



AGENDA
CITY OF GUSTINE
CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
352 5th STREET GUSTINE, CALIFORNIA
MARCH 7, 2017 – 6:30 P.M.

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Please take a moment to silence your cell phones.

ROLL CALL

Council Members: Turner – Hasness – Oliveira – Mayor Pro Tem Nagy - Mayor Oliveira

PRESENTATIONS

PUBLIC COMMENT

At this time, any person may comment on any item which is not on the agenda. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD. Action will not be taken on the topic unless deemed an urgency matter by a 3/5 vote of the City Council. Topics not considered an urgency matter may be referred to City staff and/or placed on a subsequent agenda for consideration, by a 3/5 vote of the City Council.

Members of the public, who have questions regarding a specific agenda item, may comment on that item before consideration of that item, when recognized by the Mayor.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and may be approved by one action of the City Council, unless any member of the City Council wishes to remove an item for separate consideration.

Are there any items on the consent calendar that any member of the public would like to comment on?

1. **Minutes of the February 2, 2017 Special Meeting**
Recommendation: Review and approve
2. **Minutes of the February 21, 2017 Regular Meeting**
Recommendation: Review and approve
3. **Warrants**
Recommendation: Review and approve
4. **Closure of Raymond James Investment Account**
Recommendation: Review and approve
5. **Request from Westside Auto Club for Street Closure and Temporary Curb Ramp for Annual Linguica Run**
Recommendation: Review and approve
6. **Request from Gustine Chamber of Commerce for Fee, Deposit and Dance Permit Fee Waiver for Use of Al Goman Community Center**
Recommendation: Review and approve
7. **Review and Accept Annual Audit Report for Fiscal Year 2013/2014**
Recommendation: Review and accept

ADMINISTRATIVE AGENDA

8. **Consider Appointing Applicant to Gustine Planning Commission**
 1. Receive Staff Report
 2. Receive Public Comment
 3. Consider a motion to nominate and approve one Planning Commissioner

9. **Consider Authorizing Interim City Manager to Execute Agreement and Application for Green Project Reserve Grant**
 1. Receive Staff Report
 2. Receive Public Comment
 3. Consider a motion to authorize Interim City Manager to execute agreement and application for grant application

10. **Consider Request for Street Use and Closure for Memorial Services for Elmer Snyder**
 1. Receive Staff Report
 2. Receive Public Comment
 3. Consider a motion to approve the street use and closure request

COMMISSION REPORTS

CITY DEPARTMENT REPORTS

CITY MANAGER REPORT

CITY COUNCIL REPORTS

CLOSED SESSION

1. **CONFERENCE WITH LABOR NEGOTIATOR. Pursuant to Government Code Section 54957.6. Agency Negotiator: City Manager: Employee organization: City of Gustine Clerks Association.**

2. **CONFERENCE WITH LABOR NEGOTIATOR. Pursuant to Government Code Section 54957.6. Agency Negotiator: City Manager: Employee organization: City of Gustine Public Works Association.**

3. **CONFERENCE WITH LABOR NEGOTIATOR. Pursuant to Government Code Section 54957.6. Agency Negotiator: City Manager: Employee organization: City of Gustine Police Officers Association.**

ADJOURNMENT

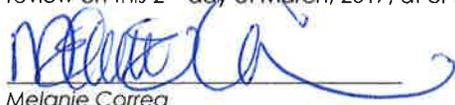
Note:

1. *In compliance with the Americans with Disabilities Act, a disabled person requesting a disability-related modification or accommodation to participate in this meeting, must contact City Hall at (209) 854-6471 or (209) 854-2127 (fax). Requests must be made as early as possible, preferably one-full business day before the start of the meeting.*

2. *Any document provided to a majority of the City Council regarding any open session item on this agenda is available for public inspection during normal business hours at the front counter of City Hall located at 352 5th Street, Gustine, CA. Documents or writings received after the general distribution of the agenda are also available for inspection.*

CERTIFICATION

I, Melanie Correa, Deputy City Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Gustine City Hall, 352 5th Street, Gustine CA and made available for public review on this 2nd day of March, 2017, at or before 5:00 p.m.


Melanie Correa

**MINUTES OF
SPECIAL MEETING
FEBRUARY 2, 2017**

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Mayor Oliveira called the meeting to order at 3:00 P.M. and conducted the pledge of allegiance.

ROLL CALL

Council Members: Turner, Oliveira, Hasness, Nagy, Oliveira

Staff Present: Interim City Manager Steve Wright, Finance Director Jami Westervelt, Community Services Director Kathryn Reyes, Project Manager Danny Reed, City Engineer Mario Gouveia, Police Chief Doug Dunford, and Deputy City Clerk Melanie Correa

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

ADMINISTRATIVE AGENDA

- 1. Downtown Roundabout discussion and direction**
 - a. Staff Report**
 - b. Presentation of Conceptual design by Gouveia Engineering**
 - c. Site Visit**
 - d. Return to Council Chambers for discussion and direction**

Interim City Manager Wright presented the staff report. City Engineer Gouveia and Project Manager Reed gave a presentation of review of the project.

The site visit was conducted from 3:20 P.M., and concluded at 3:35 P.M.

There was a lengthy discussion, in which the following public comment was had: Sherri Marsigli, North Ave, Gustine, inquired on the reason for losing parking spaces, to which information was provided from City Engineer Gouveia. Derek Alexander, 72 Via Jodi Gustine, expressed his support of the project, and he further relayed support of the project on behalf of downtown business owners through the Chamber of Commerce. Rick Nagle, 404 Jensen Rd Gustine, expressed his support of the project. Tony Marchese, Schmidt Rd Gustine, inquired whether the lowered curbs surrounding the project would encounter problems with existing storm drainage problems in this location, to which Community Services Direct Reyes and City Engineer Gouveia provided information. Mike Gandy, 1135 Bonta Ave Gustine, inquired how drainage problems that already occur in the project location would ever be fixed if not through this grant opportunity. A lengthy conversation was had amongst council on how Measure V funding would aid in the matching portion of this project. Pat Snoke, 803 Laurel Ave Gustine, expressed her support of the project. Larry Acosta, 433 Laurel Ave Gustine, inquired on the pedestrian safety features of the project, to which City Engineer Gouveia provided information. Vic Andersen, 764 Linden Ave Gustine, expressed his support of the project. Jose Moran, of Atwater,

inquired on the timing of the build out to which City Engineer Gouveia provided information. Victor Martinho, Grove Ave Gustine, expressed concern about the loss of parking spaces; he further suggested that this project should be for the benefit of commerce in the area. Rick Nagle, of Gustine, provided a suggestion that business owners utilize parking in the alleys behind their businesses to accommodate patron parking on 5th Street. Each Council member provided their thoughts and opinions on the project. Council member Hasness made a motion to approve the project. The motion was seconded by Council member Turner, and carried 4-0-1 with Council member Oliveira abstaining.

ADJOURNMENT

Mayor Pro Tem Nagy made a motion to adjourn the meeting. The motion was seconded by Council member Hasness. The meeting adjourned at 4:39 P.M.

ATTEST:

CITY CLERK

MAYOR OLIVEIRA

**MINUTES OF
REGULAR MEETING
FEBRUARY 21, 2017**

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Mayor Oliveira called the meeting to order at 6:31 P.M. and conducted the pledge of allegiance.

ROLL CALL

Council Members: Turner, Hasness, Oliveira, Mayor Pro Tem Nagy and Mayor Oliveira

Staff Present: Interim City Manager Steve Wright, Recreation Coordinator Tiffany Vitorino, Finance Director Jami Westervelt, Director of Community Services Kathryn Reyes, City Attorney Josh Nelson, Fire Chief Pat Borrelli, Police Chief Doug Dunford and Deputy City Clerk Melanie Correa

PRESENTATIONS

PUBLIC COMMENT

Derek Alexander, 72 Via Jodi and of the Chamber of Commerce, reported on a successful Paint Night fundraiser, and announced the upcoming Beer, Wine and Cheese fundraiser to be held in April.

Lloyd Pareira, County District Supervisor, District 4, advised that Merced County had been declared a flood zone, he urged those affected to report flood damage quickly for a chance at reimbursement. Claims should be sent to David Robinson, at the Merced County Ag Commissioners office.

CONSENT CALENDAR

1. **Minutes of the February 7, 2017 Regular Meeting**
Recommendation: Review and approve
2. **Warrants**
Recommendation: Review and approve
3. **Treasurer's Report – January 2017**
Recommendation: Review and approve
4. **Request from Sober Grad Committee for Fee, Deposit and Insurance Waiver of Al Goman Community Center**
Recommendation: Review and approve
5. **Request from Gustine High School for Fee Waiver for Use of DeGregori and Vierra Fields**
Recommendation: Review and approve
6. **Request from A Picker's Paradise for Street Closures and Antique Faire**
Recommendation: Review and approve

Mayor Oliveira introduced the consent calendar. Interim City Manager Wright corrected a typo on item #4, the total amount request for waiver should be \$625.98. Council member Oliveira made a motion to approve the consent calendar. The motion was seconded by Council member Hasness, and carried 5-0.

ADMINISTRATIVE AGENDA

7. Consider Appointing Applicants to Gustine Airport Commission

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Consider a motion to nominate and approve two Airport Commissioners*

Deputy City Clerk Correa presented the staff report. Mayor Oliveira invited each applicant up to the podium for questioning from Council, and the public. After the question and answer period, Mayor Oliveira nominated Bill Treshler and Leonard Acosta as Airport Commissioners. Council member Hasness made a motion to approve the Mayor's nominations. The motion was seconded by Mayor Pro Tem Nagy, and carried 5-0.

8. Consider Resolution Approving the Updated City of Gustine Emergency Operations Plan

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Consider a motion to approve the resolution*

Police Chief Dunford presented the staff report. Derek Alexander, 72 Via Jodi Gustine, inquired on the extra damage that has been sustained at the airport to which Police Chief Dunford provided information. After a brief discussion, Council member Oliveira made a motion to approve the resolution. The motion was seconded by Council member Hasness, and carried 5-0.

9. DISCUSS & DIRECTION: Provide Direction on Date for Goal Setting Workshop

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Provide staff with direction on a date for the annual Goal Setting Workshop*

Interim City Manager Wright presented the staff report. Vic Martinho, 975 Grove Ave Gustine, suggested that Council hold a workshop with the Community to collect strategic ideas from a community standpoint. Council member Oliveira expressed that he'd like Council to provide staff with departmental direction. Council member Oliveira suggested March 7th at 4:00 P.M. Council member Hasness made a motion to conduct a goal setting workshop on March 7, 2017 at 4:00 P.M. The motion was seconded by Council member Turner, and carried 5-0.

10. Consider Declaration of Surplus Property

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Consider a motion to declare the property as surplus and authorize staff to sell, auction off or destroy property*

Police Chief Dunford presented the staff report. Leonard Acosta inquired whether there would be an auction of the surplus property, to which Police Chief Dunford provided information. Judi Gandy inquired whether the antiques shops had been given an opportunity to browse, to which Police Chief Dunford provided information. Mayor Pro Tem Nagy made a motion to declare the property as surplus and authorize staff to sell, auction or destroy the property. The motion was seconded by Council member Oliveira, and carried 5-0.

11. Consider Request from Chamber of Commerce for Fee and Deposit Waiver of Goman Community Center

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Consider a motion to approve the fee and deposit waiver*

Deputy City Clerk Correa presented the staff report. There was no public comment. Council member Hasness made a motion to approve the fee and deposit waiver. The motion was seconded by Council member Turner, and carried 5-0.

COMMISSION REPORTS

Planning Chairman Gandy advised that he had nothing to report.

Airport Chairman Andersen advised that preparations on the upcoming Fly-In were ongoing. He further advised that the City Engineer made a presentation on the status of the Airport Drainage project.

CITY DEPARTMENT REPORTS

Finance Director Westervelt advised that she had nothing to report.

Recreation Coordinator Vitorino advised that youth basketball and soccer surveys were out. She advised of upcoming courses and classes. She also advised of upcoming training opportunities she would be attending.

Fire Chief Pat Borrelli advised on the ongoing EMS mandatory training his department was participating in. He reported that the "Fill the Boot" fundraiser had been postponed due to weather.

Director of Community Service Reyes advised on the extent of the storm damage to the Gustine Airport. She reported that weed abatement was ongoing, and that the O'Reilly's project was still forward moving. Lastly, she reported of several downed trees as a result of the recent storms.

Police Chief Dunford advised of the recent press release that Don Pedro would be releasing water. He outlined the ramifications that would cause due to the current levels of water in the Merced and San Joaquin rivers. Chief Dunford advised that the National Guard would be stationed in Gustine to be on standby for surrounding areas that may need assistance. Lastly, he advised that the Goman Center would serve as the local evacuation location.

CITY MANAGER REPORT

Interim City Manager Wright reported that the City Manager recruitment profile was listed on the Peckham and McKenney website. He provided an update on the Formula One project, which was waiting for water well testing results and for the green light to proceed from the state.

CITY COUNCIL REPORTS

Council member Hasness thanked first responders and public works for their diligence during the floods. She reported on a time well spent at the recent Chamber Paint Night event. She expressed her excitement to see interest with airport commissioner applicants.

Mayor Pro Tem Nagy thanked the airport commissioner applicants, he also expressed his gratitude to the current airport commissioners for their proactive stance.

Council member Turner thanked airport commission applicants.

Council member Oliveira thanked the airport commission applicants, he is hopeful to have the same outcome for planning commission vacancy. He inquired when Merced County BUS would be making a presentation before Council, to which Interim City Manager Wright provided information.

Mayor Oliveira reminded farmers to be diligent on getting in touch with County Supervisor Pereira to report flood damage.

CLOSED SESSION

- 1. CONFERENCE WITH LABOR NEGOTIATOR. Pursuant to Government Code Section 54957.6. Agency Negotiator: City Manager: Employee organization: City of Gustine Clerks Association.**
- 2. CONFERENCE WITH LABOR NEGOTIATOR. Pursuant to Government Code Section 54957.6. Agency Negotiator: City Manager: Employee organization: City of Gustine Public Works Association.**
- 3. CONFERENCE WITH LABOR NEGOTIATOR. Pursuant to Government Code Section 54957.6. Agency Negotiator: City Manager: Employee organization: City of Gustine Police Officers Association.**

Council returned from closed session, and advised in open session that there was no reportable action.

ADJOURNMENT

Mayor Pro Tem Nagy made a motion to adjourn the meeting. The motion was seconded by Council member Oliveira. The meeting adjourned at 8:36 P.M.

ATTEST:

CITY CLERK

MAYOR OLIVEIRA



Warrant List By Vendor Name

Post Dates 02/22/2017 - 03/07/2017

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: A+ CORDEIRO PLUMBING				
A+ CORDEIRO PLUMBING	4159	42346	HOT WATER HEATER REPA	98.50
A+ CORDEIRO PLUMBING	4204	42346	CLEAN BAR LINES DRAINS	127.50
Vendor A+ CORDEIRO PLUMBING Total:				226.00
Vendor: AA & BOB ALLEN, INC.				
AA & BOB ALLEN, INC.	125226	42347	PLAYGROUND BARK	1,583.93
Vendor AA & BOB ALLEN, INC. Total:				1,583.93
Vendor: AFLAC ADMINISTRATIVE SERVICES				
AFLAC ADMINISTRATIVE SE	330194	42348	PAYROLL DEDUCTIONS	1,282.48
Vendor AFLAC ADMINISTRATIVE SERVICES Total:				1,282.48
Vendor: ALHAMBRA & SIERRA SPRINGS				
ALHAMBRA & SIERRA SPRI	12652410 021017	42349	WATER / WW PLANT	71.54
Vendor ALHAMBRA & SIERRA SPRINGS Total:				71.54
Vendor: AOPA				
AOPA	N1705M2	42350	AIRCRAFT OWNERS/PILOT	99.00
Vendor AOPA Total:				99.00
Vendor: ARAMARK UNIFORM SERVICES INC				
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	3.04
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	3.04
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	6.08
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	5.47
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	12.77
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	24.92
ARAMARK UNIFORM SERV	635115248	42351	PW UNIFORMS	5.47
Vendor ARAMARK UNIFORM SERVICES INC Total:				60.79
Vendor: ASI ADMINISTRATIVE SOLUTIONS				
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	8.62
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	2.88
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	2.88
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	1.15
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	18.11
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	18.11
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	2.88
ASI ADMINISTRATIVE SOL	104107	42352	ASI COBRA ADMIN	2.87
Vendor ASI ADMINISTRATIVE SOLUTIONS Total:				57.50
Vendor: AT&T CALNET 3				
AT&T CALNET 3	000009250334	42353	TELEPHONE SERVICE 9391	122.63
AT&T CALNET 3	000009250334	42353	TELEPHONE SERVICE 9391	1,226.26
AT&T CALNET 3	000009250334	42353	TELEPHONE SERVICE 9391	490.50
AT&T CALNET 3	000009250334	42353	TELEPHONE SERVICE 9391	490.50
AT&T CALNET 3	000009250334	42353	TELEPHONE SERVICE 9391	122.63
AT&T CALNET 3	000009292299	42353	INTERNET SERVICES 93910	2.54
AT&T CALNET 3	000009292299	42353	INTERNET SERVICES 93910	25.48
AT&T CALNET 3	000009292299	42353	INTERNET SERVICES 93910	10.19
AT&T CALNET 3	000009292299	42353	INTERNET SERVICES 93910	10.19
AT&T CALNET 3	000009292299	42353	INTERNET SERVICES 93910	2.55
AT&T CALNET 3	000009293189	42353	INTERNET SERVICES 93910	5.47

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
AT&T CALNET 3	000009293189	42353	INTERNET SERVICES 93910	54.74
AT&T CALNET 3	000009293189	42353	INTERNET SERVICES 93910	21.90
AT&T CALNET 3	000009293189	42353	INTERNET SERVICES 93910	21.90
AT&T CALNET 3	000009293189	42353	INTERNET SERVICES 93910	5.47
AT&T CALNET 3	000009293191	42353	INTERNET SERVICES 93910	6.94
AT&T CALNET 3	000009293191	42353	INTERNET SERVICES 93910	69.42
AT&T CALNET 3	000009293191	42353	INTERNET SERVICES 93910	27.77
AT&T CALNET 3	000009293191	42353	INTERNET SERVICES 93910	27.77
AT&T CALNET 3	000009293191	42353	INTERNET SERVICES 93910	6.94
AT&T CALNET 3	000009293192	42353	INTERNET SERVICES 93910	4.67
AT&T CALNET 3	000009293192	42353	INTERNET SERVICES 93910	46.65
AT&T CALNET 3	000009293192	42353	INTERNET SERVICES 93910	18.66
AT&T CALNET 3	000009293192	42353	INTERNET SERVICES 93910	18.66
AT&T CALNET 3	000009293192	42353	INTERNET SERVICES 93910	4.66
AT&T CALNET 3	000009293193	42353	INTERNET SERVICES 93910	2.80
AT&T CALNET 3	000009293193	42353	INTERNET SERVICES 93910	28.12
AT&T CALNET 3	000009293193	42353	INTERNET SERVICES 93910	11.25
AT&T CALNET 3	000009293193	42353	INTERNET SERVICES 93910	11.25
AT&T CALNET 3	000009293193	42353	INTERNET SERVICES 93910	2.81
AT&T CALNET 3	000009293194	42353	INTERNET SERVICES 93910	0.99
AT&T CALNET 3	000009293194	42353	INTERNET SERVICES 93910	9.83
AT&T CALNET 3	000009293194	42353	INTERNET SERVICES 93910	3.93
AT&T CALNET 3	000009293194	42353	INTERNET SERVICES 93910	3.93
AT&T CALNET 3	000009293194	42353	INTERNET SERVICES 93910	0.98
AT&T CALNET 3	000009293195	42353	INTERNET SERVICES 93910	0.89
AT&T CALNET 3	000009293195	42353	INTERNET SERVICES 93910	8.88
AT&T CALNET 3	000009293195	42353	INTERNET SERVICES 93910	3.55
AT&T CALNET 3	000009293195	42353	INTERNET SERVICES 93910	3.55
AT&T CALNET 3	000009293195	42353	INTERNET SERVICES 93910	0.89
AT&T CALNET 3	000009293196	42353	INTERNET SERVICES 93910	0.99
AT&T CALNET 3	000009293196	42353	INTERNET SERVICES 93910	9.83
AT&T CALNET 3	000009293196	42353	INTERNET SERVICES 93910	3.93
AT&T CALNET 3	000009293196	42353	INTERNET SERVICES 93910	3.93
AT&T CALNET 3	000009293196	42353	INTERNET SERVICES 93910	0.98
Vendor AT&T CALNET 3 Total:				2,958.40
Vendor: BAKER SUPPLIES AND REPAIRS				
BAKER SUPPLIES AND REP	24967	42354	EQUIP SERVICE	99.80
BAKER SUPPLIES AND REP	25133	42354	CHAINSAW SERVICE	45.58
Vendor BAKER SUPPLIES AND REPAIRS Total:				145.38
Vendor: BYRON FAULDER				
BYRON FAULDER	MARCH 2017	42355	LEASE AGREEMENT	83.33
BYRON FAULDER	MARCH 2017	42355	LEASE AGREEMENT	83.34
BYRON FAULDER	MARCH 2017	42355	LEASE AGREEMENT	83.33
Vendor BYRON FAULDER Total:				250.00
Vendor: CALIFORNIA POLICE CHIEF'S ASSOC.				
CALIFORNIA POLICE CHIEF'	7319	42356	MEMBERSHIP RENEWAL C	331.00
Vendor CALIFORNIA POLICE CHIEF'S ASSOC. Total:				331.00
Vendor: CALIFORNIA STATE DISBURSEMENT UNIT				
CALIFORNIA STATE DISBU	PR- 2/19/17	42357	PAYROLL DEDUCTIONS	172.03
Vendor CALIFORNIA STATE DISBURSEMENT UNIT Total:				172.03
Vendor: CANON FINANCIAL SERVICES (FORMALLY OCE)				
CANON FINANCIAL SERVIC	17036697	42358	COPIER LEASE	41.41
CANON FINANCIAL SERVIC	17036697	42358	COPIER LEASE	77.64

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
CANON FINANCIAL SERVIC	17036697	42358	COPIER LEASE	10.35
CANON FINANCIAL SERVIC	17036697	42358	COPIER LEASE	129.40
CANON FINANCIAL SERVIC	17036697	42358	COPIER LEASE	129.40
CANON FINANCIAL SERVIC	17036697	42358	COPIER LEASE	129.42
Vendor CANON FINANCIAL SERVICES (FORMALLY OCE) Total:				517.62
Vendor: CANON SOLUTIONS AMERICA				
CANON SOLUTIONS AMER	4021497127	42359	COPIER LEASE	39.30
CANON SOLUTIONS AMER	4021497127	42359	COPIER LEASE	73.68
CANON SOLUTIONS AMER	4021497127	42359	COPIER LEASE	9.83
CANON SOLUTIONS AMER	4021497127	42359	COPIER LEASE	122.78
CANON SOLUTIONS AMER	4021497127	42359	COPIER LEASE	122.78
CANON SOLUTIONS AMER	4021497127	42359	COPIER LEASE	122.78
Vendor CANON SOLUTIONS AMERICA Total:				491.15
Vendor: CENTRAL SANITARY SUPPLY				
CENTRAL SANITARY SUPPL	769471	42360	JANITORIAL SUPPLIES	487.81
Vendor CENTRAL SANITARY SUPPLY Total:				487.81
Vendor: CITIZENS BUSINESS BANK				
CITIZENS BUSINESS BANK	MARCH 2017 PYMNT	42361	LEASE- REFUNDING NOTE	29,493.02
CITIZENS BUSINESS BANK	MARCH 2017 PYMNT	42361	LEASE- REFUNDING NOTE	16,304.49
Vendor CITIZENS BUSINESS BANK Total:				45,797.51
Vendor: CITY OF LOS BANOS				
CITY OF LOS BANOS	0654237	42362	PD PRISONER CARE JANUA	105.00
Vendor CITY OF LOS BANOS Total:				105.00
Vendor: CSG CONSULTING - PRECISION				
CSG CONSULTING - PRECIS	7159	42363	BUILDING PERMITS JANUA	2,640.43
Vendor CSG CONSULTING - PRECISION Total:				2,640.43
Vendor: DAVID JAMES FRANCIS				
DAVID JAMES FRANCIS	1077	42364	POOL ELECTRICAL REPAIR	233.82
Vendor DAVID JAMES FRANCIS Total:				233.82
Vendor: DIVERSIFIED RISK/HUB INTERNATIONAL				
DIVERSIFIED RISK/HUB INT	FEBRUARY 2017	42365	EVENT INSURANCE FEBRU	461.60
Vendor DIVERSIFIED RISK/HUB INTERNATIONAL Total:				461.60
Vendor: EMERGENCY VEHICLE SPECIALISTS				
EMERGENCY VEHICLE SPE	6568	42366	PD RADIO	7,464.60
Vendor EMERGENCY VEHICLE SPECIALISTS Total:				7,464.60
Vendor: FAR WEST LABORATORIES, INC.				
FAR WEST LABORATORIES,	84766	42367	WATER ANALYSIS	705.00
Vendor FAR WEST LABORATORIES, INC. Total:				705.00
Vendor: G&K SERVICES				
G&K SERVICES	1057373810	42368	PW UNIFORMS	2.12
G&K SERVICES	1057373810	42368	PW UNIFORMS	2.13
G&K SERVICES	1057373810	42368	PW UNIFORMS	4.24
G&K SERVICES	1057373810	42368	PW UNIFORMS	3.82
G&K SERVICES	1057373810	42368	PW UNIFORMS	8.91
G&K SERVICES	1057373810	42368	PW UNIFORMS	17.40
G&K SERVICES	1057373810	42368	PW UNIFORMS	3.82
G&K SERVICES	1057375927	42368	PW UNIFORMS	3.45
G&K SERVICES	1057375927	42368	PW UNIFORMS	3.47
G&K SERVICES	1057375927	42368	PW UNIFORMS	6.90
G&K SERVICES	1057375927	42368	PW UNIFORMS	6.21
G&K SERVICES	1057375927	42368	PW UNIFORMS	14.50
G&K SERVICES	1057375927	42368	PW UNIFORMS	28.31

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
G&K SERVICES	1057375927	42368	PW UNIFORMS	6.21
			Vendor G&K SERVICES Total:	111.49
Vendor: GILTON SOLID WASTE MANAGEMENT INC				
GILTON SOLID WASTE MA	MARCH 2017	42369	REFUSE SERVICE MARCH 2	32,987.42
			Vendor GILTON SOLID WASTE MANAGEMENT INC Total:	32,987.42
Vendor: GOUVEIA ENGINEERING INC				
GOUVEIA ENGINEERING I	5965	42370	SAPUTO WELL PERMIT	273.00
GOUVEIA ENGINEERING I	5967	42370	KATAKIS DEVELOPMENT	564.38
GOUVEIA ENGINEERING I	5969	42370	WATER GSA / UNDERGRO	283.50
GOUVEIA ENGINEERING I	5970	42370	CONSTRUCT ROUNDABOU	472.50
GOUVEIA ENGINEERING I	5971	42370	SCHMIDT PARK CLASS 1 T	345.00
GOUVEIA ENGINEERING I	5972	42370	CONSTRUCT ROUNDABOU	1,236.25
GOUVEIA ENGINEERING I	5973	42370	AIRPORT STORM DRAIN	6,708.75
GOUVEIA ENGINEERING I	5974	42370	O'REILLY'S AUTO PLANNIN	796.69
GOUVEIA ENGINEERING I	5975	42370	SOUZA PLANNING (VTM16	210.00
GOUVEIA ENGINEERING I	5976	42370	RAN HEALTH SERVICES	141.75
			Vendor GOUVEIA ENGINEERING INC Total:	11,031.82
Vendor: IEH-JL ANALYTICAL				
IEH-JL ANALYTICAL	394925	42371	WW ANALYSIS	476.00
IEH-JL ANALYTICAL	395288	42371	WW ANALYSIS	72.00
			Vendor IEH-JL ANALYTICAL Total:	548.00
Vendor: KEENAN & ASSOCIATES				
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	191.71
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	241.17
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	100.58
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	11,030.43
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	1,555.93
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	134.75
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	168.93
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	186.99
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	77.80
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	326.47
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	38.90
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	155.59
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	622.51
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	100.58
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	70.02
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	88.08
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	1,708.19
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	466.78
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	2,101.89
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	1,241.41
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	466.78
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	1,662.76
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	327.86
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	108.92
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	77.80
KEENAN & ASSOCIATES	MARCH 2017	42372	HEALTH INSURANCE	113.90
			Vendor KEENAN & ASSOCIATES Total:	23,366.73
Vendor: LANGUAGE LINE SERVICES				
LANGUAGE LINE SERVICES	3988425	42373	PD TRANSLATION SERVICE	18.97
LANGUAGE LINE SERVICES	4008660	42373	PD TRANSLATION SERVICE	11.36
			Vendor LANGUAGE LINE SERVICES Total:	30.33

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: LAW & ASSOCIATES INVESTIGATIONS				
LAW & ASSOCIATES INVES	1393	42374	PD BACKGROUND	1,000.00
Vendor LAW & ASSOCIATES INVESTIGATIONS Total:				1,000.00
Vendor: LINENBACH AUTO (NAPA NEWMAN)				
LINENBACH AUTO (NAPA	274832	42375	OIL	52.70
Vendor LINENBACH AUTO (NAPA NEWMAN) Total:				52.70
Vendor: MARYANN VIERRA				
MARYANN VIERRA	MARCH 2017	42376	LOAN PAYMENT	571.77
MARYANN VIERRA	MARCH 2017	42376	LOAN PAYMENT	707.35
MARYANN VIERRA	MARCH 2017	42376	LOAN PAYMENT	571.77
MARYANN VIERRA	MARCH 2017	42376	LOAN PAYMENT	707.36
Vendor MARYANN VIERRA Total:				2,558.25
Vendor: NUNES AUTO CARE				
NUNES AUTO CARE	402951	42377	TIRE REPAIR	16.00
NUNES AUTO CARE	570448	42377	TIRE REPAIR	16.00
Vendor NUNES AUTO CARE Total:				32.00
Vendor: P G & E				
P G & E	2/15/2017	42378	WWTP AERATION ELECTRI	19.71
Vendor P G & E Total:				19.71
Vendor: POLICE OFFICERS ASSOC				
POLICE OFFICERS ASSOC	PR-2/18/17	42379	PAYROLL DEDUCTIONS	480.00
Vendor POLICE OFFICERS ASSOC Total:				480.00
Vendor: PREMIER ACCESS INSURANCE COMPANY				
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	20.06
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	31.09
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	12.70
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	1,783.16
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	200.59
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	16.70
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	20.70
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	22.35
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	10.03
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	40.06
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	5.01
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	20.06
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	77.49
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	12.04
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	9.03
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	10.68
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	188.55
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	60.18
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	14.04
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	262.20
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	128.38
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	60.18
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	6.02
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	206.73
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	18.05
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	14.04
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	10.03
PREMIER ACCESS INSURA	MARCH 2017	42380	DENTAL INSURANCE	13.33
Vendor PREMIER ACCESS INSURANCE COMPANY Total:				3,273.48

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: PUBLIC EMP RETIREMENT SYSTEM				
PUBLIC EMP RETIREMENT	PR-2/18/17EECLASSICMIS	5048	RETIREMENT CONTRIBUTI	1,516.73
PUBLIC EMP RETIREMENT	PR-2/18/17EECLASSICSAF	5049	RETIREMENT CONTRIBUTI	1,348.18
PUBLIC EMP RETIREMENT	PR-2/18/17EEPEPRASAFET	5047	RETIREMENT CONTRIBUTI	666.19
PUBLIC EMP RETIREMENT	PR-2/18/17ERCLASSICMIS	5051	RETIREMENT CONTRIBUTI	1,864.49
PUBLIC EMP RETIREMENT	PR-2/18/17ERCLASSICSAF	5052	RETIREMENT CONTRIBUTI	2,555.97
PUBLIC EMP RETIREMENT	PR-2/18/17ERPEPRASAFET	5050	RETIREMENT CONTRIBUTI	699.96
PUBLIC EMP RETIREMENT	PR-2/4/17EECLASSICMISC	5054	RETIREMENT CONTRIBUTI	1,548.39
PUBLIC EMP RETIREMENT	PR-2/4/17EECLASSICSAFET	5055	RETIREMENT CONTRIBUTI	1,356.51
PUBLIC EMP RETIREMENT	PR-2/4/17EEPEPRASAFETY	5053	RETIREMENT CONTROBUT	603.06
PUBLIC EMP RETIREMENT	PR-2/4/17ERCLASSICMISC	5057	RETIREMENT CONTRIBUTI	1,902.06
PUBLIC EMP RETIREMENT	PR-2/4/17ERCLASSICSAFE	5058	RETIREMENT CONTRIBUTI	2,561.21
PUBLIC EMP RETIREMENT	PR-2/4/17ERPEPRASAFETY	5056	RETIREMENT CONTRIBUTI	633.64
Vendor PUBLIC EMP RETIREMENT SYSTEM Total:				17,256.39
Vendor: QPCS, LLC				
QPCS, LLC	13363	42381	PD MONTHLY SUPPORT	945.00
QPCS, LLC	13365	42381	PD MONTHLY ONLINE BAC	145.00
Vendor QPCS, LLC Total:				1,090.00
Vendor: SAFARILAND, LLC				
SAFARILAND, LLC	1010-045742	42382	PD SUPPLIES	296.26
Vendor SAFARILAND, LLC Total:				296.26
Vendor: SAN JOAQUIN VALLEY UNIFIED AIR POLL				
SAN JOAQUIN VALLEY UNI	N120757	42383	GENERATOR PERMIT FEE	264.00
SAN JOAQUIN VALLEY UNI	N120758	42383	GENERATOR PERMIT / W	88.00
Vendor SAN JOAQUIN VALLEY UNIFIED AIR POLL Total:				352.00
Vendor: SOLSTICE INVESTMENTS LLC (SOLAR CITY)				
SOLSTICE INVESTMENTS L	JB-9533902-00 JUNE	42384	W.W. ELECTRIC	15,411.29
Vendor SOLSTICE INVESTMENTS LLC (SOLAR CITY) Total:				15,411.29
Vendor: STAPLES CREDIT PLAN				
STAPLES CREDIT PLAN	1743008821	42385	OFFICE SUPPLIES	10.00
STAPLES CREDIT PLAN	1743008821	42385	OFFICE SUPPLIES	2.50
STAPLES CREDIT PLAN	1743008821	42385	OFFICE SUPPLIES	37.49
STAPLES CREDIT PLAN	1743008821	42385	OFFICE SUPPLIES	37.49
STAPLES CREDIT PLAN	1743008821	42385	OFFICE SUPPLIES	37.48
STAPLES CREDIT PLAN	1743124831	42385	OFFICE SUPPLIES - RECEIP	13.24
STAPLES CREDIT PLAN	1743124831	42385	OFFICE SUPPLIES - RECEIP	3.31
STAPLES CREDIT PLAN	1743124831	42385	OFFICE SUPPLIES - RECEIP	49.65
STAPLES CREDIT PLAN	1743124831	42385	OFFICE SUPPLIES - RECEIP	49.65
STAPLES CREDIT PLAN	1743124831	42385	OFFICE SUPPLIES - RECEIP	49.64
Vendor STAPLES CREDIT PLAN Total:				290.45
Vendor: STATE OF CALIFORNIA DEPT OF JUSTICE				
STATE OF CALIFORNIA DEP	217060	42386	PD FINGERPRINTING	764.00
Vendor STATE OF CALIFORNIA DEPT OF JUSTICE Total:				764.00
Vendor: TESEI PETROLEUM				
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	60.86
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	501.78
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	98.28
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	154.94
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	33.20
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	162.11
TESEI PETROLEUM	68118	42387	FUEL FD/PD/PW VEHICLE	162.67
Vendor TESEI PETROLEUM Total:				1,173.84

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: THE OFFICE CITY				
THE OFFICE CITY	IN-1406793	42388	PD OFFICE SUPPLIES	25.85
Vendor THE OFFICE CITY Total:				25.85
Vendor: TRUE BLUE VETERINARY HOSPITAL				
TRUE BLUE VETERINARY H	113881	42389	GAP VET SERVICES	30.00
TRUE BLUE VETERINARY H	114239	42389	PD ANIMAL CONTROL	20.00
TRUE BLUE VETERINARY H	114664	42389	GAP VET SERVICES	40.00
Vendor TRUE BLUE VETERINARY HOSPITAL Total:				90.00
Vendor: TYLER TECHNOLOGIES, INC.				
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	11.22
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	11.22
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	56.08
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	16.82
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	16.82
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	11.22
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	16.82
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	84.11
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	112.15
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	112.15
TYLER TECHNOLOGIES, IN	025-181436	42390	MAINTENANCE AGREEME	112.14
Vendor TYLER TECHNOLOGIES, INC. Total:				560.75
Vendor: VISION SERVICE PLAN-(CA)				
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	7.17
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	8.45
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	3.41
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	430.23
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	54.52
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	4.44
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	6.48
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	5.83
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	2.73
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	11.62
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	1.36
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	5.45
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	21.68
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	3.61
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	2.45
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	3.82
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	62.93
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	16.36
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	78.11
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	46.58
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	16.36
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	61.17
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	13.84
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	3.82
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	2.74
VISION SERVICE PLAN-(CA)	MARCH 2017	42391	VISION INSURANCE	5.45
Vendor VISION SERVICE PLAN-(CA) Total:				880.61
Vendor: WASHINGTON STATE SUPPORT REGISTRY				
WASHINGTON STATE SUP	PR- 2/18/17	42392	PAYROLL DEDUCTION	142.71
Vendor WASHINGTON STATE SUPPORT REGISTRY Total:				142.71

Warrant List

Post Dates: 02/22/2017 - 03/07/2017

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: WESTSIDE WELDING & RADIATOR				
WESTSIDE WELDING & RA	9980	42393	PW EQUIP STORAGE RACK	91.26
WESTSIDE WELDING & RA	9980	42393	PW EQUIP STORAGE RACK	91.26
WESTSIDE WELDING & RA	9980	42393	PW EQUIP STORAGE RACK	91.26
WESTSIDE WELDING & RA	9980	42393	PW EQUIP STORAGE RACK	91.26
Vendor WESTSIDE WELDING & RADIATOR Total:				365.04
Grand Total:				180,333.71

Report Summary

Fund Summary

Fund	Payment Amount
001 - GENERAL FUND	27,024.90
009 - COMMUNITY CENTER FUND	1,081.68
016 - SWIM POOL FUND	460.21
017 - CITY WIDE LIGHTING & LAND	713.07
018 - TRAFFIC SAFETY FUND	7,464.60
019 - RECREATION FUND	62.09
020 - SURFACE TRANS SERV FUND	2,053.75
021 - ST/SIDEWALK MAINT	1,110.70
059 - STORM DRAIN	411.56
060 - WATER FUND	8,833.74
061 - SEWER FUND	68,521.44
062 - REFUSE	33,964.92
063 - AIRPORT FUND	7,160.65
074 - ASSESS - BORRELLI	1,675.19
093 - INSURANCE TRUST FUND	461.60
099 - PAYROLL TRUST FUND	19,333.61
Grand Total:	180,333.71

Account Summary

Account Number	Account Name	Payment Amount
001-0000-200.085	SPAY/NEUTER DONATIO	70.00
001-0000-430.041-00	PLANNING DEPOSIT (PR	1,844.07
001-0110-530.201-00	OTHER CONTRACT SERVI	11.22
001-0120-530.009-00	OTHER PROFESSIONAL S	8.62
001-0140-510.020-00	GROUP HEALTH INSURA	218.94
001-0140-520.000-00	OFFICE SUPPLIES	23.24
001-0140-530.011-00	TELEPHONE & INTERNET	147.92
001-0140-530.201-00	OTHER CONTRACT SERVI	91.93
001-0142-510.020-00	GROUP HEALTH INSURA	280.71
001-0150-510.020-00	GROUP HEALTH INSURA	116.69
001-0150-520.011-00	UNIFORM ALLOWANCE	8.61
001-0150-520.040-00	FUEL	60.86
001-0210-510.020-00	GROUP HEALTH INSURA	13,243.82
001-0210-520.000-00	OFFICE SUPPLIES	322.11
001-0210-520.040-00	FUEL	501.78
001-0210-530.009-00	OTHER PROFESSIONAL S	1,899.33
001-0210-530.011-00	TELEPHONE & INTERNET	1,479.21
001-0210-530.090-00	MEMBERSHIPS/SUBSCRI	331.00
001-0210-530.201-00	OTHER CONTRACT SERVI	1,297.40
001-0220-520.040-00	FUEL	98.28
001-0230-510.020-00	GROUP HEALTH INSURA	1,811.04
001-0230-530.009-00	OTHER PROFESSIONAL S	20.00
001-0410-530.094-00	PLANNING/CONSTRUCT	2,782.18
001-0610-510.020-00	GROUP HEALTH INSURA	155.89
001-0610-520.010-00	DEPT OPERATING SUPPL	91.26
001-0610-520.011-00	UNIFORM ALLOWANCE	8.64
001-0610-530.201-00	OTHER CONTRACT SERVI	16.82
001-0610-540.011-00	BUILDINGS	83.33
009-0150-510.020-00	GROUP HEALTH INSURA	196.11
009-0150-520.010-00	DEPT OPERATING SUPPL	487.81
009-0150-520.040-00	FUEL	154.94
009-0150-530.201-00	OTHER CONTRACT SERVI	242.82
016-0613-510.020-00	GROUP HEALTH INSURA	215.17
016-0613-530.201-00	OTHER CONTRACT SERVI	245.04
017-0120-510.020-00	GROUP HEALTH INSURA	90.56
017-0120-530.009-00	OTHER PROFESSIONAL S	2.88
017-0270-530.201-00	OTHER CONTRACT SERVI	99.80

Account Summary

Account Number	Account Name	Payment Amount
017-0610-510.020-00	GROUP HEALTH INSURA	378.15
017-0610-520.010-00	DEPT OPERATING SUPPL	91.26
017-0610-520.011-00	UNIFORM ALLOWANCE	17.22
017-0610-520.040-00	FUEL	33.20
018-0210-540.030-00	MACHINERY & EQUIPME	7,464.60
019-0120-510.020-00	GROUP HEALTH INSURA	5.01
019-0142-510.020-00	GROUP HEALTH INSURA	40.26
019-0613-530.201-00	OTHER CONTRACT SERVI	16.82
020-0310-530.009-00	OTHER PROFESSIONAL S	2,053.75
021-0120-530.009-00	OTHER PROFESSIONAL S	2.88
021-0142-510.020-00	GROUP HEALTH INSURA	181.10
021-0310-510.020-00	GROUP HEALTH INSURA	721.68
021-0310-520.010-00	DEPT OPERATING SUPPL	143.96
021-0310-520.011-00	UNIFORM ALLOWANCE	15.50
021-0310-530.072-00	OTHER EQUIPMENT REP	45.58
059-0120-530.009-00	OTHER PROFESSIONAL S	1.15
059-0140-510.020-00	GROUP HEALTH INSURA	116.23
059-0140-520.000-00	OFFICE SUPPLIES	5.81
059-0140-530.201-00	OTHER CONTRACT SERVI	20.18
059-0142-510.020-00	GROUP HEALTH INSURA	81.50
059-0730-510.020-00	GROUP HEALTH INSURA	102.58
059-0730-530.201-00	OTHER CONTRACT SERVI	84.11
060-0120-530.009-00	OTHER PROFESSIONAL S	18.11
060-0140-510.020-00	GROUP HEALTH INSURA	1,959.67
060-0140-520.000-00	OFFICE SUPPLIES	87.14
060-0140-530.011-00	TELEPHONE & INTERNET	591.68
060-0140-530.201-00	OTHER CONTRACT SERVI	252.18
060-0142-510.020-00	GROUP HEALTH INSURA	543.32
060-0210-510.020-00	GROUP HEALTH INSURA	14.04
060-0710-510.020-00	GROUP HEALTH INSURA	2,442.20
060-0710-520.011-00	UNIFORM ALLOWANCE	36.18
060-0710-520.040-00	FUEL	162.11
060-0710-530.009-00	OTHER PROFESSIONAL S	283.50
060-0710-530.094-00	LICENSES & PERMIT FEE	264.00
060-0710-530.111-00	NOTE	571.77
060-0710-530.122-00	INTEREST	707.35
060-0710-530.201-00	OTHER CONTRACT SERVI	817.15
060-0710-540.011-00	BUILDINGS	83.34
061-0120-530.009-00	OTHER PROFESSIONAL S	18.11
061-0140-510.020-00	GROUP HEALTH INSURA	1,416.37
061-0140-520.000-00	OFFICE SUPPLIES	87.14
061-0140-530.011-00	TELEPHONE & INTERNET	591.68
061-0140-530.201-00	OTHER CONTRACT SERVI	252.18
061-0142-510.020-00	GROUP HEALTH INSURA	543.32
061-0210-510.020-00	GROUP HEALTH INSURA	6.02
061-0520-510.020-00	GROUP HEALTH INSURA	1,930.66
061-0520-520.010-00	DEPT OPERATING SUPPL	547.54
061-0520-520.011-00	UNIFORM ALLOWANCE	70.63
061-0520-520.030-00	MOTOR VEHICLE EXPEN	32.00
061-0520-520.040-00	FUEL	162.67
061-0520-530.060-00	ELECTRIC	15,431.00
061-0520-530.094-00	LICENSES & PERMIT FEE	88.00
061-0520-530.102-00	BOND PRINC/COP'S & S	29,493.02
061-0520-530.111-00	NOTE	571.77
061-0520-530.121-00	INTEREST - COP'S & SRF	16,304.49
061-0520-530.122-00	INTEREST	707.36
061-0520-530.201-00	OTHER CONTRACT SERVI	184.15
061-0520-540.011-00	BUILDINGS	83.33

Account Summary

Account Number	Account Name	Payment Amount
062-0120-530.009-00	OTHER PROFESSIONAL S	2.88
062-0140-510.020-00	GROUP HEALTH INSURA	359.75
062-0140-520.000-00	OFFICE SUPPLIES	87.12
062-0140-530.011-00	TELEPHONE & INTERNET	147.91
062-0140-530.201-00	OTHER CONTRACT SERVI	252.20
062-0510-520.011-00	UNIFORM ALLOWANCE	15.50
062-0510-530.009-00	OTHER PROFESSIONAL S	32,987.42
062-0510-530.201-00	OTHER CONTRACT SERVI	112.14
063-0120-510.020-00	GROUP HEALTH INSURA	126.78
063-0120-530.009-00	OTHER PROFESSIONAL S	2.87
063-0142-510.020-00	GROUP HEALTH INSURA	90.57
063-0340-510.020-00	GROUP HEALTH INSURA	132.68
063-0340-530.009-00	OTHER PROFESSIONAL S	6,708.75
063-0340-530.090-00	MEMBERSHIPS/SUBSCRI	99.00
074-0910-520.010-00	DEPT OPERATING SUPPL	1,675.19
093-0000-220.070	INSURANCE TRUST	461.60
099-0000-220.050	PERS PAYABLE	17,256.39
099-0000-220.065	AFLAC PAYABLE	1,282.48
099-0000-220.071	POA DEDUCT PAYABLE	480.00
099-0000-220.097	CALIFORNIA STATE DISB	172.03
099-0000-220.098	WASHINGTON SUPPORT	142.71
	Grand Total:	180,333.71

Project Account Summary

Project Account Key	Payment Amount
None	180,333.71
Grand Total:	180,333.71

Jami Westervelt



ITEM NO. 4

CITY COUNCIL AGENDA ITEM

MARCH 7, 2017

PREPARED BY: Jami Westervelt, Finance Director

SUBJECT: Closure of Raymond James Investment Account

BACKGROUND/DISCUSSION

In 2007, the City established an investment account with Raymond James, an affiliate of Tri Counties Bank. The Council resolution establishing the account cites diversification and interest rates related to the type of account being opened.

There have not been significant deposits to the account following the initial transfer and the City transferred funds back to its general fund in a few instances within the first few years of establishing the account. The account balance has remained static with the exception of small interest deposits by Raymond James and the closing balance in January 2017 at \$273,491 was within approximately \$1,000 of the 2010 balance.

In recent years, the interest rate yield from the Raymond James account has been well below that of the Local Agency Investment Fund (LAIF), which holds all other funds not held in the City's checking and savings accounts at Tri Counties Bank. LAIF is a voluntary State program, administered by the State Treasurer which is open to local governments and special districts. As of 2/28/17, LAIF lists 2,451 agencies participating. Comparing interest yields reported by LAIF and Raymond James for the quarter/year ending December 2016 shows Raymond James at .02% and LAIF at .68%.

Staff has also found LAIF to provide a great deal of flexibility in depositing and withdrawing funds between Tri Counties checking and LAIF, with limited administrative requirements, next-day transfers, and online as well as phone support.

Staff sees no advantage to maintaining the current account with Raymond James and recommends moving these funds to the existing LAIF account.

FISCAL IMPACT

None

RECOMMENDATION

Approve staff to take necessary steps to close the Raymond James account and move funds to the City of Gustine LAIF account.

APPROVED BY:


STEVE WRIGHT, INTERIM CITY MANAGER



COUNCIL AGENDA ITEM

MARCH 7, 2017

PREPARED BY: Doug Dunford, Police Chief

SUBJECT: Request from Westside Auto Club for Street Closures and Installation of a Temporary Curb Ramp for the "Annual Linguica Run"

BACKGROUND/DISCUSSION

Staff has received a request from the Westside Auto Club to hold their "Annual Linguica Run" on Sunday July 9th, 2017. City Council authorization is necessary as the request encompasses the use and closure of City Streets, the use of City Facilities and the use of City Personnel. The requested use and closure of City Streets is Second Avenue, between West Av. and Sixth St.

The Westside Auto Club is requesting to install a temporary curb ramp on Sixth Street, north of Third Avenue. This ramp will provide safe access to the park for vehicles entering and exiting the car show.

The Westside Auto Club is also requesting utilization of the entire Henry Miller Park Facilities, not including the swimming pool. The use of Henry Miller Park and the street closures will be from 5:00 AM to 5:00 PM on Sunday, July 9, 2017. In addition, the Westside Auto Club is requesting access to the park and facilities on Saturday, July 8, 2017 for preparations.

Don Gomes, the President of Westside Auto Club will be required to obtain all required permits regarding the use of Henry Miller Park, prior to the event.

The Westside Auto Club has held this event in Henry Miller Park for 37 years. The event has proven to be a great success, with over 320 vehicles on display. This year is the 38th Anniversary. Staff will ensure all proper permits are obtained and that Police and Public Works Personnel are assigned as needed. Staff will also ensure adherence to all regulations established for previous events.

FISCAL IMPACT

1. Publics Works labor for barricade placement and retrieval, estimated by Public Works Director Katheryn Reyes, is estimated at 4 hours. The labor cost to Public Works is estimated at \$77.48. (2 hours X \$38.74)
2. Additional Police staffing will be required to provide security at this event, estimated at 4 hours. The labor cost is estimated at \$190.92. (4 hours X \$47.73)
3. Total cost to the City (Public Works and additional Police Staffing is \$268.40. Don Gomes is aware of the estimated labor cost.

RECOMMENDATION

Approve the request from West Side Auto Club to close Second Avenue, between West Av. and Sixth St. and to allow the installation of a temporary curb ramp as outlined in the attached letter.

EXHIBIT(S)

A) Letter of request from West Side Auto Club.

APPROVED BY:

STEVE WRIGHT, INTERIM CITY MANAGER



February 11th 2017

Gustine City Council
City of Gustine
683 3rd Street

Dear Council Members,

This year will be the 38th Anniversary of the Westside Auto Club Linguica Run. We would like to reserve the Henry Miller Park on Sunday July 9th for the Run. We would require access to the park on Saturday July 8th for our pre run preparations. We average about 320 cars (from all over California) and we do help bring in a large crowd for the Gustine Fireman's Breakfast! Like I've said in the past its always a win win situation for everyone in Gustine!

Like I've mentioned before there is a lot of History in the Westside Auto Club, The Linguica Run and Gustine all together, it's a tradition that runs 38 years. We thank you for your support in advance.

We request to have Second Avenue between West and 6th Street blocked off for the Linguica Run preparations and Club parking. We do need to again install a steel ramp which will be removed after the run on the 10th of July. The ramp helps low profile cars get into the park without damage to their under carriage. The ramp will be steel plates, the same as last year. Please leave barricades in those areas as needed. Thank you!

If you have any questions please call Westside Auto Club President Don Gomes at (209)765-1273. Or myself (club secretary) at (209)918-0488.

Thank you for your support in the past and in the present and in the future!

John Verissimo
Secretary, WSAC
istanbull@sbcglobal.net
(209)918-0488

Don Gomes
President, WSAC
(209)765-1273

Alan Rocha
VP, WSAC
(209)761-6891



COUNCIL AGENDA ITEM

MARCH 7, 2017

PREPARED BY: Melanie Correa, Deputy City Clerk

SUBJECT: Request from Chamber of Commerce for Fee, Deposit and Dance Permit Fee Waiver of Al Goman Community Center

BACKGROUND/ DISCUSSION:

Historically the Gustine Chamber of Commerce has organized various events throughout the year. The Chamber relies heavily on fundraisers to continue their ability to organize and host events that benefits Gustine's businesses and community.

The Chamber plans to host their next fundraising event of this year, the Wine, Beer and Cheese Tasting, on April 22, 2017, at the Al Goman Community Center. The Chamber is requesting the City's support and assistance in the form of a fee waiver of the Al Goman Community Center damage deposit, rental fees, and the dance permit fee. The Chamber has provided the City with liability insurance for their event.

FISCAL IMPACT:

The service club fee value of the use of the Al Goman Center is \$475.00, and the damage deposit is \$300.00. The fee for a dance permit is \$40.00. The total amount requested for waiver is \$815.00.

RECOMENDATION:

Approve the Chamber of Commerce's request to waive the damage deposit, rental fee and dance permit fee of the Al Goman Community Center for the Wine, Beer and Cheese Tasting fundraising event.

EXHIBIT

A) Letter from Chamber of Commerce

APPROVED BY:



STEVE WRIGHT, INTERIM CITY MANAGER

February 15, 2017

Gustine City Council
Gustine, CA.

Attention: Steve Wright, City Manager

Dear Mayor Oliverira and City Council

The Gustine Chamber of Commerce will be sponsoring various projects throughout the year. In an effort to make 2017 a successful year, the Chamber needs your assistance.

Our event will be held on April 22, 2017. Our Annual Wine, Beer & Cheese Tasting Fund-raiser will take place at the Al Goman Center. Our fund-raiser this year is for an artificial Christmas Tree for Downtown Gustine. This Christmas Tree is \$10,000.00 has a 10 year warranty with lights. This fund-raiser also pays for our office, Lemoore Naval Base BBQ, downtown projects, and promoting the City of Gustine. We are asking the City of Gustine to please waive the fees at the Al Goman Center for our event. The Chamber of Commerce raises money to donate it back to the City for projects that we will continue to help with.

Thank You
Judi Gandy
Executive Director
Gustine Chamber of Commerce



COUNCIL AGENDA ITEM

MARCH 7, 2017

PREPARED BY: Steven L. Wright, Interim City Manager
Jami Westervelt, Finance Director

SUBJECT: Review and Accept the City's Annual Audit Report for Fiscal Year 2013/2014

BACKGROUND/DISCUSSION

Each year, the City contracts with an independent firm to prepare an audit of the preceding fiscal year's financial transactions. As was the case with the audit the prior year, the FY 13-14 work and report was completed by the firm Nicholson & Olson, LLP.

The Council has been advised in previous meetings of challenges in timing that have delayed the preparation of this audit. Now that this fiscal year is complete, staff can move forward with subsequent years in an expedient manner. Staff will be advising Council in future meetings of ways to expedite that process.

A Single Audit was not required for the fiscal year, as the City did not receive over \$500,000 in federal funds during the period.

The audit for FY 13/14 mirrors the audits in previous year and confirms the financial statements are presented fairly in all material respects and are free of material misstatement.

As in previous years, the audit balances in the general fund column include what the City has generally internally considered as unrestricted reserve funds, as well as the General Fund 001 named in the Council budget. These are rolled up in the audit document whereas the Council generally budgets the majority of yearly expenses in Fund 001 and any purchases from other funds come before the Council for approval on a case-by-case basis.

RECOMENDATION:

Review and accept the City of Gustine Annual Audit Report, management letter and the single audit for Fiscal Year 2013/14.

EXHIBITS:

- A) Independent Auditor's Report which Includes Financial Statements and Independent Auditor's Report on Internal Controls.

CITY OF GUSTINE

**INDEPENDENT AUDITOR'S REPORT
and
FINANCIAL STATEMENTS
Modified Cash Basis**

June 30, 2014

**CITY OF GUSTINE
TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT 1-2

FINANCIAL STATEMENTS

Government-wide Financial Statements
 Statement of Net Position Arising from Cash Transactions 3
 Statement of Activities Arising from Cash Transactions 4-5

Fund Financial Statements
 Statement of Assets, Liabilities, and Fund Balances
 Arising from Cash Transactions – Governmental Funds 6
 Reconciliation of Statement of Assets, Liabilities, and
 Fund Balances Arising from Cash Transactions – Governmental
 Funds to the Statement of Net Position Arising from the Cash Transactions 7
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Arising from Cash Transactions – Governmental Funds 8
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances Arising from Cash Transactions – Governmental
 Funds to the Statement of Activities Arising from Cash Transactions 9
 Statement of Assets, Liabilities, and Net Assets Arising from
 Cash Transactions – Proprietary Fund Types 10
 Statement of Revenues, Expenses, and Changes in Net Assets
 Arising from Cash Transactions – Proprietary Fund Types 11
 Statement of Cash Flows Arising from Cash Transactions –
 Proprietary Fund Types 12

Notes to Basic Financial Statements 13-32

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues, Expenditures, and
 Changes in Fund Balances Arising from Cash Transactions –
 Budget and Actual 33

Utility Tax Fund – Schedule of Revenues, Expenditures, and
 Changes in Fund Balance Arising from Cash Transactions –
 Budget and Actual 34

Street Sidewalk Maintenance Fund – Schedule of Revenues, Expenditures, and
 Changes in Fund Balance Arising from Cash Transactions –
 Budget and Actual 35

OTHER SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds:
 Combining Statement of Assets, Liabilities, and Fund Balances
 Arising from Cash Transactions – Non-Major Governmental Funds 36-40
 Combining Statement of Revenues, Expenditures, and Changes
 in Fund Balances Arising from Cash Transactions –
 Non-Major Governmental Funds 41-45

ADDITIONAL REPORTS

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 Governmental Auditing Standards 46-48

INDEPENDENT AUDITOR'S REPORT

**NICHOLSON
& OLSON**

Honorable Mayor and Members of the City Council
City of Gustine
Gustine, California

CERTIFIED PUBLIC ACCOUNTANTS

729 Sunrise Avenue, Suite 303

Roseville, California 95661

(916) 786-7997

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Gustine, California (City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective modified cash basis financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gustine at June 30, 2014, and the respective changes in its modified cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Honorable Mayor and Members of the City Council
City of Gustine

Basis of Accounting

As described in Note 1, the City prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis (MD&A) 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 required to be part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Gustine's basic financial statements. The combining and individual non-major fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 statement or to the 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 non-major fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2017 on our consideration of The City of Gustine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Chuck Nicholson

Certified Public Accountants
Roseville, California
February 25, 2017

FINANCIAL STATEMENTS

CITY OF GUSTINE
Statement of Net Position
Arising from Cash Transactions
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 2,785,386	\$ 969,870	\$ 3,755,256
Cash with fiscal agents	-	181,747	181,747
Accounts receivable	-	-	-
Loans receivable	47,752	-	47,752
Deposits and other assets	-	-	-
Internal balances	(917,143)	917,143	-
Total Assets	<u>1,915,995</u>	<u>2,068,760</u>	<u>3,984,755</u>
Liabilities			
Customer deposits and other	-	103,566	103,566
Long-term debt due within one year	23,022	293,776	316,798
Non-current liabilities			
Compensated absences	78,073	26,111	104,184
Long-term debt due in more than one year	1,206,426	2,371,313	3,577,739
Total Liabilities	<u>1,307,521</u>	<u>2,794,766</u>	<u>4,102,287</u>
Net Position			
Restricted for:			
Capital projects	725,297	-	725,297
Debt service	38,727	181,747	220,474
Housing	379,897	-	379,897
Streets	325,359	-	325,359
Public Safety	3,686	-	3,686
Unrestricted	(972,935)	(907,753)	(1,880,688)
Total Net Position (Deficit)	<u>\$ 500,031</u>	<u>\$ (726,006)</u>	<u>\$ (225,975)</u>

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

CITY OF GUSTINE
Statement of Activities
Arising from Cash Transactions
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government				
Governmental Activities:				
General government	\$ 681,024	\$ 345,907	\$ -	\$ -
Public safety	1,542,012	78,830	263,286	-
Public works	156,018	232,923	194,040	-
Community development	76,680	29,596	202,799	-
Parks and recreation	150,753	39,971	-	-
Interest on long-term debt	127,219	-	-	-
Total Governmental Activities	2,733,706	727,227	660,125	-
Business-type Activities:				
Water	1,151,252	886,461	900,000	-
Sewer	944,573	1,004,844	-	-
Refuse	422,982	467,829	-	-
Airport	152,396	142,254	28,759	-
Total Business-type Activities	2,671,203	2,501,388	928,759	-
Total Primary Government	\$ 5,404,909	\$ 3,228,615	\$ 1,588,884	\$ -

General Revenues:

- Taxes:
 - Property taxes
 - Utility user taxes
 - Sales and use taxes
- Franchises
- Use of money and property
- Motor vehicle in-lieu, unrestricted
- Other
- Transfers

Change in Net Position

Net Position (Deficit), beginning of year

- Reclassification of fund balance
- Prior period adjustment - interfund activities
- Prior period adjustment - long-term liabilities

Net Position (Deficit), beginning of year (as restated)

Net Position (Deficit), end of year

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

Change in Net Position

Governmental Activities	Business-type Activities	Total
\$ (335,117)	\$ -	\$ (335,117)
(1,199,896)	-	(1,199,896)
270,945	-	270,945
155,715	-	155,715
(110,782)	-	(110,782)
(127,219)	-	(127,219)
<u>(1,346,354)</u>	<u>-</u>	<u>(1,346,354)</u>
-	635,209	635,209
-	60,271	60,271
-	44,847	44,847
-	18,617	18,617
<u>-</u>	<u>758,944</u>	<u>758,944</u>
(1,346,354)	758,944	(587,410)
489,689	-	489,689
226,008	-	226,008
439,789	-	439,789
80,868	-	80,868
72,507	2,245	74,752
284,667	-	284,667
165,665	-	165,665
50,854	(50,854)	-
<u>463,693</u>	<u>710,335</u>	<u>1,174,028</u>
(1,522,747)	366,285	(1,156,462)
1,671,811	(1,671,811)	-
(180,759)	(130,815)	(311,574)
68,033	-	68,033
<u>36,338</u>	<u>(1,436,341)</u>	<u>(1,400,003)</u>
<u>\$ 500,031</u>	<u>\$ (726,006)</u>	<u>\$ (225,975)</u>

CITY OF GUSTINE
Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Utility Tax Fund</u>	<u>USDA Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash	\$ 193	\$ 740,026	\$ -	\$ 2,045,167	\$ 2,785,386
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Deposits and other assets	-	-	-	-	-
Loans receivable	47,752	-	-	-	47,752
Total Assets	\$ 47,945	\$ 740,026	\$ -	\$ 2,045,167	\$ 2,833,138
Liabilities					
Due to other funds	89,740	-	394,761	432,642	917,143
Deferred revenue	-	-	-	-	-
Other liabilities	108,443	-	-	-	108,443
Total Liabilities	198,183	-	394,761	432,642	1,025,586
Fund Balances					
Reserved for capital projects	-	-	-	736,872	736,872
Reserved for debt service	-	-	-	38,727	38,727
Unreserved, undesignated					
General fund	(150,238)	-	-	-	(150,238)
Capital projects funds	-	-	-	(11,575)	(11,575)
Special revenue funds	-	740,026	(394,761)	848,501	1,193,766
Total Fund Balance (Deficit)	(150,238)	740,026	(394,761)	1,612,525	1,807,552
Total Liabilities & Fund Balances	\$ 47,945	\$ 740,026	\$ -	\$ 2,045,167	\$ 2,833,138

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

CITY OF GUSTINE
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
To the Statement of Net Position Arising from Cash Transactions
June 30, 2014

Fund balance of governmental funds	\$ 1,807,552
------------------------------------	--------------

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

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the government funds:

Note payable	\$ 302,448	
2011 Certificates of participation (City Hall)	927,000	
Compensated absences	78,073	<u>(1,307,521)</u>

Net position (deficit) of governmental activities	<u>\$ 500,031</u>
---	-------------------

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

CITY OF GUSTINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Utility Tax Fund	USDA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 1,010,346	\$ 226,008	\$ -	\$ -	\$ 1,236,354
Licenses and permits	87,115	-	-	-	87,115
Fines and penalties	18,586	-	-	-	18,586
Investment earnings	71,914	1,269	-	(676)	72,507
Intergovernmental	499,128	-	94,000	363,326	956,454
Charges for services	105,328	4,527	-	500,007	609,862
Other revenues	139,251	25,173	-	1,241	165,665
Total Revenues	1,931,668	256,977	94,000	863,898	3,146,543
Expenditures					
Current:					
General government	227,645	118,444	-	334,935	681,024
Public safety	1,542,012	-	-	-	1,542,012
Public works	35,583	-	-	120,435	156,018
Community development	43,436	-	-	644	44,080
Parks and recreation	150,753	-	-	-	150,753
Planning	32,600	-	-	-	32,600
Debt service:					
Principal	-	-	22,295	-	22,295
Interest	-	-	127,219	-	127,219
Total Expenditures	2,032,029	118,444	149,514	456,014	2,756,001
Excess of revenues over (under) expenditures	(100,361)	138,533	(55,514)	407,884	390,542
Other Financing Sources (Uses)					
Transfers in	408,548	-	76,329	-	484,877
Transfers out	-	(219,352)	-	(214,669)	(434,021)
Total Other Financing Sources	408,548	(219,352)	76,329	(214,669)	50,856
Net Change in Fund Balances	308,187	(80,819)	20,815	193,215	441,398
Fund Balances (deficit), beginning of year	(307,231)	820,845	(2,087,387)	1,448,875	(124,898)
Reclassification of fund balance	-	-	1,671,811	-	1,671,811
Prior period adjustments	(151,194)	-	-	(29,565)	(180,759)
Fund Balances (deficit), beginning of year (restated)	(458,425)	820,845	(415,576)	1,419,310	1,366,154
Fund Balances (deficit), end of fiscal year	<u>\$ (150,238)</u>	<u>\$ 740,026</u>	<u>\$ (394,761)</u>	<u>\$ 1,612,525</u>	<u>\$ 1,807,552</u>

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

CITY OF GUSTINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances Arising from Cash Transactions
To the Statement of Activities Arising from Cash Transactions
For the Fiscal Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$ 441,398
--	------------

Amounts reported for governmental activities in the statement of activities differ because:

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Debt repayments are reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

Principal repayments on long-term debt	22,295
Proceeds from new loans	<u>-</u>

Change in net position of governmental activities	<u><u>\$ 463,693</u></u>
---	--------------------------

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

CITY OF GUSTINE
Statement of Assets, Liabilities, and Net Assets
Arising from Cash Transactions
Proprietary Fund Types
June 30, 2014

	Enterprise Funds				Totals
	Water	Sewer	Refuse	Airport	
Assets					
Current Assets					
Cash and investments	\$ 625,190	\$ 344,680	\$ -	\$ -	\$ 969,870
Due from other funds		1,360,296	-	-	1,360,296
Total Current Assets	625,190	1,704,976	-	-	2,330,166
Other Assets - Restricted					
Cash with fiscal agent	-	181,747	-	-	181,747
Total Assets	625,190	1,886,723	-	-	2,511,913
Liabilities					
Current Liabilities					
Customer deposits	103,566	-	-	-	103,566
Due to other funds	350,293	-	83,691	9,169	443,153
Long term debt due within one year	108,700	185,076	-	-	293,776
Total Current Liabilities	562,559	185,076	83,691	9,169	840,495
Long-term Liabilities					
Compensated absences	6,674	9,973	7,663	1,801	26,111
Long-term debt due in more than one year	1,329,500	1,041,813	-	-	2,371,313
Total Long-term Liabilities	1,336,174	1,051,786	7,663	1,801	2,397,424
Total Liabilities	1,898,733	1,236,862	91,354	10,970	3,237,919
Net Assets (Deficit)					
Restricted for debt service	-	181,747	-	-	181,747
Unrestricted	(1,273,543)	468,114	(91,354)	(10,970)	(907,753)
Total Net Assets (Deficit)	(1,273,543)	649,861	(91,354)	(10,970)	(726,006)
Total Liabilities & Net Assets	\$ 625,190	\$ 1,886,723	\$ -	\$ -	\$ 2,511,913

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

CITY OF GUSTINE
Statement of Revenues, Expenses, and Changes in Net Assets
Arising from Cash Transactions
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds				Totals
	Water	Sewer	Refuse	Airport	
Operating Revenues					
Service charges	\$ 874,081	\$ 999,655	\$ 467,829	\$ 142,254	\$ 2,483,819
Connection fees	9,932	-	-	-	9,932
Intergovernmental grants	900,000	-	-	28,759	928,759
Other revenue	2,454	5,189	-	-	7,643
Total Operating Revenues	<u>1,786,467</u>	<u>1,004,844</u>	<u>467,829</u>	<u>171,013</u>	<u>3,430,153</u>
Operating Expenses					
Salaries & wages	255,172	224,700	6,445	38,046	524,363
Employee benefits	117,293	109,463	365	8,251	235,372
Contract services	308,503	73,726	398,099	3,341	783,669
Maintenance and operation	103,252	142,260	9,338	48,030	302,880
Insurance	34,703	34,781	5,316	9,691	84,491
Office supplies	25,499	15,855	3,419	39,179	83,952
Utilities	126,955	261,079	-	5,858	393,892
Machinery & equipment	78,017	-	-	-	78,017
Total Operating Expenses	<u>1,049,394</u>	<u>861,864</u>	<u>422,982</u>	<u>152,396</u>	<u>2,486,636</u>
Operating Income (Loss)	<u>737,073</u>	<u>142,980</u>	<u>44,847</u>	<u>18,617</u>	<u>943,517</u>
Non-Operating (Expense)					
Interest income	715	1,371	132	27	2,245
Interest expense	(101,858)	(82,715)	-	-	(184,573)
Net operating transfers in (out)	(25,432)	(25,422)	-	-	(50,854)
Total Non-Operating Revenue (Expense)	<u>(126,575)</u>	<u>(106,766)</u>	<u>132</u>	<u>27</u>	<u>(233,182)</u>
Changes in Net Assets	<u>610,498</u>	<u>36,214</u>	<u>44,979</u>	<u>18,644</u>	<u>710,335</u>
Net Assets (deficit), beginning of year	<u>(147,119)</u>	<u>667,294</u>	<u>(128,264)</u>	<u>(25,626)</u>	<u>366,285</u>
Reclassification of fund balance	(1,671,811)	-	-	-	(1,671,811)
Prior period adjustments	(65,111)	(53,647)	(8,069)	(3,988)	(130,815)
Net Asset (deficit), beginning of year (restated)	<u>(1,884,041)</u>	<u>613,647</u>	<u>(136,333)</u>	<u>(29,614)</u>	<u>(1,436,341)</u>
Net Assets (deficit), end of fiscal year	<u>\$ (1,273,543)</u>	<u>\$ 649,861</u>	<u>\$ (91,354)</u>	<u>\$ (10,970)</u>	<u>\$ (726,006)</u>

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

CITY OF GUSTINE
Statement of Cash Flows Arising From Cash Transactions
Proprietary Fund Types
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds				Totals
	Water	Sewer	Refuse	Airport	
Cash Flows - Operating Activities					
Receipts from customers and users	\$ 906,537	\$ 999,655	\$ 467,829	\$ 142,254	\$ 2,516,275
Receipts from government grants	900,000	-	-	28,759	928,759
Receipts for other purposes	2,454	5,189	-	-	7,643
Payments to suppliers	(676,929)	(494,553)	(416,172)	(106,099)	(1,693,753)
Payments to employees	(372,465)	(334,163)	(6,810)	(46,297)	(759,735)
Net cash provided (used)	<u>759,597</u>	<u>176,128</u>	<u>44,847</u>	<u>18,617</u>	<u>999,189</u>
Cash Flows - Capital & Financing Activities					
Interfund activity		-	-	28,759	28,759
(Increase) decrease - due from other funds	1,863,703	458,597	-	-	2,322,300
Increase (decrease) - due to other funds	350,293	-	(44,979)	(18,644)	286,670
Reclassification of governmental fund	(1,671,811)	-	-	-	(1,671,811)
Transfers out to other funds	(25,432)	(25,422)	-	-	(50,854)
Repayment of long-term debt	(550,017)	(176,753)	-	-	(726,770)
Interest paid	(101,858)	(82,715)	-	-	(184,573)
Net cash provided by (used)	<u>(135,122)</u>	<u>173,707</u>	<u>(44,979)</u>	<u>(18,644)</u>	<u>(25,038)</u>
Cash Flows - Investing Activities					
Interest received	715	1,371	132	27	2,245
Net increase (decrease) in cash and cash equivalents					
	625,190	351,206	-	-	976,396
Cash & Cash equivalents, July 1, 2013					
	-	175,221	-	-	175,221
Cash & Cash equivalents, June 30, 2014					
	<u>625,190</u>	<u>526,427</u>	<u>-</u>	<u>-</u>	<u>1,151,617</u>
Reconciliation to Statement of Net Assets					
Cash and investments with fiscal agents	<u>625,190</u>	<u>526,427</u>	<u>-</u>	<u>-</u>	<u>1,151,617</u>
Reconciliation of Operating Income to Operating Cash In (Out) Flows					
Operating income (loss)	737,073	142,980	44,847	18,617	943,517
Adjustments to reconcile operating income to net cash provided (used) by operations					
(Increase) decrease - deferred charges	-	33,142	-	-	33,142
(Decrease) increase - customer deposits	22,524	-	-	-	22,524
Total adjustments	<u>22,524</u>	<u>33,142</u>	<u>-</u>	<u>-</u>	<u>55,666</u>
Net cash provided (used) by Operating Activities	<u>\$ 759,597</u>	<u>\$ 176,128</u>	<u>\$ 44,847</u>	<u>\$ 18,617</u>	<u>\$ 999,183</u>

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

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of City of Gustine.

- Note 1 – Reporting Entity and Significant Accounting Policies
- Note 2 – Cash and Investments
- Note 3 – Property Taxes
- Note 4 – Long Term Liabilities
- Note 5 – Interfund Transactions
- Note 6 – Fund Equity and Excess of Expenditures over Revenues
- Note 7 – Defined Benefit Pension Plan
- Note 8 – Risk Management
- Note 9 – Contingencies and Commitments
- Note 10 – Prior Period Adjustments and Reclassifications
- Note 11 – Subsequent Events

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Reporting Entity and Significant Accounting Policies

Description of the Reporting Entity

The City of Gustine is a municipal corporation, operating as a general law city, and governed by a city council of five members. The City provides a full range of municipal services including police, fire, water, wastewater, storm drainage, solid waste, construction and maintenance of streets, planning and zoning, code enforcement, parks, recreation programs, and cultural activities. The more significant accounting policies of the City are described below.

Modified Cash Basis of Accounting

The City of Gustine records cash transactions, and accordingly, these financial statements were prepared, using the modified cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The following are some of the ways that modified cash basis of accounting principles generally accepted in the United States of America are presented.

Accounting principles generally accepted in the United States of America require all governmental funds to use the modified accrual basis of accounting. Revenues should be recognized when they become measurable and available as net current assets. The City of Gustine, however, recognizes revenue when it is received by the City.

Taxpayer-assessed income, gross receipts, and sales taxes are recognized when the revenue is received by the City. Refunds of such taxes are recognized when they are paid. Under accounting principles generally accepted in the United States of America, these taxes are considered "measurable" when in the hands of intermediary collecting governments and should be recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is that principal and interest on long-term debt is recognized when due. The modified cash basis of accounting recognizes all expenditures when they are paid.

Accounting principles generally accepted in the United States of America require all proprietary funds and government-wide reporting to use the accrual basis of accounting. Revenues should be recognized when they are earned, and expenses should be recognized when they are incurred. The modified cash basis of accounting recognizes revenues when received and expenses when paid.

The purchase of capital items in the proprietary funds should be recorded as capital assets and depreciated under accounting principles generally accepted in the United States of America; however, the City records these items as expenses when they are paid.

The purchase of capital assets should be capitalized and depreciated in the Statement of Net Assets and Statement of Activities under GASB Statement No. 34; however, under the modified cash basis of accounting, the City records these items as expenditures when paid.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Reporting Entity and Significant Accounting Policies (continued)

Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position arising from cash transactions and the statement of activities arising from cash transactions) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities arising from cash transactions demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been removed from the government-wide financial statements. Internal service fund activity has been eliminated from the statement of activities. The effect of interfund services provided and used between functions, such as the sale of water from the Water Fund to the General Fund, has not been eliminated in the statement of activities. The City's payments in lieu of taxes from its enterprise funds to the General Fund are reported as interfund transfers. The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate statements for each governmental fund are presented. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary fund financial statements include a Statements of Net Position Arising from Cash Transactions, a Statement of Changes in Net Position from Cash Transactions, and a Statement of Cash Flows Arising from Cash Transactions for all proprietary funds.

Proprietary funds are accounted for using the modified cash basis. Under the modified cash basis of accounting, only revenues collected, expenses paid, and assets and liabilities arising as a result of cash transactions are recognized. Furthermore, cash and investments are reported at fair value. Therefore, receivables, capital assets, accrued income and expenses, payables, and deferred expenses, which would be recognized under U.S. generally accepted accounting principles, and which may be material in amount, are not recognized. Operating revenues and expenses in the proprietary funds are those revenues that are generated from the primary operations of the fund and those expenses that are essential to the primary operations of the fund. All other revenues and expenses are reported as non-operating revenues and expense.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Reporting Entity and Significant Accounting Policies (continued)

Fund Accounting

Governmental Accounting Standards Board (GASB) Statement No. 34 defines major funds and requires that the City's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues, or expenses equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types.

The City reported the following major governmental funds in the accompanying financial statements:

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The **Utility Tax Fund** is used to account for the collection of utility user taxes.

The **USDA Special Revenue Fund** is used to account for loan and grant monies for special projects.

The City reported the following major proprietary funds:

The **Water Fund** is used to account for the operation and maintenance of the City's water treatment and distribution system. Revenues are primarily user charges. Rates are set periodically by the City Council.

The **Sewer Fund** is used to account for the operation and maintenance of the City's wastewater treatment plant and collection facilities.

The **Refuse Fund** is used to account for residential and commercial garbage collection and disposal.

The **Airport Fund** is used to account for all airport grants as well as maintenance of the airport hangars.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accounting principles generally accepted in the United States of America require all governmental funds to use the modified accrual basis of accounting and all proprietary fund types to use the accrual basis of accounting. The City of Gustine uses the modified cash basis of accounting for all fund types. The modified cash basis of accounting recognizes all monies received as revenues at the time of receipt and all amounts paid as expenditures at the time of payment with the exception of the following:

1. Long-term notes and loans receivable are set up as assets and deferred revenue and note/loan payments received by the City are recorded as reductions of the asset and liability and program income when received.
2. Long-term payables are set up as liabilities in the proprietary funds. Principal payments are recorded as reductions of the liabilities when made.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Reporting Entity and Significant Accounting Policies (continued)

Basis of Accounting (continued)

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the City has opted to apply to the proprietary fund all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Budgets and Budgetary Accounting

The City is required by its municipal code to adopt an annual budget on or before June 30, which is the end of its fiscal year, for the following fiscal year. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one year contracts with an option for renewal for another year.

Budgeted revenue and expenditure amounts shown represent the City's originally adopted budget adjusted for supplemental revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The City has not adopted a budget for the Public Safety Fund, the Traffic Congestion Fund, the UHP Fund, the Surface Transportation Fund, CDBG Fund, Fire Service Fund, Public Facilities Fund, General Reserve Fund, GO Bond Debt Service Fund and the Capital Replacement Fund.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the City.

Investments

Investments are stated at fair value. The estimated fair value of all investments is the quoted market price. The City has not adopted an investment policy, other than the California Government Code, which provides a means for investing the public funds held by the City.

Capital Assets

Capital assets in the proprietary funds are expensed when paid. This practice is contrary to accounting principles generally accepted in the United States of America. The City does not maintain a complete accounting of capital assets. This practice is contrary to accounting principles generally accepted in the United States of America.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 1 – Reporting Entity and Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash, including all investments with an initial maturity of three months or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

Use of Estimates

The preparation of financial statements in conformity with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

Qualified employees accrue vacation, sick and holiday benefits and are entitled to paid annual leave depending on job classification and length of service, which is payable upon termination of the employee. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Assets and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories; invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted. The City has no net assets that are invested in capital assets, net of related debt, as capital assets are not reported.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 2 – Cash and Investments

Cash and investments are reported as follows in the accompanying financial statements:

Cash and investments	\$ 3,755,256
Cash and investments with fiscal agents	<u>181,747</u>
Total	<u>\$ 3,937,003</u>

Cash and investments held by the City at June 30, 2014 consisted of the following:

Cash on hand	\$ 193
Deposits with financial institutions	1,191,386
Cash and investments with fiscal agents	<u>2,745,424</u>
Total	<u>\$ 3,937,003</u>

Investments Authorized by the California Government Code

The table on the following page identifies the investment types that are authorized for public funds of the City by the California Government Code. The table also identifies certain provisions of the California Government Code that address 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
Local Agency Investment Fund (LAIF)	N/A	None	None	None
Local agency bonds	5 years	None	None	None
U.S. Treasury obligations	5 years	None	None	None
U.S. agency obligations	5 years	None	None	None
Repurchase agreements	1 year	None	None	None
Reverse repurchase and securities lending agreements	92 days	20% of base value	None	None
Mutual funds	N/A	20%	10%	Aaa
Money market mutual funds	N/A	20%	10%	Aaa
Collateralized bank deposits	5 years	None	None	None
Mortgage pass-through securities	5 years	20%	None	AA
Bankers acceptance	180 days	40%	30%	None
Commercial paper	270 days	25%	10%	A1/P1
Negotiable certificates of deposit	5 years	30%	None	None
Medium term bank notes / corp bonds	5 years	30%	None	A
Time Deposits	5 years	None	None	None
Joint Powers Authority pool	N/A	None	None	None
County pooled investment	N/A	None	None	None

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 2 – Cash and Investments (continued)

Investments Authorized by the California Government Code (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City limits interest rate risk by complying with the California Government Code for investments of public funds, as described in detail above. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the table on the following page that shows the distribution of the City's investment by maturity.

<u>Investment Type</u>	<u>Remaining Maturity (In Years)</u>				<u>Fair Value</u>
	<u>Totals</u>	<u>Under 1 year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>	
State Investment Pool	\$ 2,290,291	\$ 2,290,291	\$ -	\$ -	\$ 2,290,291
Money Market Funds	273,386	273,386	-	-	273,386
Held by Bond Trustees:					
Money Market Funds	181,747	181,747	-	-	181,747
	<u>\$ 2,745,424</u>	<u>\$ 2,745,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,745,424</u>

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 year	None	None
Money market mutual funds	N/A	None	None
U.S. agency securities	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Bankers acceptance	180 days	40%	15%
Commercial paper	270 days	15%	15%
Guaranteed investment contracts	N/A	None	None

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 2 – Cash and Investments (continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by bond trustees) do not include any investments that are highly sensitive to interest rate fluctuations to a greater degree than already indicated in the information provided above.

Credit Risk

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. The City limits credit risk by complying with the California Government Code for investments of public funds, as described in detail above. At June 30, 2014, the City's deposits and investments, and corresponding credit rating are as follows.

Investment Type	Amount	Exempt – From Disclosure	Rating as of Fiscal Year End			
			AAA	AA	A	Not Rated
State Investment Pool	\$ 2,290,291	\$ -	\$ -	\$ -	\$ -	\$ 2,290,291
Deposits	1,191,386	-	-	-	-	1,191,386
Money Market Funds	273,386	-	273,286	-	-	-
Held by Bond Trustees:						
Money Market Funds	181,424	-	181,424	-	-	-
	<u>\$ 3,937,003</u>	<u>\$ -</u>	<u>\$ 454,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,481,677</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There was no investment in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of 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 has provisions for financial institutions that limit custodial credit risk for deposits. Financial institutions are required to 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. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's financial institutions also have insurance through the Federal Depository Insurance Corporation (FDIC). The City's investment policy has no additional provisions for limiting custodial credit risk for deposits.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 2 – Cash and Investments (continued)

Custodial Credit Risk (continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

As of June 30, 2014, \$953,996 held with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

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 Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. As of June 30, 2014, the City's investment in LAIF is \$2,290,291. The total amount invested by all public agencies in LAIF at that date is \$21,119,834. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2014 had a balance of \$64,870,214. Of that amount, 98.14% is invested in non-derivative financial products, and 1.86% is invested in derivative financial products.

Note 3 – Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes. Property taxes are recorded in the fiscal year for which the tax is levied. Revenue is recognized when received. The County of Merced levies, bills, and collects property taxes for the City of Gustine. Property taxes are paid to the City by the County.

Secured and unsecured property taxes are levied based on the assessed value as of January 1, the lien date, of the preceding fiscal year. Secured property tax is levied on October 1 and due in two installments, on November 1 and February 1. Unsecured property tax is levied on July 1 and due on July 31, and has a collection date of August 31 which is also the delinquent date. The City participates with the County in the Teeter Plan that enables the City to receive the secured property tax billed, but not yet collected. In return the County will collect any delinquency penalties and interest normally distributed.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 4 – Long-Term Liabilities

The following is a summary of changes in long-term liabilities during the year ended June 30, 2014.

	Balance 7/1/2013	Adjustments	Principal Payments	Balance 6/30/2014	Due in One Year
Governmental Activities:					
Note Payable	\$ 313,743	\$ -	\$ (11,295)	\$ 302,448	\$ 12,022
2011 COP (City Hall Project)	1,006,036	(68,036)	(11,000)	927,000	11,000
Compensated absences	78,073	-	-	78,073	-
	<u>\$1,397,852</u>	<u>\$ (68,036)</u>	<u>\$ (22,295)</u>	<u>\$1,307,521</u>	<u>\$ 23,022</u>
Business-type Activities:					
1998 COP	\$ 285,000	\$ -	\$ (90,000)	\$ 195,000	\$ 95,000
2004 Water Infrastructure Loan	742,300	-	(91,100)	651,200	95,700
2006 Refunding Note	846,207	-	(50,323)	795,884	52,844
2012 COP (Water Project)	1,245,917	(445,917)	(13,000)	787,000	13,000
State Water Resources Loan	272,435	-	(36,430)	236,005	37,232
Compensated absences	26,111	-	-	26,111	-
	<u>\$3,417,970</u>	<u>\$ (445,917)</u>	<u>\$ (280,853)</u>	<u>\$2,691,200</u>	<u>\$ 293,776</u>

Governmental Activities

2010 Note Payable

As a part of a purchase of real property the City issued a note payable in February 2010 for \$350,000. The note is payable in 240 monthly installments of \$2,558 including interest at 6.25% through May 2030. As of June 30, 2014 the principal balance outstanding is \$302,448.

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 12,022	\$ 18,677	\$ 30,699
2016	12,795	17,904	30,699
2017	13,618	17,081	30,699
2018	14,494	16,205	30,699
2019	15,426	15,273	30,699
2020-2024	93,356	60,139	153,495
2025-2029	127,499	25,996	153,495
2030	13,238	276	13,514
	<u>\$ 302,448</u>	<u>\$ 171,551</u>	<u>\$ 473,999</u>

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 4 – Long-Term Liabilities (continued)

Governmental Activities (continued)

2011 COP (City Hall Project)

On November 1, 2011, the City agreed to issue certificates of participation in the amount of \$950,000. The proceeds from this issue were used to finance a portion of the cost of construction and remodeling associated with the City Hall Project. When fully funded, principal payments ranging from \$11,000 to \$44,000 are payable annually on November 1 and interest payments at 3.75% are payable semi-annually on May 1 and November 1, through November 1, 2051. As of June 30, 2014, the principal balance outstanding is \$927,000.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 11,000	\$ 34,556	\$ 45,556
2016	12,000	34,125	46,125
2017	12,000	33,675	45,675
2018	13,000	33,206	46,206
2019	13,000	32,719	45,719
2020-2024	74,000	155,626	229,626
2025-2029	88,000	140,512	228,512
2030-2034	106,000	122,363	228,363
2035-2039	130,000	100,314	230,314
2040-2044	155,000	73,596	228,596
2045-2049	185,000	41,869	226,869
2050-2052	128,000	7,312	135,312
	<u>\$ 927,000</u>	<u>\$ 809,873</u>	<u>\$ 1,736,873</u>

Business Type Activities

1998 COP

In 1998, the City agreed to issue certificates of participation in the amount of \$1,160,000. The proceeds from the issue were used to refund the previously issued 1990 certificates of participation. The certificates carry interest rates varying from 4.4% to 5.5%, payable in semi-annual installments. Principal payments are paid annually on September 1, with a maturity date of September 1, 2016. The certificates are secured by sewer fund revenues. As of June 30, 2014, the principal balance outstanding is \$195,000.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 95,000	\$ 8,186	\$ 103,186
2016	100,000	2,775	102,775
	<u>\$ 195,000</u>	<u>\$ 10,961</u>	<u>\$ 205,961</u>

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 4 – Long-Term Liabilities (continued)

Business Type Activities (continued)

2012 COP (Water System Improvement Project)

On June 1, 2012, the City agreed to issue certificates of participation in the amount of \$800,000. The proceeds from this issue were used to finance improvements to the City's municipal owned water system. When fully funded, principal payments ranging from \$13,000 to \$32,000 are payable annually on July 1 and interest payments at 2.75% are payable semi-annually on January 1 and July 1, through July 1, 2052. As of June 30, 2014, the principal balance outstanding is \$787,000.

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 13,000	\$ 21,464	\$ 34,464
2016	13,000	21,107	34,107
2017	13,000	20,749	33,749
2018	14,000	20,378	34,378
2019	14,000	19,993	33,993
2020-2024	73,000	94,066	167,066
2025-2029	80,000	83,572	163,572
2030-2034	88,000	71,996	159,996
2035-2039	97,000	59,279	156,279
2040-2044	113,000	45,116	158,116
2045-2049	144,000	27,226	171,226
2050-2053	125,000	6,971	131,971
	<u>\$ 787,000</u>	<u>\$ 491,917</u>	<u>\$ 1,278,917</u>

2004 Water Infrastructure Project Note Payable

The City refunded \$1,550,000 of the 2000 certificates of participation with the 2004 water infrastructure loan. The note is payable in semi-annual payments of principle and interest at 4.95%. Payments are made semi-annually on June 16 and December 16 through June 2020. The note is secured by water fund revenues. As of June 30, 2014, the principal balance outstanding is \$651,200.

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 95,700	\$ 31,064	\$ 126,764
2016	100,500	26,270	126,770
2017	105,500	21,233	126,733
2018	110,800	15,946	126,746
2019	116,400	10,392	126,792
2020	122,300	4,559	126,859
	<u>\$ 651,200</u>	<u>\$ 109,464</u>	<u>\$ 760,664</u>

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 4 – Long-Term Liabilities (continued)

Business Type Activities (continued)

2006 Refunding Installment Sale Note Payable

The City refunded a previously issued note of \$1,154,500 with the 2006 refunding installment sale note. The note is payable in semi-annual payments of \$45,798, including interest at 4.95%. Payments are made semi-annually on April 17 and October 17, with a maturity date of December 2025. As of June 30, 2014, the principal balance outstanding is \$795,884.

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 52,844	\$ 38,751	\$ 91,595
2016	55,493	36,102	91,595
2017	58,274	33,321	91,595
2018	61,194	30,401	91,595
2019	64,261	27,334	91,595
2020-2024	372,958	85,017	457,975
2025-2026	<u>130,860</u>	<u>6,531</u>	<u>137,391</u>
	<u>\$ 795,884</u>	<u>\$ 257,457</u>	<u>\$ 1,053,341</u>

State Water Resource Board Note Payable

In 1999, the State of California Water Resources Control Board approved a \$802,463 loan to the City, which is payable in twenty annual installments of \$42,424 including interest at 2.2%, through January 2020. As of June 30, 2014, the principal balance outstanding is \$236,005.

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 37,232	\$ 5,192	\$ 42,424
2016	38,051	4,373	42,424
2017	38,888	3,536	42,424
2018	39,744	2,680	42,424
2019	40,618	1,806	42,424
2020-2021	<u>41,472</u>	<u>912</u>	<u>45,384</u>
	<u>\$ 236,005</u>	<u>\$ 18,499</u>	<u>\$ 254,504</u>

Compensated Absences

Estimated amounts due to employees for earned, but unused, compensated absence accounts, including leave balances for vacation, sick, holiday and compensated time off, which are generally liquidated by the City's General Fund and Enterprise Fund, consist of the following.

Governmental activities	\$ 78,073
Business-type activities	<u>26,111</u>
Total	<u>\$ 104,184</u>

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 5 – Interfund Transactions

Interfund transfers

Interfund transfers report the nonreciprocal contribution of resources from one fund to another. The following is a summary of transfers for the fiscal year ending June 30, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities:		
General fund	\$ 408,547	\$ -
Utility tax fund	-	219,352
USDA fund	76,328	-
Housing fund	-	189,195
Debt Service fund	-	25,474
Total Government Activities	<u>484,875</u>	<u>434,021</u>
Business-type Activities:		
Water fund	-	25,432
Sewer fund	-	25,422
Total Business-type Activities	<u>-</u>	<u>50,864</u>
 Total Government Wide Transfers	 <u>\$ 484,875</u>	 <u>\$ 484,875</u>

Interfund Balances

Interfund balances report lending transactions between funds. The following is a summary of interfund balances as of June 30, 2014:

	<u>Due From</u>	<u>Due To</u>
Governmental Activities:		
Major Funds:		
General fund	\$ -	\$ 89,740
USDA fund	-	394,761
Non-major Governmental Funds:		
Street / Sidewalk fund	-	11,643
UHP fund	-	2,296
Grants fund	-	46,815
Housing fund	-	345,451
Borelli A.D. fund	-	14,786
Acquisition & development fund	-	11,575
Capital replacement fund	-	76
Business-Type Activities:		
Water fund	-	350,293
Sewer fund	1,360,296	-
Refuse fund	-	83,691
Airport fund	-	9,169
	<u>\$ 1,360,296</u>	<u>\$ 1,360,296</u>

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 6 – Fund Equity and Excess of Expenditures Over Revenues

At June 30, 2014, the City had deficits in the following funds:

Governmental Funds:

Major funds:

General fund	\$ (150,238) (a)
USDA fund	(394,761) (c)

Non-major governmental funds:

UHP fund	\$ (2,296) (b)
Grant fund	(46,815) (b)
Housing fund	(345,451) (a)
Borelli assess district fund	(14,786) (c)
Acquisition & development capital fund	(11,575) (b)
Capital replacement fund	(76) (b)

Business-type funds:

Water fund	\$ (1,273,543) (a)
Refuse fund	(91,354) (a)
Airport	(10,970) (a)

- (a) The deficit in these funds results from interfund activity, such as the prior period adjustment for "due to" and "due from" accounts, reclassification of funds between Governmental and Proprietary, and transfers between funds. These funds all reported revenues in excess of expenditures
- (b) There has been no activity in these funds during the fiscal year ended June 30, 2014.
- (c) The deficit in the USDA fund and the Borelli assess district fund result from expenditures in excess of revenues for the year ended June 30, 2014. The deficits are due to the City receiving funding and incurring costs or making payments in different periods.

Note 7 – Defined Benefit Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS 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. Copies of CalPERS' annual financial report may be obtained from its Executive Office, 400 P Street, Sacramento, California 95814. A separate report for the City's plan within CalPERS is not available.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 7 – Defined Benefit Pension Plan (continued)

Public Employees' Pension Reform Act

The California Public Employees' Pension Reform Act (PEPRA) went into effect on January 1, 2013. PEPRA primarily affects only "new members" who are employed for the first time by any public employer on or after January 1, 2013. Members who are not considered new members are herein referred to as "classic members."

Funding Policy

Participants are required to contribute a percentage of their annual covered salary in one of the following plans:

Miscellaneous	7.00%
Safety	9.00%
PEPRA-Miscellaneous	6.25%
PEPRA-Safety	11.50%

The City is required to contribute at actuarially determined rates. Rates for the fiscal year ended June 30, 2014 were as follows (percent of annual covered payroll):

Miscellaneous	10.94%
Safety	31.88%
PEPRA-Miscellaneous	6.25%
PEPRA-Safety	11.50%

The contributions of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2013-2014, the City of Gustine's annual pension cost was \$329,576 and was equal to the City's required and actual contributions. The required contribution for fiscal year 2013-2014 was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) an 7.50% investment of return (net of administrative expenses), (b) projected annual salary increases that vary by age, service and type of employment, (c) an inflation rate of 2.75%, and (d) a payroll growth rate of 3.00%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15 year period. Unfunded actuarial accrued liabilities and excess assets as of June 30, 2011 are being amortized, using the level percentage of payroll method, over a closed period that depends on the plan's date of entry into CalPERS. The remaining amortization period at June 30, 2011 was 20 years for the safety employees' plan and 21 years for the miscellaneous employees' plan.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 7 – Defined Benefit Pension Plan (continued)

Three-Year Trend Information for all Plans Combined

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 203,196	100%	\$ -
6/30/2013	249,127	100%	-
6/30/2014	329,576	100%	-

Funded Status of Plan

Effective with the June 30, 2003 valuation, the City's actuarial data has been combined with other CalPERS Plans. Consequently, the data shown below is for the combined risk pool rather than solely for the City of Gustine.

Miscellaneous Plan	Actuarial Valuation Date – Year Ended		
	June 30, 2010	June 30, 2011	June 30, 2012
Actuarial value of assets	\$ 1,603,482,152	\$ 1,724,200,585	\$ 1,837,489,422
Actuarial accrued liabilities	1,972,910,641	2,135,350,204	2,254,622,362
Unfunded liabilities (UL)	369,428,489	411,149,619	417,132,940
Funded ratio	81.3%	80.8%	81.5%
Annual covered payroll	352,637,380	350,121,750	339,228,272
UL as a percentage of payroll	104.8%	117.4%	123.0%

Safety Plan	Actuarial Valuation Date – Year Ended		
	June 30, 2010	June 30, 2011	June 30, 2012
Actuarial value of assets	\$ 1,628,915,283	\$ 1,759,286,797	\$ 1,896,139,291
Actuarial accrued liabilities	1,915,095,826	2,061,923,933	2,183,549,942
Unfunded liabilities (UL)	286,180,543	302,637,136	287,410,651
Funded ratio	85.1%	85.3%	86.8%
Annual covered payroll	224,562,008	225,026,216	232,078,083
UL as a percentage of payroll	127.4%	134.5%	123.8%

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 8 – 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 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 \$250,000 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 participates in an excess pool, which provides generally liability coverage from \$1,000,000 to \$10,000,000. The CSJVRMA participates in an excess pool, which provides Worker's Compensation coverage from \$250,000 to \$500,000 and purchases excess insurance above the \$500,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-four (54) cities in San Joaquin Valley, California. It was established under provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets three to four times per 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 annual financial report may be obtained from the consortium's executive office at 6371 Auburn Blvd., Citrus Heights, California 95621.

Note 9 – Contingencies and Commitments

The City participates in a number of federal, state and local grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for earlier years and the year ended June 30, 2014 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City believes any such claims would be immaterial to the City's financial position at June 30, 2014. Receipt of these grant revenues is not assured in the future.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, other than disclosed above, which is likely to have a material adverse effect on the financial position of the City.

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 10 – Prior Period Adjustments and Reclassification

The City made reclassifications of fund balances and prior period adjustments during the year ended June 30, 2014 as described below. As a result, the beginning net position/fund balance of certain funds have been restated.

- The City reclassified the USDA 2012 COP fund for the water system improvement project from a governmental activity to a business-type activity in the fiscal year ended June 30, 2014. The reclassification affected the USDA fund (governmental activity) and the Water fund (business-type activity).
- The City reconciled the interfund 'due to' and 'due from' accounts, which resulted in a prior period adjustment of \$311,569.
- The City made a prior period adjustment of \$68,033 to the long-term liabilities reported in the governmental funds under the reporting requirements of GASB 34. See Note 4

The following table presents the effect of these adjustments.

	Fund Balance (Deficit) as Originally Stated	Prior Period Adjustment	Reclassification of Fund Balance	Fund Balance (Deficit) as Restated
Governmental Funds:				
Major Funds:				
General Fund	\$ (307,231)	\$ (151,189)	-	\$ (458,420)
USDA Fund	(2,087,387)	-	1,671,811	(415,576)
Non-major Funds:				
Traffic Congestion	-	(15,577)	-	(15,577)
Street & Sidewalk	300,433	(10,810)	-	289,623
Storm Drainage	89,958	(3,178)	-	86,780
Major Proprietary Funds:				
Water Fund	(147,119)	(65,111)	(1,671,811)	(1,884,041)
Sewer Fund	667,294	(53,647)	-	613,647
Refuse Fund	(128,264)	(8,069)	-	(136,333)
Airport Fund	(25,626)	(3,988)	-	(29,614)
	<u>\$ (1,637,942)</u>	<u>\$ (311,569)</u>	<u>\$ -</u>	<u>\$ (1,949,511)</u>

CITY OF GUSTINE
Notes to Basic Financial Statements
June 30, 2014

Note 11 – Subsequent Events

The City has evaluated events subsequent to June 30, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through February 25, 2017, the date the financial statements were available to be issued. No events have occurred, except as described below, which would require adjustments to the amounts reported in the accompanying financial statements nor have any events occurred, the nature of which would require disclosure.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. The objective of this Statement is to improve accounting and financial reporting by state and local government for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The City will be required to recognize a liability equal to the net pension liability in its financial statements prepared using the economic resources measurement focus and accrual basis of accounting. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015.

In November 2013, the GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GUSTINE
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 967,000	\$ 967,000	\$ 1,010,346	\$ 43,346
Licenses and permits	66,850	66,850	87,115	20,265
Fines and penalties	5,000	5,000	18,586	13,586
Investment earnings	66,800	66,800	71,914	5,114
Intergovernmental	428,530	428,530	499,128	70,598
Charges for services	68,976	68,976	105,328	36,352
Other revenues	69,667	69,667	139,251	69,584
Total Revenues	\$ 1,672,823	\$ 1,672,823	\$ 1,931,668	\$ 258,845
Expenditures				
Current:				
General government	\$ 230,771	\$ 230,771	\$ 227,645	\$ 3,126
Public safety	1,478,660	1,478,660	1,542,012	(63,352)
Public works	-	-	35,583	(35,583)
Community development	21,518	21,518	43,436	(21,918)
Parks and recreation	166,023	166,023	150,753	15,270
Planning	33,883	33,883	32,600	1,283
Total Expenditures	1,930,855	1,930,855	2,032,029	(101,174)
Excess of revenues over (under) expenditures	(258,032)	(258,032)	(100,361)	157,671
Other Financing Sources (Uses)				
Transfers in	328,820	328,820	408,548	79,728
Transfers out	(143,000)	(143,000)	-	143,000
Total Other Financing Sources (Uses)	185,820	185,820	408,548	222,728
Net change in Fund Balance	(72,212)	(72,212)	308,187	380,399
Fund balances, beginning of year	(307,231)	(307,231)	(307,231)	-
Prior period adjustments	-	-	(151,194)	(151,194)
Fund balances, beginning of year (restated)	(307,231)	(307,231)	(458,425)	(151,194)
Fund balances (deficit), end of fiscal year	\$ (379,443)	\$ (379,443)	\$ (150,238)	\$ 229,205

CITY OF GUSTINE
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions - Budget and Actual
Utility Tax Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 216,000	\$ 216,000	\$ 226,008	\$ 10,008
Investment earnings	875	875	1,269	394
Charges for services	4,000	4,000	4,527	527
Other revenues	100	100	25,173	25,073
Total Revenues	<u>220,975</u>	<u>220,975</u>	<u>256,977</u>	<u>36,002</u>
Expenditures				
Current:				
General government	<u>43,655</u>	<u>43,655</u>	<u>118,444</u>	<u>(74,789)</u>
Total Expenditures	<u>43,655</u>	<u>43,655</u>	<u>118,444</u>	<u>(74,789)</u>
Excess of revenues over (under) expenditures	<u>177,320</u>	<u>177,320</u>	<u>138,533</u>	<u>(38,787)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>(177,320)</u>	<u>(177,320)</u>	<u>(219,352)</u>	<u>(42,032)</u>
Total Other Financing Sources (Uses)	<u>(177,320)</u>	<u>(177,320)</u>	<u>(219,352)</u>	<u>(42,032)</u>
Net change in Fund Balance	<u>-</u>	<u>-</u>	<u>(80,819)</u>	<u>(80,819)</u>
Fund balances, beginning of year	820,845	820,845	820,845	-
Prior period adjustments	-	-	-	-
Fund balances, beginning of year (restated)	<u>820,845</u>	<u>820,845</u>	<u>820,845</u>	<u>-</u>
Fund balances (deficit), end of fiscal year	<u>\$ 820,845</u>	<u>\$ 820,845</u>	<u>\$ 740,026</u>	<u>\$ (80,819)</u>

CITY OF GUSTINE
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions - Budget and Actual
Street Sidewalk Maintenance Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Intergovernmental	221,433	221,433	222,046	613
Total Revenues	<u>221,433</u>	<u>221,433</u>	<u>222,046</u>	<u>613</u>
Expenditures				
Current:				
General government	-	-	103,179	(103,179)
Public works	207,851	207,851	83,129	124,722
Total Expenditures	<u>207,851</u>	<u>207,851</u>	<u>186,308</u>	<u>21,543</u>
Excess of revenues over (under) expenditures	<u>13,582</u>	<u>13,582</u>	<u>35,738</u>	<u>22,156</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balance	<u>13,582</u>	<u>13,582</u>	<u>35,738</u>	<u>22,156</u>
Fund balance, beginning of year	300,431	300,431	300,431	-
Prior period adjustments	-	-	(10,810)	(10,810)
Fund balances, beginning of year (restated)	<u>300,431</u>	<u>300,431</u>	<u>289,621</u>	<u>(10,810)</u>
Fund balance, end of fiscal year	<u>\$ 314,013</u>	<u>\$ 314,013</u>	<u>\$ 325,359</u>	<u>\$ 11,346</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF GUSTINE
Combining Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds				
	6 Public Safety Fund	8 CDBG Fund	15 Traffic Congestion Relief	17 City Wide Lighting & Landscape	20 Surface Trans.
ASSETS					
Cash and investments-LAIF	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund accounts:					
Claim on cash	3,686	379,897	-	125,358	116,037
Due from / to other funds	-	-	-	-	-
Due to payroll fund	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Total Assets	3,686	379,897	-	125,358	116,037
LIABILITIES					
Accounts payable	-	-	-	-	-
Other payables	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES					
Reserved for capital projects	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	3,686	379,897	-	125,358	116,037
Total Fund Balances (deficits)	3,686	379,897	-	125,358	116,037
Total Liabilities & Fund Balances	\$ 3,686	\$ 379,897	\$ -	\$ 125,358	\$ 116,037

CITY OF GUSTINE
Combining Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds (continued)				
	10-13, 21, 29	25	28	73	74
	Gas Tax Sidewalk Maint.	UHP Fund	Grants	Housing Fund	Borrelli Assess District
ASSETS					
Cash and investments-LAIF	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund accounts:					
Claim on cash	337,002	-	-	-	-
Due from / to other funds	(11,643)	(2,296)	(46,815)	(345,451)	(14,786)
Due to payroll fund	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Total Assets	325,359	(2,296)	(46,815)	(345,451)	(14,786)
LIABILITIES					
Accounts payable	-	-	-	-	-
Other payables	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES					
Reserved for capital projects	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	325,359	(2,296)	(46,815)	(345,451)	(14,786)
Total Fund Balances (deficits)	325,359	(2,296)	(46,815)	(345,451)	(14,786)
Total Liabilities & Fund Balances	\$ 325,359	\$ (2,296)	\$ (46,815)	\$ (345,451)	\$ (14,786)

CITY OF GUSTINE
Combining Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	<u>Special Revenue Funds (continued)</u>			<u>Capital Project Funds</u>	
	75 Southport Assess. District	76 Solisgen Assess. District	101-108 Separate Impact Fees	31 Swimming Pool Capital Fund	32 Acquisition & Dev. Fund
ASSETS					
Cash and investments-LAIF	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund accounts:					
Claim on cash	12,041	55,000	240,471	4,175	-
Due from / to other funds	-	-	-	-	(11,575)
Due to payroll fund	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Total Assets	<u>12,041</u>	<u>55,000</u>	<u>240,471</u>	<u>4,175</u>	<u>(11,575)</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Other payables	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Reserved for capital projects	-	-	-	4,175	-
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	12,041	55,000	240,471	-	(11,575)
Total Fund Balances (deficits)	<u>12,041</u>	<u>55,000</u>	<u>240,471</u>	<u>4,175</u>	<u>(11,575)</u>
Total Liabilities & Fund Balances	<u>\$ 12,041</u>	<u>\$ 55,000</u>	<u>\$ 240,471</u>	<u>\$ 4,175</u>	<u>\$ (11,575)</u>

CITY OF GUSTINE
Combining Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	Capital Project Funds (continued)				
	59 Strom Drainage Fund	34 Fire Service Fund	35 Public Facilities Fund	36 Trans. Fund	37 Capital Replacement Fund
ASSETS					
Cash and investments-LAIF	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund accounts:					
Claim on cash	92,528	77,604	322,898	5,157	-
Due from / to other funds	-	-	-	-	(76)
Due to payroll fund	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Total Assets	92,528	77,604	322,898	5,157	(76)
LIABILITIES					
Accounts payable	-	-	-	-	-
Other payables	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES					
Reserved for capital projects	92,528	77,604	322,898	5,157	(76)
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-
Total Fund Balances (deficits)	92,528	77,604	322,898	5,157	(76)
Total Liabilities & Fund Balances	\$ 92,528	\$ 77,604	\$ 322,898	\$ 5,157	\$ (76)

CITY OF GUSTINE
Combining Statement of Assets, Liabilities, and Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	<u>Cap. Projects</u> 38 General Reserve Fund	22 GO Bond Debt Service Fund	Total Non-Major Governmental Funds
ASSETS			
Cash and investments-LAIF	\$ -	\$ -	\$ -
Interfund accounts:			
Claim on cash	234,586	38,727	2,045,167
Due from / to other funds	-	-	(432,642)
Due to payroll fund	-	-	-
Loans receivable	-	-	-
Other receivables	-	-	-
Total Assets	<u>234,586</u>	<u>38,727</u>	<u>1,612,525</u>
LIABILITIES			
Accounts payable	-	-	-
Other payables	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Reserved for capital projects	234,586	-	736,872
Reserved for debt service	-	38,727	38,727
Unreserved, undesignated	-	-	836,926
Total Fund Balances (deficits)	<u>234,586</u>	<u>38,727</u>	<u>1,612,525</u>
Total Liabilities & Fund Balances	<u>\$ 234,586</u>	<u>\$ 38,727</u>	<u>\$ 1,612,525</u>

CITY OF GUSTINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds				
	6 Public Safety Fund	8 CDBG Fund	15 Traffic Congestion Relief	17 City Wide Lighting & Landscape	20 Surface Trans.
REVENUES					
Investment earnings	\$ -	\$ (1,296)	\$ -	\$ 125	\$ -
Intergovernmental	-	-	-	-	141,280
Charges for current services	-	-	-	189,890	-
Program income	-	-	-	-	-
Taxes	-	959	-	-	-
Total Revenues	-	(1,296)	-	190,015	141,280
EXPENDITURES					
General government	-	1,897	-	162,317	34,337
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	1,897	-	162,317	34,337
Excess of revenues over (under) expenditures	-	(3,193)	-	27,698	106,943
Transfers in (out)	-	-	-	-	-
Net Change in Fund Balance	-	(3,193)	-	27,698	106,943
Fund balances (deficit), beginning of year	3,686	382,131	-	113,237	9,094
Prior period adjustments	-	-	-	(15,577)	-
Fund balances (deficit), beginning of year	3,686	382,131	-	97,660	9,094
Fund balances (deficit), end of year	<u>\$ 3,686</u>	<u>\$ 378,938</u>	<u>\$ -</u>	<u>\$ 125,358</u>	<u>\$ 116,037</u>

CITY OF GUSTINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds (continued)				
	10-13, 21, 29	25	28	73	74
	Street Sidewalk Maint.	UHP Fund	Grants	Housing Fund	Borrelli Assess District
REVENUES					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 14
Intergovernmental	222,046	-	-	-	-
Charges for current services	-	-	-	-	22,359
Program income	-	-	-	-	-
Taxes	-	-	-	-	-
Total Revenues	222,046	-	-	-	22,373
EXPENDITURES					
General government	103,179	-	-	-	32,208
Public safety	-	-	-	-	-
Public works	83,129	-	-	-	-
Community development	-	-	-	644	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	186,308	-	-	644	32,208
Excess of revenues over (under) expenditures	35,738	-	-	(644)	(9,835)
Transfers in (out)	-	-	-	(189,195)	-
Net Change in Fund Balance	35,738	-	-	(189,839)	(9,835)
Fund balances (deficit), beginning of year	300,431	(2,296)	(46,815)	(155,612)	(4,951)
Prior period adjustments	(10,810)	-	-	-	-
Fund balances (deficit), beginning of year	289,621	(2,296)	(46,815)	(155,612)	(4,951)
Fund balances (deficit), end of year	\$ 325,359	\$ (2,296)	\$ (46,815)	\$ (345,451)	\$ (14,786)

CITY OF GUSTINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds (continued)			Capital Projects Funds	
	75 Southport Assess. District	76 Solisgen	101-108 Separate Impact Fees	31 Swimming Pool Capital Fund	32 Acquisition & Dev. Fund
REVENUES					
Investment earnings	\$ 1	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for current services	4,254	-	240,471	-	-
Program income	-	-	-	-	-
Taxes	-	-	-	-	-
Total Revenues	4,255	-	240,471	-	-
EXPENDITURES					
General government	997	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	997	-	-	-	-
Excess of revenues over (under) expenditures	3,258	-	240,471	-	-
Transfers in (out)	-	-	-	-	-
Net Change in Fund Balance	3,258	-	240,471	-	-
Fund balances (deficit), beginning of year	8,783	55,000	-	4,175	(11,575)
Prior period adjustments	-	-	-	-	-
Fund balances (deficit), beginning of year	8,783	55,000	-	4,175	(11,575)
Fund balances (deficit), end of year	\$ 12,041	\$ 55,000	\$ 240,471	\$ 4,175	\$ (11,575)

CITY OF GUSTINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	Capital Projects Funds (continued)				
	59 Strom Drainage Fund	34 Fire Service Fund	35 Public Facilities Fund	36 Trans. Fund	37 Capital Replacement Fund
REVENUES					
Investment earnings	\$ -	\$ -	\$ 454	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for current services	43,033	-	-	-	-
Program income	-	-	-	-	-
Taxes	-	-	-	-	-
Total Revenues	43,033	-	454	-	-
EXPENDITURES					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	37,285	-	21	-	-
Community development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	37,285	-	21	-	-
Excess of revenues over (under) expenditures	5,748	-	433	-	-
Transfers in (out)	-	-	-	-	-
Net Change in Fund Balance	5,748	-	433	-	-
Fund balances (deficit), beginning of year	89,958	77,604	322,465	5,157	(76)
Prior period adjustments	(3,178)	-	-	-	-
Fund balances (deficit), beginning of year	86,780	77,604	322,465	5,157	(76)
Fund balances (deficit), end of year	<u>\$ 92,528</u>	<u>\$ 77,604</u>	<u>\$ 322,898</u>	<u>\$ 5,157</u>	<u>\$ (76)</u>

CITY OF GUSTINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Arising from Cash Transactions
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2014

	<u>Cap. Projects</u> 38	22	Total
	General Reserve Fund	GO Bond Debt Service Fund	Non-Major Governmental Funds
REVENUES			
Investment earnings	\$ 26	\$ -	\$ (676)
Intergovernmental	-	-	363,326
Charges for current services	-	-	500,007
Program income	-	-	-
Taxes	-	282	1,241
Total Revenues	<u>26</u>	<u>282</u>	<u>863,898</u>
EXPENDITURES			
General government	-	-	334,935
Public safety	-	-	-
Public works	-	-	120,435
Community development	-	-	644
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>456,014</u>
Excess of revenues over (under) expenditures	26	282	407,884
Transfers in (out)	-	(25,474)	(214,669)
Net Change in Fund Balance	<u>26</u>	<u>(25,192)</u>	<u>193,215</u>
Fund balances (deficit), beginning of year	234,560	63,919	1,448,875
Prior period adjustments	-	-	(29,565)
Fund balances (deficit), beginning of year	<u>234,560</u>	<u>63,919</u>	<u>1,419,310</u>
Fund balances (deficit), end of year	<u>\$ 234,586</u>	<u>\$ 38,727</u>	<u>\$ 1,612,525</u>

ADDITIONAL REPORTS

**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
Members of the City Council
Gustine, California

We have audited, in accordance with U.S. generally accepted auditing standards 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 Gustine (City), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents as of and for the year ended June 30, 2014 and have issued our report thereon dated February 25, 2017.

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

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 misstatement 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the attached schedule of findings that we consider to be a significant deficiency in internal control over financial reporting (2014-1).

To the Honorable Mayor and
Members of the City Council
Gustine, California
Page Two

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and no to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chuck Nicholson

Certified Public Accountants
Roseville, California
February 25, 2017

CITY OF GUSTINE
Financial Statement Audit Findings
June 30, 2014

The following are considered to be significant deficiencies in internal control over financial reporting as referenced in the accompanying 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*.

Current Year Finding and Recommendations

2014-1 Finding - Unreconciled account balances

It is very difficult for an organization to function without reconciled financial data on a regular basis that provides year to date and budget to actual information.

Recommendation

It is our recommendation the City contract with a consultant to work with staff to balance accounts going forward. The City needs this oversight in order to provide the customary internal control at the financial statement level. Once staff is able to produce balanced accounts on a consistent basis, the consultant would continue to provide oversight each month to confirm accounts are properly stated. The City Manager and Council generally do not have the expertise or the time to provide oversight as to the accounting function.

Status of Prior Year Findings

2013-1 Finding – Reconciliation of Fund Balance and Due from/Due to accounts.

As a part of our audit we compared beginning fund balance with the prior year's ending balance and noticed an unidentified difference in the General Fund. We also noted that the Due from/Due to accounts were not in balance. Based on an analysis of these differences we proposed several audit adjustments to correct the imbalances.

Recommendation:

After posting any audit adjustments relating to the prior period we recommend the City review and compare all beginning fund balances with the prior year ending balance and promptly reconcile any difference. Also, on a monthly basis procedures should be in place to ensure that the Due from/Due to accounts are in balance.

Current Status

See current year finding.

NICHOLSON & OLSON

CERTIFIED PUBLIC ACCOUNTANTS

729 Sunrise Avenue, Suite 303

Roseville, California 95661

(916) 786-7997

February 25, 2017

Honorable Mayor and Members of the City Council
City of Gustine
Gustine, California

COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of the City of Gustine (City) as of and for the fiscal year ended June 30, 2014 and have issued our report thereon dated February 25, 2017. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 26, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2014. We noted no transactions entered into by the 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.

As discussed in Note 1 of the notes to the basic financial statements, the City prepares its financial statements using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Accounting Estimates

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. Management's estimate of the funding progress for CalPERS is based on CalPERS' estimates.

Honorable Mayor and
Members of the City Council
City of Gustine
Page 2

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The original financial data provided to us by the City, was subsequently reconciled and adjusted by an outside consultant hired by the City. We recommended no additional adjustments.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. However, the reconciliation performed by the outside consultant, as discussed above, was not provided to us until November 2016 for the year ended June 30, 2014. As a result, the audit report is well beyond a reasonable and useful time period.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 and management facilitated the audit process in every way requested.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 25, 2017.

Management Consultation with Other Independent Accountants

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

Other Audit Findings or Issues

We have included, as an attachment to this letter, current and prior year findings which should be reviewed in conjunction with this communication.

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

Nicholson & Olson, LLP

Nicholson & Olson, LLP
Certified Public Accountants
Roseville, California

ATTACHMENT

CURRENT YEAR FINDING AND RECOMMENDATIONS

2014-1 Finding - Unreconciled account balances

It is very difficult for an organization to function without reconciled financial data on a regular basis that provides year to date and budget to actual information.

Recommendation

It is our recommendation the City contract with a consultant to work with staff to balance accounts going forward. The City needs this oversight in order to provide the customary internal control at the financial statement level. Once staff is able to produce balanced accounts on a consistent basis, the consultant would continue to provide oversight each month to confirm accounts are properly stated. The City Manager and Council generally do not have the expertise or the time to provide oversight as to the accounting function.

STATUS OF PRIOR YEAR FINDINGS

2013-1 Finding – Reconciliation of Fund Balance and Due from/Due to accounts.

As a part of our audit we compared beginning fund balance with the prior year's ending balance and noticed an unidentified difference in the General Fund. We also noted that the Due from/Due to accounts were not in balance. Based on an analysis of these differences we proposed several audit adjustments to correct the imbalances.

Recommendation:

After posting any audit adjustments relating to the prior period we recommend the City review and compare all beginning fund balances with the prior year ending balance and promptly reconcile any difference. Also, on a monthly basis procedures should be in place to ensure that the Due from/Due to accounts are in balance.

Current Status

See current year finding.



COUNCIL AGENDA ITEM

MARCH 7, 2017

PREPARED BY: Melanie Correa, Deputy City Clerk

SUBJECT: Consider Appointing Applicant to Gustine Planning Commission

BACKGROUND/DISCUSSION

The Gustine Planning Commission consists of 5 commissioner seats and one ex-officio. With the November 2016 election results, Mayor Oliveira's seat on the planning commission became vacant. The City has received two applications of interest to be appointed to the Planning Commission. The vacant seat's term expires on December 31, 2017.

The applicants, who are both requesting initial appointment, are: Marcus Vierra and Donald Bruck. Attached to this staff report are their completed applications.

The Gustine Municipal Code states that the Mayor shall make commissioner nominations, for Council to vote on for approval.

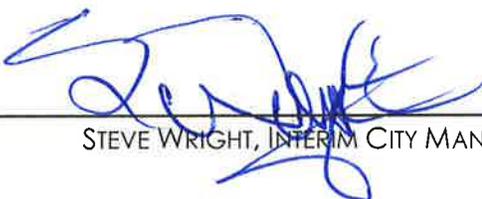
RECOMMENDATION

Council consider the two applicants for Planning Commission appointment and choose one (1) of the field to fill the vacant seat.

EXHIBITS:

A) Planning Commission applications (Vierra, Bruck)

APPROVED BY:



STEVE WRIGHT, INTERIM CITY MANAGER

CITY OF GUSTINE

PO BOX 16 - 352 5TH STREET
GUSTINE CA 95322
OFFICE (209) 854-6471 - Fax (209) 854-2127
www.cityofgustine.com



RECEIVED
DEC 15 2016
By J. DIOUSA

APPLICATION FOR APPOINTMENT TO PLANNING COMMISSION

Planning Commission meetings are scheduled to be held at 7:00 p.m. on the second Wednesday of each month, at City Council Chambers, City Hall, 352 5th Street, Gustine, California.

NAME Marcus Vierra

ADDRESS 1150 Pointe Oeste, Gustine CA

HOME PHONE (209) 262-8982 BUSINESS PHONE (209) 826-9494 x169

CELL PHONE (209) 262-8982 E-MAIL ADDRESS marcusvierra@yahoo.com

OCCUPATION International Logistics/shipping Supervisor - Ingomer Packing

EDUCATION (List highest year completed and all degrees received.) _____

3 years of college completed. Currently working toward a business degree.

EXPERIENCE No direct experience with planning commissions, but was a counselor in the inaugural year of Y-Lead.

STATE YOUR INTEREST IN THIS COMMISSION Having lived in Gustine my entire life, and now raising a family in Gustine, I want the city to move forward in a positive direction. Hopefully I can help make decisions that will help Gustine prosper in the future.

Please attach a written statement outlining your pertinent education and experience as it applies to this appointment or any documents you believe would be helpful in reviewing your application.

Marcus Vierra
SIGNATURE

12/14/16
DATE

CITY OF GUSTINE

PO BOX 16 - 352 5TH STREET
GUSTINE CA 95322
OFFICE (209) 854-6471 - Fax (209) 854-2127
www.cityofgustine.com



APPLICATION FOR APPOINTMENT TO PLANNING COMMISSION

Planning Commission meetings are scheduled to be held at 7:00 p.m. on the second Wednesday of each month, at City Council Chambers, City Hall, 352 5th Street, Gustine, California.

NAME DONALD R BRUCK

ADDRESS 1175 BONITA AVE, GUSTINE, CA

HOME PHONE 854-3938 BUSINESS PHONE —

CELL PHONE 977-7287 E-MAIL ADDRESS DonRBruck@AOL.COM

OCCUPATION RETIREE

EDUCATION (List highest year completed and all degrees received.) _____

AA DEGREE FROM OAKLAND CITY COLLEGE (ENGINEERING)

B.S. DEGREE SAN JOSE STATE (INDUSTRIAL RELATIONS AND PERSONNEL MANAGEMENT)

EXPERIENCE THIRTY ONE YEARS AT LOCKHEED MISSILES AND SPACE COMPANY, SUNNYVALE CA, IN SUPERVISORY/MANAGERIAL/STAFF AND CONTROLLER POSITIONS IN A MANUFACTURING AND OPERATIONS ENVIRONMENT. (SEE ATTACHMENT)

STATE YOUR INTEREST IN THIS COMMISSION _____

TO BE PART OF AN ORGANIZATION INVOLVED WITH THE PLANNING AND GROWTH OF THE CITY OF GUSTINE, TO HELP MAKE AVAILABLE OPPORTUNITIES FOR BOTH SENIOR CITIZENS AND THE YOUTH OF OUR COMMUNITY.

Please attach a written statement outlining your pertinent education and experience as it applies to this appointment or any documents you believe would be helpful in reviewing your application.

Donald R Bruck

SIGNATURE

12-17-2016

DATE

Donald R. Bruck (AKA 'Donaldo')

Experience:

In addition to holding many supervisory and managerial positions in the manufacturing and operations of a Fortune 500 Company. I had my own small scale art business from 1980 - 2000.

I have been an active member of the Gustine Lions Club for the past five years.

I was a member of the Gustine Ducks Unlimited Chapter where I served as Treasurer for several years.

I am now a committee member of the California Waterfowl Associations Gustine Chapter and have been with that organization for the past 14 years.

I have been an active member of St. James Lutheran Church in Newman, Ca. for the past 20 years and am the Congregations Vice President.

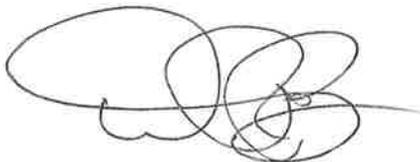
Mel Oliveira, Gustine Mayor, asked me to be on his 'Senior Advisory Committee' and I have agreed.

I have been a active member of the East Gustine Duck Club, Inc. for the past 40 years.

Can't think of too much more other than the fact that I have been coming to this area since I was 17 y.o. and have lived in Gustine since 1988.

Thank you for hearing me out..

Don Bruck

A handwritten signature in black ink, appearing to be 'Don Bruck', with a large, stylized initial 'D' and 'B'.

**CITY COUNCIL AGENDA ITEM****MARCH 7, 2017****PREPARED BY:** Stephen L. Wright, Interim City Manager**SUBJECT:** Consider Authorizing Interim City Manager to Execute Agreement and Application for Green Project Reserve Grant**BACKGROUND/DISCUSSION**

In April, 2016 the City Council approved a concept plan to move forward on a possible energy efficiency project related to the City's water system. The firm of Schneider Electric was authorized to move forward to evaluate the possible cost effectiveness of pursuing a State grant to upgrade the City's water meter system, thus saving energy, water, and staff time through the project (see attached staff report). Since that time Schneider representatives have been evaluating the City's existing water system and also considering some grant/energy saving opportunities at the municipal pool.

The project application phase is now ready to move forward. Attached for Council consideration is a memorandum from Mr. Mark Kindelberger of Schneider Electric identifying the probable savings that will be available to the City when completing this project. Installation of a solar/shade structure at the pool will save an estimated net \$117,193 (plus adding a shade structure at the pool) over the 25 year life of the project. The larger water meter replacement project is estimated to net the City \$9,449 per year (or \$141,735 over the 15 year projected life) and more importantly saves the Public Works Department approximately 15 employee days per month that it takes to read meters. In addition, Schneider guarantees water and electricity savings for the first year (and in subsequent years at the City's option – for a fee).

Based upon these projected savings Schneider is further willing to assist in processing the grant application and will agree to incur all costs should the grant not be forthcoming. Proposed action at tonight's meeting would be to authorize the Interim City Manager to execute the agreements and application necessary to file for the Green Project Reserve Grant.

FISCAL IMPACT

Water and power savings as noted above plus the staff time savings once the project is implemented.

RECOMMENDATION

Council authorize the Interim City Manager to execute the necessary agreements and application to pursue the Green Project Reserve Grant.

EXHIBIT(S):

- A) April 19, 2016 staff report
- B) February 28, 2017 Energy Project Status Update memorandum



COUNCIL AGENDA ITEM

APRIL 19, 2016

PREPARED BY: Sean Scully, City Manager

SUBJECT: **Schneider Electric – Investment Grade Audit Agreement**

BACKGROUND/DISCUSSION:

Over the past two months staff has been in discussions with Schneider Electric regarding the possibility of an energy efficiency project related to the water system. As Council is aware, the vast majority of the water services in town are on a manual read meter system. Those meters (for the most part) are aged meters that will need to be replaced on a normal capital replacement schedule. These manual read meters create a number of inefficiencies for Public Works, they require that essentially the entire team of Public Works spent approximately one full week a month reading water meters. Then the data is manually entered by the Administration Department into the utility billing software so that utility bills can be created and sent out.

In 2013 the City of Gustine completed phase one of the Gustine Water System Upgrade project. Part of that project included installation of approximately 350 radio read meters in various areas of town. The community has approximately 1850 meters total. The radio read meters transmit the reads to an antenna that is affixed to public works vehicles that drive by each location. The radio read system condenses the process of getting water reads by a considerable factor which in turns creates more time for Public Works to focus on other time intensive duties. In addition newer meters typically provide more accurate reads for customer billing.

Schneider Electric has proposed to partner with the City of Gustine to submit an application for funding to the State Water Resources Control Board to conduct a study for the City of Gustine which would allow for Schneider to perform an audit of the water system to determine if potential new revenues or savings of current expenditures exist with large scale energy/water efficiency construction upgrades to the water system. Specifically, the conversion of the remainder of the community to a radio meter system has been initially scoped. The analysis would determine the additional revenues that would be collected as a result of having upgraded meters as well as make recommendations on the best possible technology available for meters, fixed based antenna receptors (for the meter data to transmit to) and any other software needs. This recommendation would be take the form of a construction project which could then in turn be funded by the grant program under the State Water Resource Control Board.

The grant program under the State Water Resources Control Board typically operates under a 50/50 grant/loan scenario. In some cases, communities qualify for a 75% grant

and 25% loan split. In either case, the study by Schneider will determine if the cost for installing the new meter system (the loan portion) would be offset by the new or increased revenues expected from the system upgrade.

When the study is complete and the project is designed, Council will have the opportunity to make a decision on whether or not to move forward with the construction project. If Council chooses to move forward with the project at that time, Schneider Electric would act as project manager and contractor for the installation of the new water meter system (or any other efficiency upgrade that may be developed in the study). The most important component of the proposal is that Schneider will guarantee (based on the study) that expected increased revenues as a result of the infrastructure upgrade are generated at a sufficient level to cover any debt service taken on under the loan portion from the State Water Resource Control Board funding program. In other words, if the new revenues expected ended up being insufficient to cover the yearly debt payment incurred for the infrastructure upgrade, Schneider would compensate the City for the shortfall between expected revenues and debt service.

This guarantee is the keystone component of partnering with Schneider, it greatly reduces the risk to the City of Gustine (and its rate payers) if the projections of the study are not born out after construction/completion of the project. This project gives the City of Gustine the opportunity to cure a severe operational, capital, and long term maintenance need instead of solely funding the project through rate increases.

The City Attorney has reviewed the attached contract and worked with Schneider Electric extensively to verify that sufficient protections for the City of Gustine exist. If approved, the City of Gustine would immediately begin the grant application process with Schneider as a partner and Schneider would begin their due diligence work on the water system audit and project design. The project timeline (attached in the IGA document) estimates that if everything moves as expected the construction of the project could be completed as early as November of this year.

RECOMMENDATION:

Council to consider authorizing the City Manager to execute the Investment Grade Audit Agreement subject to City Attorney form approval.

EXHIBIT:

- A) Schneider Electric Proposed Investment Grade Audit Agreement

February 28, 2017

Stephen Wright
City Manager
City of Gustine

Energy Project status update:

SCOPE OF WORK:

- Energy Efficiency:
 - Many areas within the City were considered, as a result we recommend including only the 16kW solar shade canopy at the pool.
 - Other projects considered are best done by staff when these systems either run-to-failure or when other funds are available. These scopes will be shared with Kathryn so they are on hand as guides for future decision making.
- Water Meters:
 - The City has 1914 water meters installed serving residential and commercial accounts. 1538 of these meters are read manually and targeted for complete replacement with new meters, while 376 are relatively new and can be retrofitted with the communication devices necessary. All 1914 meters will be upgraded to fully automatic communications via a City network into a server housed at City Hall.
 - We are also replacing some of the existing water meter boxes as they are damaged
 - We are also replacing flow meters at each wellhead to improve accuracy of water production data
 - The resulting accumulated data can be downloaded by Finance staff and imported into existing Tyler billing software

COSTS AND SAVINGS (being finalized within next 20 days, but so far...)

- Energy
 - Turnkey installed cost for solar and shade structure is estimated at \$158,000
 - Utility savings estimated over 25-year useful life of the system is \$275,193
 - Schneider will guarantee electricity savings for first year, subsequent year guarantees are available, annually renewable and at the City's option. Cost TBA
- Water
 - Turnkey installed cost for meters, boxes, communications, labor and training is estimated at \$1,070,000
 - 15-year additional revenues in water billing are estimated at \$719,000, averaging \$47,933 per year
 - Schneider will guarantee water savings for first year, subsequent year guarantees are available, annually renewable and at the City's option. Cost TBA

- The installed cost at \$1,070,000 is further supported by a Green Project Reserve Grant, which are applying for and would grant the City 50% of the total cost, or \$535,000 and loan the final 50% at 1.02% interest for 15 years, or \$3,207/month in debt service
- \$47,933 average revenue covers the annual debt of \$38,484
- Total construction cost of project to the City is \$577,200 (with interest), total savings is \$719,000. Savings is calculated on today's water rates.
- What is not included nor counted:
 - Cost in adding storage to an existing server or a new server at City Hall
 - Soft labor savings realized to the City from:
 - FTE's not needed to read meters manually in Public Works
 - FTE's no needed to convert manual reads into billing files in Finance
- Other benefits
 - A shade structure adjacent to the pool will be a visible and comfort benefit to citizens
 - Water use can be seen within communications software by Staff, by individual address and leaks and abuse can be dealt with directly
 - Water use could be seen within a secure communications software portal by citizens so they can monitor use and further promote water conservation
- Activities left to do by May 2nd (not in a particular order)
 - Council approval allowing City Manager to execute the Grant General Information package
 - Submission of Grant General Information Package, via Adams Ashby
 - City Manager and Staff review of final pricing
 - City Manager to lead construction contract terms and conditions review
 - City Attorney approves terms and conditions
 - Planning Commission and City Council approve CEQA designation
 - City Council approves Construction Agreement contingent on grant approval
 - All other Grant Packages submitted, reviewed by City Engineer
 - Typically takes 4 months to funding
 - Any desired or necessary presentations to Council
- Grant approved on or before early September
 - NTP by City
- Schneider Electric mobilizes construction team
- Construction period through November
- Construction completed on or before December 15th, 2017



COUNCIL AGENDA ITEM

MARCH 7, 2017

PREPARED BY: Doug Dunford, Chief of Police

SUBJECT: Consider Street Use and Closures for Memorial Services for Elmer Snyder

BACKGROUND/DISCUSSION

Staff has been approached by Mr. Dick Snyder asking to close 5th Street between First Avenue and Second Avenue. The reason is for a memorial service for his father, Elmer Snyder, being held at the VFW Hall. He is requesting that the street be closed from 0800 hours until 1600 hours for the display of hot rods and vintage automobiles that were associated with his father.

Staff will ensure that proper barricades will be in place and appropriate detours will be established. Street closures and detours will be in effect beginning at 0700 hours with the roadway re-opening at approximately 1630 hours.

FISCAL IMPACT

Public Works personnel will supply and retrieve barricades incurring 2 hours of overtime at a total cost of \$57.82. Typical staffing on March 25, 2017 is two Officers, which will not require an additional officer to be called out. The overall cost for the closure will be \$57.82.

RECOMMENDATION

Council consider the requested street closure for the Memorial Service on Saturday, March 25, 2017 from 0800 hours until 1600 hours.

APPROVED BY:



STEVE WRIGHT, INTERIM CITY MANAGER