLVED that the City Council, after considering all the evidence presented, determined the following findings were relevant in evaluating this request.

1. The proposed project will not have a significant impact on the environment and is exempt from review under Section 15332 (Infill Exemption) of the Guidelines of the California Environmental Quality Act.

2. The proposed Density Bonus request is consistent with Chapter 30, Density Bonuses and Housing Goals of the Firebaugh Municipal Code.

3. The proposed Density Bonus implements many of the policies contained in Firebaugh’s certified 2015 Housing Element, which promotes (among other things) affordable housing to households that occupy lower-income categories.

4. The proposed project will not have an adverse impact on the public’s health, safety or welfare and represents an improvement over the previous residential complex.

BE IT FURTHER RESOLVED that the City Council hereby approves Resolution No. 24-10 approving the Density Bonus request. The foregoing resolution was adopted upon a motion of Council Member _____, second by Council Member _____ at a regular meeting of the Firebaugh City Council on April 1, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Elsa Lopez, Mayor
Firebaugh City Council

Rita Lozano, Deputy City Clerk
City of Firebaugh

RESOLUTION NO. 24-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH AUTHORIZING: Submission of the 2022-2023 HOME Investment Partnerships Program (HOME) application to the California State Department of Housing and Community Development for funding in the amount up to \$12,000,000; and if awarded, the execution of a standard agreement, any amendments thereto, and other related documents necessary to participate and comply with in the HOME Investment Partnerships Program.

WHEREAS:

- A. The California Department of Housing and Community Development (the "Department") is authorized to allocate HOME Investment Partnerships Program ("HOME") funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200.
- B. On January 19, 2024, the Department issued a Notice of Funding Availability announcing the availability of funds under the HOME program (the "NOFA").
- C. In response to the 2022-2023 HOME NOFA, the City of Firebaugh, (the "Applicant"), wishes to apply to the Department for, and receive an allocation of, HOME funds.

IT IS THEREFORE RESOLVED THAT:

- I. In response to the 2022-2023 HOME NOFA, the Applicant shall apply to the Department to participate in the HOME program and for an allocation of funds of up to Twelve Million Dollars (\$12,000,000) for the following activities and/or programs:
 - Construction Work; and
 - Offsite improvements, such as sewers, utilities, and streets, directly related to, and required by the Project; and
 - Architectural, appraisal, engineering, legal and other consulting cost, and fees, which are directly related to the planning and execution of the Project, and which are incurred through third-party contract; and
 - Development cost of a residential unit reserved for an onsite manager, childcare facilities, and after-school and social service facilities integrally linked to, and addressing the needs of tenants of the Assisted Units; and
 - Rent-up cost; and
 - Carrying cost during construction, including insurance, construction financing fees and interest, taxes, and any other expenses necessary to hold the property while the Project is under construction; and
 - Building permits and State and local fees; and
 - Capitalized operating and capitalized replacement reserves up to the amount of the initial deposit required by the Department pursuant to UMR Section 8308(b) and 8309(b); and

- Escrow, title insurance, recording and other related cost; and
- Cost for items intended to assure the completion of construction, such as contractor bond premiums; and
- Environmental hazard reports, surveys, and investigations; and
- Cost of relocation benefits and assistance required by law; and
- Any other cost of new construction approved by the Department to be in Firebaugh, California 93622 at Clyde Fannon Road, and P Street (APN: 007-140-20ST).

2. If the application for funding is approved, then the Applicant hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statutes and regulations cited above. The Applicant may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents). The applicant authorizes Ben Gallegos, City Manager, or their designee(s) to execute, in the name of the applicant, the required documents.

PASSED AND ADOPTED THIS APRIL 1, 2024, BY THE FOLLOWING VOTE:

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk

The undersigned Elsa Lopez, Mayor, of the Applicant does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing board of the applicant passed and adopted at a duly convened meeting on the date set forth above, and said resolution has not been altered, amended, or repealed.

Signature

Date



TO: Elsa Lopez and Council Members
FROM: Mario Gouveia, City Engineer
DATE: April 1, 2024
SUBJECT: Resolution No. 24-12

RECOMMENDATION:

1. Council by motion adopt Resolution No. 24-12 Initiating Proceedings for the Annual Levy of Assessments for the Landscaping and Lighting Maintenance District No. 1.
2. Directs the City Engineer to prepare and file his annual report on the levy.

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 occurs 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 No. 1 over the past year therefore there will be no new properties to levy.

FISCAL IMPACT:

None at this time.

ATTACHMENT:

Resolution No. 24-12

RESOLUTION NO. 24-12

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 the City Council of the City of Firebaugh hereby:

1. Designates Mario Gouveia, PE as its Engineer of work to prepare and file "Engineer's Report of the City of Firebaugh Landscaping and Lighting Maintenance District No. 1, 2024 - 2025, (the "Annual Levy Report"),
2. Authorizes Mario Gouveia, PE 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 introduced and adopted at a regular meeting of the City Council of the City of Firebaugh held on the 1st day of April 2024, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk

ATTEST:

I, hereby certify that the forgoing resolution was regularly introduced, passed and adopted at a regular meeting of the City Council of the City of Firebaugh this 1st day of April 2023.

Rita Lozano, Deputy City Clerk of the City of Firebaugh



Firebaugh Police Department

Memo

To: Honorable Mayor Elsa Lopez and Council Members
From: Chief Sal Raygoza
CC: Benjamin Gallegos City Manager
Date: April 1, 2024
Re: ANNUAL REVIEW OF ORDINANCE 22-03, FIREBAUGH POLICE DEPARTMENT POLICY 708, AND 2023 ANNUAL MILITARY EQUIPMENT USE REPORT, AND RENEWAL OF ORDINANCE 22-03 AND POLICY 708.

RECOMMENDATION

Review the 2023 Annual Military Equipment Use Report and Approve Resolution 24-13, Renewing Ordinance 22-03 and Police Department Policy 708, in accordance with AB 481.

BACKGROUND

Assembly Bill 481 (AB 481) codified Government Code sections 7070 through 7075 requiring a law enforcement agency (LEA) to obtain approval from the applicable governing body, via the adoption of a “military equipment” use policy by ordinance, before obtaining funding, acquiring, or using military equipment.

Those items are deemed “military equipment” by AB 481 does not necessarily indicate the equipment is used by the military. Rather, this equipment is a component of general best practices for LEAs nationwide. These tools have been tested in the field and are used by LEAs to enhance community and officer safety. Loss of these items would jeopardize the community's and peace officers' welfare within the Firebaugh Police Department.

On June 20, 2022, the City Council adopted Ordinance 22-03, which adopted Police Department Policy 708 and authorized the use, funding, and acquisition of specifically identified military equipment in accordance with Policy 708. The purpose of Policy 708 is to safeguard the public’s welfare, safety, civil rights, and civil liberties. This Policy also ensures that there are adequate safeguards in place for the use of such equipment, including transparency, oversight, and accountability. As required by AB 481, Policy 708 has been posted on the Department’s website.

AB 481 also requires the Department to annually submit a military equipment report for each approved type of military equipment to the City Council for as long as the military equipment is available for use. The Annual Report must be presented to and reviewed by the City Council at a regular meeting each year, and the City Council must determine at the annual meeting whether each type of military equipment identified in the report continues to comply with the standard of approval and determine whether to renew the ordinance approving Policy 708. This report must contain the following information for the City Council's review:

- A summary of how the Military Equipment was used and the purpose of its use.
- A summary of any complaints or concerns received concerning the Military Equipment.
- The results of any internal audits, any information about violations of the Military Equipment Use Policy, and any actions taken in response.
- The total annual cost of each type of Military Equipment, including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing expenses, and from what source funds will be provided for the Military Equipment in the calendar year following submission of the annual Military Equipment Report.
- The quantity possessed for each type of Military Equipment.
- If the law enforcement agency intends to acquire additional Military Equipment in the next year, the quantity sought for each type of Military Equipment.

If Ordinance 22-03 and Policy 708 are renewed by the City Council, Policy 708 will remain posted and publicly available on the Department's website, along with the Annual Report, for as long as the military equipment is available for use. As required by AB 481, within 30 days of submitting the Annual Report to City Council, the Department will also hold at least one well-publicized and conveniently located community engagement meeting, at which the general public may discuss and ask questions regarding the Annual Report and the Department's funding, acquisition, or use of military equipment.

FISCAL IMPACT

There is no fiscal impact from renewal of Ordinance 22-03 and Policy 708. The purchase of any future equipment considered "military equipment" will be brought to the Firebaugh City Council in a prepared staff report or as part of the annual budget proposal.

PRIOR COUNCIL ACTIONS

On June 20, 2022, the Firebaugh City Council adopted Ordinance 22-03 adding section 2-4 to the Firebaugh Municipal Code, "Military Equipment," and adopting the Firebaugh Police Department Policy 708.

ATTACHMENTS

City of Firebaugh Ordinance 22-03
Firebaugh Police Department Policy 708
2023 Annual Military Equipment Use Report
Resolution 24-13

RESOLUTION NO. 24-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH RENEWING ORDINANCE 22-03 AND POLICY 708 OF THE FIREBAUGH POLICE DEPARTMENT POLICY MANUAL AUTHORIZING THE USE MILITARY EQUIPMENT IN ACCORDANCE WITH GOVERNMENT CODE SECTION 7070, ET SEQ.

WHEREAS, the City Council adopted Firebaugh Police Department Policy 708 (Military Equipment and Use) with the adoption of Ordinance 22-03 on June 20, 2022; and

WHEREAS, in accordance with Government Code section 7070, et seq., enacted by AB 481, the Police Department has prepared the 2023 Annual Military Equipment Report (“Annual Report”), which is incorporated herein by reference, for review by the City Council; and

WHEREAS, at its regular meeting on April 1, 2024, the City Council duly reviewed the Annual Report, Ordinance 22-03, and Policy 708, and reviewed the associated staff report, and considered all public input and other information pertaining to the Annual Report and the authorization to use military equipment presented at the meeting.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Firebaugh determines and resolves as follows:

1. Based on the Annual Report, the City Council determines that each type of military equipment identified in the Annual Report has complied with the applicable standards for approval as set forth in Government Code section 7071, subd. (d).
2. Policy 708 of the Police Department Manual and Ordinance 22-03, which adopted Policy 708 on June 20, 2022, are hereby renewed.

* * * * *

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Firebaugh held on April 1, 2024, by the following vote:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

APPROVED:

ATTEST:

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk

ANNUAL MILITARY EQUIPMENT USE REPORT FOR 2023 AS REQUIRED BY CALIFORNIA ASSEMBLY BILL 481 AND FIREBAUGH ORDINANCE 22-03.

EQUIPMENT TYPE:
<i>UNMANNED AIRCRAFT SYSTEMS (UAS/DRONES)</i>
SUMMARY OF EQUIPMENT USE AND PURPOSE OF TTS USE
<p>UAS/Drones enhance the department's mission of protecting lives and property when other means and resources are not available or are less effective. Uses may include but are not limited to search and rescue, suspect apprehension, crime scene documentation, tactical operations, scene security, hazard monitoring, identification and mitigation response to emergency calls, crisis communication, and legally authorized surveillance.</p> <p>In 2022, UASs were used 11 times in field searches for suspects, search warrant service, aerial photography of city properties and burglary in progress.</p>
COMPLAINTS OR CONCERNS RECEIVED
No complaints were received, or concerns brought to the attention of the police department.
RESULTS OF INTERNAL AUDITS OR VIOLATIONS OF USE POLICY
No internal audits were completed and there were no violations of policy reported or observed.
TOTAL ANNUAL COST
The annual cost to use the UASs has been minimal after the initial purchase, the cost is of use was for call out over-time of drone pilot.
QUANTITY OWNED
<p>Currently, the police department owns three (3) UASs.</p> <ul style="list-style-type: none"> • 1 DJI Mavic Enterprise Pro Platinum * 2 DJI Mavic Air 2
INTENTION TO PURCHASE SIMILAR EQUIPMENT
The Police Department through grant funding intends to purchase a new drone in June of 2024 and a license to allow live footage streaming. The equipment will be brought to council for approval once cost and type of drone are finalized.

RESOLUTION NO. 24-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING THE RETIREMENT AND SALE OF K9 KONA FROM THE FIREBAUGH POLICE DEPARTMENT

WHEREAS, K9 Kona was obtained as a donation at no cost to the Firebaugh Police Department and has served as a narcotics detection dog for a total of five years; and

WHEREAS, K9 Kona has gone through three different K9 handlers during its service with the Firebaugh Police Department; and

WHEREAS, It has been determined by K9 trainers that getting K9 Kona to bond and work with a fourth handler would not be feasible; and

WHEREAS, The Firebaugh Police Department wishes to sell K9 Kona to its current handler, Jorge Zaragoza, for a sum of one dollar; and

WHEREAS, K9 handler Jorge Zaragoza has bonded with K9 Kona and wishes to keep Kona as a pet, taking full responsibility and liability for K9 Kona once approved by the City Council; and

WHEREAS, Jorge Zaragoza has entered into an agreement with the City of Firebaugh and the Firebaugh Police Department addressing certain conditions of K9 Kona purchase.

Now, therefore, be it resolved by the City Council of Firebaugh that:

1. K9 Kona is officially retired from Firebaugh Police Department use as a narcotics detection dog.
2. The Firebaugh Police Department is authorized to sell K9 Kona to its current handler, Jorge Zaragoza, for the sum of one dollar.
3. Jorge Zaragoza shall take full responsibility and liability for K9 Kona upon approval by the City Council.
4. This resolution shall take effect immediately upon adoption.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Firebaugh held on the 1st day of April 2024, by the following vote:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

APPROVED:

ATTEST:

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk



POLICE DEPARTMENT
1325 O STREET FIREBAUGH,
CALIFORNIA 93622-2547
(559) 659-3051
FAX (559) 659-2099

Date: March 26, 2024
To: Jorge Zaragoza
From: Chief Salvador Raygoza
Subject: CONDITIONS OF CANINE ACCEPTANCE

Based on information provided by the Firebaugh Police Department regarding canine KONA performance, it has been determined canine KONA has little or no value to the Department as a working canine or as city equipment. Therefore, your request to keep canine KONA has been approved upon acceptance of resolution by Firebaugh City Council.

The City of Firebaugh/ Firebaugh Police Department makes no warranty, expressed or implied, as to the physical or psychological condition of canine KONA. This canine has been trained and utilized in a law enforcement capacity, which may have included handler protection or bite training and narcotics detection. Certain drives and temperaments have been altered or enhanced, which may increase the risk of accidental dog bites and / or other atypical canine behavior. The Firebaugh Police Department now considers this animal unsuitable for law enforcement deployment.

Upon remittance of payment in the amount of \$1.00 to the Firebaugh Police Department, along with a signed copy of this agreement, you officially and formally accept the ownership, interest, and responsibilities for canine KONA. In doing so, you hereby waive all present and future rights to initiate any claim or action against the Firebaugh Police Department and the City of Firebaugh and its officials, officers, employees, agents, and assigns, current and former, for any damages or injury that may be caused at any time by canine KONA with no representation from the Firebaugh Police Department or the City of Firebaugh as to canine KONA fitness, qualifications, abilities, or other characteristics other than that which is represented in this agreement.

Furthermore, in accepting canine KONA, you hereby agree to the following conditions:

- At all times the K9 policy provisions of the Firebaugh Police Department regarding canine control existing at the time that this agreement is signed shall be adhered to with respect to Canine KONA.
- Canine KONA shall not be utilized at any time in any law enforcement capacity. This includes any previous duties undertaken for or on behalf of the Department, as well as for or with any other law enforcement agency.

CITY OF FIREBAUGH



FRESNO COUNTY, CALIFORNIA

POLICE DEPARTMENT
1325 O STREET FIREBAUGH,
CALIFORNIA 93622-2547
(559) 659-3051
FAX (559) 659-2099

- Canine KONA shall be your sole responsibility and obligation. At all times the K9 is unattended it shall be kept in the kennel previously provided by the City or in a different kennel of adequate design and construction to contain Canine KONA. When the K9 is in public it shall be leashed. Should you become unable or unwilling to comply with this agreement or provide basic care and upkeep for canine KONA, you shall be responsible, at your expense, for the destruction of canine KONA. **Under no circumstances shall the canine be given to any other person, organization, department, or agency.**
- Consistent with the agreement that canine KONA shall be your sole responsibility and obligation, you agree to indemnify, defend, and hold harmless the City, its officials, officers, employees, agents, and assigns, current and former, from any litigation, claim, damages, or liability in any forum that is initiated or might be brought against the City or its officials, officers, employees, agents, or assigns, current and former, by any individual that in any manner arose or resulted from the actions of canine KONA following its retirement.

The provisions of this agreement constitute the complete document for the purposes of this transaction and there are no implied or separate understandings apart from this document with respect to this transaction.

None of the above requirements may be modified subsequent to this agreement without the written consent of both parties. If the Department learns that any of the requirements agreed to are violated, it has the right to, and will, seize canine KONA from your possession and undertake to have the canine destroyed, the expense for the seizure and destruction to be billed to you.

The above terms and conditions have been discussed and are fully understood.

Accepted by: _____

Date: _____

JORGE ZARAGOZA

CITY OF FIREBAUGH

By: _____

Ben Gallegos, City Manager
City of Firebaugh

By: _____

Sal Raygoza, Police Chief
City of Firebaugh

Date: _____

Date: _____



STAFF REPORT

TO: City Council
FROM: Ben Gallegos, City Manager
DATE: 4/1/24

Meetings Attended:

Connectivity and Revitalization Plan Advisory Group

Luis Martinez District Representative of Senator Anna Caballero Office and Salvation Army: Asking for funds to continue the hot meals program. If we don't receive additional funding, the program will end.

Safe drinking water for disadvantaged communities.

Nitrate Control Program meeting for Delta Mendota Basin.

5 Cities JPA for broadband.

Information:

The California Department of Housing and Community Development (HCD) will recommend our application for funding for storm drain and 15th Street repairs.

We will be restarting the prop 218 process for the water rate increase.

I will be renting out 1080 P Street (The old Fire Clubhouse) to Nuevo Amanecer de Alcoholicos Anonimos de Firebaugh. The rent will be \$500, and they will also be responsible for paying the utility bills.



City of Firebaugh Public Works Department Staff Report

To: Mayor Elsa Lopez and City Council Members

From: Michael Molina, Public Works Director

Date: April 1, 2024 - Council Meeting

Water/Wastewater

The operation department has been working on the following:

1. Day to day operations of treatment plants.
2. Maintenance on aerator's sewer plant.
3. Continuing weed abatement around solar panels.
4. Repaired water leak at airport.

Streets

The Street Department has been working on the following:

1. Finish up spraying alleys.
2. Filling potholes around town.
3. Repairing streetlights in Khov.

Parks

The Crew has been working on the following:

1. Trimming low branches in parks and downtown area.
2. Getting fields ready for baseball season.
3. Day to day park and City facility maintenance.

City Projects

1. New playground equipment has been installed and PIP has been laid out. Just waiting on a couple of pieces to complete the playground. PER CONTRACTOR HE ADVISE TO PLAYGROUND CLOSE IN TILL THOSE PARTS ARE INSTALLED.
2. Work on the 7th street water project started 3/25/23.
3. Dunkle Park concrete (basketball court) will begin 4/1/23.

Will be on vacation 3/28/23-4/11/23. Will be available by phone if needed.



FIREBAUGH POLICE DEPARTMENT

Memo

To: Honorable Mayor Elsa Lopez and Council Members
From: Salvador Raygoza, Police Chief
cc: Benjamin Gallegos, City Manager
Date: 03/27/2024
Re: Staff Report

MONTHLY CRIME ANALYSIS:

February 1 through March 22, Firebaugh officers took a total of 86 reports that can be classified as crime reports, incident reports and traffic accidents. The majority of reports taken were non-criminal and classified as incident reports. Officers issued 101 traffic citations and we only had 5 traffic accidents within the city limits.

Officers have been working traffic enforcement and DUI enforcement on an over-time basis paid by a grant from the California Office of Traffic Safety.

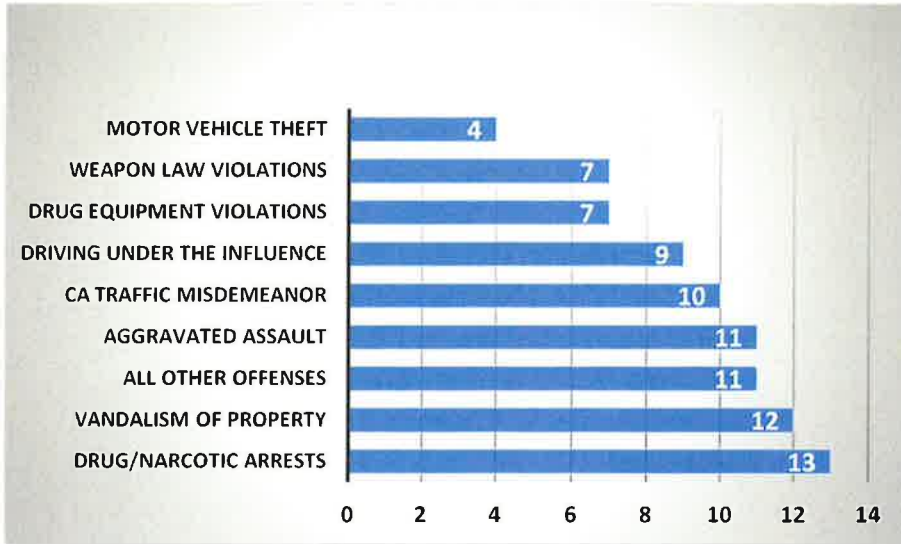
I have attached two graphs on the next page with a crime breakdown for the last two months. Our city continues to be one of the safest communities in the valley due to the hard work of everyone at the police department and our citizens who report all suspicious activity.

PERSONNEL:

The department's personnel strength stands at 23, including 12 sworn officers, 3 reserve officers, 4 full-time dispatchers, 1 code enforcement officer, 1 records supervisor and 2 part-time dispatchers.

Officer Jorge Zaragoza has resigned from his position with the Firebaugh Police Department to pursue a new opportunity as a Deputy Sheriff with the Merced County Sheriff's Office. We

thank Officer Zaragoza for his dedicated service to our department and wish him all the best in his new role with the Merced County Sheriff's Office.



SIGNIFICANT CASES:

Firebaugh police officers responded to a large party on Manes Street where a 20-year-old male was arrested for brandishing and carrying a ghost assault rifle with no serial number and large capacity magazines. The subject was taken into custody and transported to Fresno County Jail on numerous felony charges. It is worth noting that the individual resides in the Merced area and had been invited to this party. Fortunately, the prompt response of our officers prevented the disturbance from escalating into a shooting incident.

During this reporting period, we received four stolen vehicle reports, with two of the cases successfully closed following the arrest of a local female who was identified as responsible for the thefts.



City of Firebaugh Fire Department Staff Report

To: Mayor and City Council Members
From: *Hector Marin, Fire Battalion Chief*
CC: Ben Gallegos, City Manager
Date: April 1st, 2024 - Council Meeting

April 11th, George Conklin's funeral will begin at 10 a.m. at St. Joseph's Catholic Church in Firebaugh, followed by burial at 1:30 p.m. in San Joaquin Valley National Cemetery in Santa Nella. His family requested that the Fire Department participate in the services.

The Volunteer Firefighters Association of Firebaugh will have their annual fundraiser dinner dance. We will recognize Mr. Conklin for his many years of service to the fire department.