



AGENDA
CITY OF GUSTINE
CITY COUNCIL
COUNCIL CHAMBERS, CITY HALL
352 5th STREET GUSTINE, CALIFORNIA
MARCH 19, 2019 – 6:30 P.M.

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Please take a moment to silence your cell phones.

ROLL CALL

Council Members: Alexander – Ford – Turner – Mayor Pro Tem Oliveira – Mayor Nagy

PRESENTATIONS

1. **Gustine Fire Department Elections Results**
Pat Borrelli, Gustine Fire Chief

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.

GUSTINE HIGH SCHOOL STUDENT REPRESENTATIVE REPORT

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?

2. **Minutes of the March 5, 2019 Regular Meeting**
Recommendation: Review and approve
3. **Warrant List**
Recommendation: Review and approve
4. **Treasurer's Report – February 2019**
Recommendation: Review and file
5. **Approve Request for Use of City Sidewalk, Park and Services for Fundraiser Walk**
Recommendation: Review and approve

ADMINISTRATIVE AGENDA

6. **DISCUSSION & DIRECTION: Sidewalk Project**
 1. Receive Staff Report
 2. Receive Public Comment
 3. Provide staff with direction

7. **Consider Adopting the City Financial Audit for Fiscal Year 2014-2015**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Review and accept*

8. **Consider Authorizing the City Manager to Enter into Agreement for Accounting Services**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Consider a motion to authorize City Manager to enter into agreement with the PUN Group for Accounting Services*

9. **PUBLIC HEARING – Consider Adoption and Waiver of the Second Reading of an Ordinance Amending Gustine Zoning Map and Zoning Districts for the Purpose of Adopting a New Zoning Map**
 1. *Receive Staff Report*
 2. *Open the public hearing*
 3. *Receive public comment*
 4. *Close the public hearing*
 5. *Consider a motion* to waive the second reading and adopt an ordinance amending the Gustine Zoning Map and Zoning Districts for the purpose of adopting a new Zoning Map that implements the 2002 General Plan

10. **Consider Expenditure to Assist with Baseball Field Infield Mix**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Consider a motion to approve expenditure for infield mix*

11. **Consider Request for Use of City Streets and Services for Downtown Antique Faire and Car Show**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Consider a motion to authorize use of city streets and services*

12. **Consider Authorizing the City Manager to Enter into Contract for Fire System Testing**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Consider a motion to authorize City Manager to enter into contract for fire system testing*

13. **DISCUSSION & DIRECTION: Sewer Line Connection**
 1. *Receive Staff Report*
 2. *Receive Public Comment*
 3. *Hold discussion and provide staff with direction*

CITY DEPARTMENT REPORTS

COMMISSIONER REPORTS

CITY MANAGER REPORT

CITY COUNCIL REPORTS

CLOSED SESSION

- 1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR- Pursuant to Government Code Section 54956.8 Agency Negotiator: City Manager; Property: Assessor's Parcel No. 020-044-004; Negotiating Parties: Maureen O'Rourke; Under negotiation: Price and terms of payment**

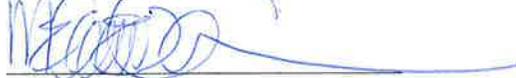
ADJOURNMENT

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 14th day of March, 2019, at or before 5:00 p.m.



Melanie Correa

**MINUTES OF
REGULAR MEETING
MARCH 5, 2019**

CALL TO ORDER - PLEDGE OF ALLEGIANCE

Mayor Nagy called the meeting to order at 6:30 P.M. and conducted the pledge of allegiance.

ROLL CALL

Council Members: Alexander, Ford, Turner, Mayor Nagy

Staff Present: City Manager Doug Dunford, Finance Director Jami Westervelt, Police Chief Milt Medeiros, Recreation Coordinator Tiffany Vitorino, City Attorney Josh Nelson, Fire Chief Pat Borrelli and Deputy City Clerk/Human Resources Manager Melanie Correa

PRESENTATIONS

1. Proclamation in Recognition of Jerry Bettencourt

Mayor Nagy presented Mr. Bettencourt with the proclamation. Mr. Bettencourt thanked his children, his wife and God.

2. Green Lion Landscape

Elijah McDougal, Operations Manager, Matt Stewart, Owner and Chris Pascente, of Belgard Commercial, gave a presentation, and introduced their companies to Council. They thanked Council for their time, and invited questions. There was some discussion.

PUBLIC COMMENT

There was no public comment.

GUSTINE HIGH SCHOOL STUDENT REPRESENTATIVE

Aubree Hazan, Gustine High School Student Representative, distributed her report and advised on recent and current school activities both academic and extracurricular.

CONSENT CALENDAR

3. Minutes of the February 19, 2019 Regular Meeting

Recommendation: Review and approve

4. Warrant List

Recommendation: Review and approve

5. Approve Request for Use of City Streets and Services for 4th of July in the Park Event

Recommendation: Review and approve

6. Approve and Waiver of Second Reading of Ordinance Adding Chapter 9 to Title 5 of the Gustine Municipal Code to Prohibit Operation of Microenterprise Home Kitchen Facilities

Recommendation: Review, Approve and Waive Second Reading

7. Approve Request for Use of City Streets, Park and Services for Annual Linguica Run Car Show

Recommendation: Review and approve

The Mayor introduced the consent calendar, there was no public comment. Council member Ford advised that he would abstain from warrant #45072. Council member Turner made a motion to approve the consent calendar. The motion was seconded by Council member Alexander and carried 4-0 with Council member Ford abstaining from warrant #45072 and Mayor Pro Tem Oliveira absent.

8. Consider Resolution Approving Loan Application for Energy Efficiency Projects

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

City Manager Dunford presented the staff report. Craig Christensen, 657 West Ave Gustine, inquired on the need to obtain a loan. City Manager Dunford provided information. David Craig, 1701 Via Milano Gustine, inquired whether a competitive analysis was done prior to this step in the process. City Manager Dunford provided information. There was some discussion from Council. Ashu Jain and Carolyn Kiesner from Engie, provided information. Mr. Christensen inquired on how the Gustine Unified School District was able to move forward with an energy efficiency project with Engie so quickly, to which the Engie Representatives provided information. Council member Alexander made a motion to approve the resolution. The motion was seconded by Council member Ford and carried 4-0 with Mayor Pro Tem Oliveira absent.

9. Consider Authorizing the City Manager to Enter into Contract for Chemical Supplies for City Facilities

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Consider a motion to authorize City Manager to enter into contract for chemical supplies for City facilities*

City Manager Dunford presented the staff report. There was no public comment. There was some discussion from Council, to which Grant Fong from Northstar Chemical provided information. Council member Turner made a motion to authorize the City Manager to enter into a contract for chemical supplies for City facilities. The motion was seconded by Council member Alexander and carried 4-0 with Mayor Pro Tem Oliveira absent.

10. Consider Authorizing the City Manager to Enter into Agreement for Road Maintenance

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Consider a motion to authorize City Manager to enter into agreement with Merced County for road maintenance related to Southeast Gustine Reorganization*

City Manager Dunford presented the staff report. There was no public comment. There was some discussion from Council. City Attorney Nelson reiterated that the City is assuming the maintenance of the roads in the condition that the roads currently are. Council member Ford made a motion to authorize the City Manager to enter into an agreement with Merced County for road maintenance related to the Southeast Gustine reorganization. The motion was seconded by Council member Alexander and carried 4-0 with Mayor Pro Tem Oliveira absent.

11. DISCUSSION: Mid-Year Budget Review

- 1. Receive Staff Report*
- 2. Receive Public Comment*
- 3. Hold discussion*

Finance Director Westervelt gave a presentation on the mid-year review. There was no public comment. There was some Council discussion.

CITY DEPARTMENT REPORTS

Police Chief Medeiros advised that he had nothing to report.

Fire Chief Borrelli advised that the department's medical training was ongoing. He advised that elections were held, and there was no change.

Recreation Coordinator Vitorino advised on her recent meetings with the Fourth of July Volunteer Committee. She reported that the Fireworks Committee would be having a meeting on March 12th. She further advised that the Baseball clinic was rescheduled due to weather restrictions. She noted that she will be attending a conference for the California Parks and Recreation Society and that she recently held a Color Run meeting. Lastly, she provided an update to Council on her progress in obtaining quotes for the tennis court rehabilitation.

Finance Director Westervelt advised that she had nothing to report.

Deputy City Clerk/Human Resources Manager Correa advised that the 2020 Census was hiring local individuals to assist with canvassing and local projects. She also advised of a call for applicants to the Measure V Citizens Oversight Committee and the Gustine Airport Commission.

CITY MANAGER REPORTS

City Manager Dunford advised on behalf of Public Works that potholes were being filled city-wide. He further advised that new stop signs had been received and would be installed. He informed Council that the water heater has been installed at snack shack. He noted that the fencing would be installed at the soccer field soon. Lastly, he advised that the weeds are being abated in tree planters down Main Street.

City Manager Dunford advised of his recent conference call with the State Water Resources Control Board, who are seeking our current audit to assist with the water meter project. He reported of the League of California Cities dinner in Manteca on March 13th, and inquired on attendance from Council. Lastly, he advised that he will be meeting with FAA in San Francisco this week, to inquire on information regarding the east side drainage project.

CITY COUNCIL REPORTS

Council member Turner inquired on the status of the Feihe project, to which City Manager Dunford provided information. He inquired on an update on the annexation project, to which City Manager Dunford provided information.

Council member Alexander inquired on the status of the water tank repair, to which City Manager Dunford provided information. He inquired on the possibility of adding an additional tennis court, to allow for revenue possibilities. Lastly, he

inquired on the status of the cannabis projects, to which City Manager Dunford provided information.

Council member Ford inquired on a past project of fixing up the police yard, to which City Manager Dunford provided information.

Council member Turner inquired on what the Fire Department trailer was being utilized for. City Manager Dunford and Fire Chief Borrelli provided information.

Mayor Nagy advised that new appointments had been made to the State Water Resources Control Board which may ease the deadlock on that board. He reminded everyone of the upcoming pasta takeout fundraiser for the 4th of July fireworks show, and advised of several other upcoming events. Mayor Nagy suggested that Mr. David Craig apply for the Measure V Oversight Committee.

CLOSED SESSION

ADJOURNMENT

Council member Turner made a motion to adjourn the meeting. The motion was seconded by Council member Alexander and carried 4-0 with Mayor Pro Tem Oliveira absent. The meeting adjourned at 8:21 P.M.

ATTEST:

CITY CLERK

MAYOR NAGY



Warrant List By Vendor Name

Post Dates 03/06/2019 - 03/19/2019

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: A & A PORTABLES INC				
A & A PORTABLES INC	1-743491	45110	SOCCER FIELD PORTABLES	132.06
Vendor A & A PORTABLES INC Total:				132.06
Vendor: A PLUS PLUMBING, LLC				
A PLUS PLUMBING, LLC	8606	45111	WALL MOUNT FAUCET IN	49.00
A PLUS PLUMBING, LLC	8611	45111	WATER SERVICE CALL	95.00
Vendor A PLUS PLUMBING, LLC Total:				144.00
Vendor: ACE HARDWARE OF GUSTINE				
ACE HARDWARE OF GUSTI	408550	45112	PW DEPT SUPPLIES	0.91
ACE HARDWARE OF GUSTI	408550	45112	PW DEPT SUPPLIES	0.79
ACE HARDWARE OF GUSTI	408550	45112	PW DEPT SUPPLIES	0.73
ACE HARDWARE OF GUSTI	408550	45112	PW DEPT SUPPLIES	1.82
ACE HARDWARE OF GUSTI	408550	45112	PW DEPT SUPPLIES	1.80
ACE HARDWARE OF GUSTI	408833	45112	SEWER - PUMP KIT & KEY	56.27
ACE HARDWARE OF GUSTI	408855	45112	BROKEN WATER MAIN SU	20.56
ACE HARDWARE OF GUSTI	409051	45112	PW DEPT SUPPLIES	1.86
ACE HARDWARE OF GUSTI	409051	45112	PW DEPT SUPPLIES	1.61
ACE HARDWARE OF GUSTI	409051	45112	PW DEPT SUPPLIES	1.49
ACE HARDWARE OF GUSTI	409051	45112	PW DEPT SUPPLIES	3.72
ACE HARDWARE OF GUSTI	409051	45112	PW DEPT SUPPLIES	3.73
ACE HARDWARE OF GUSTI	409114	45112	PW DEPT SUPPLIES	2.88
ACE HARDWARE OF GUSTI	409114	45112	PW DEPT SUPPLIES	2.50
ACE HARDWARE OF GUSTI	409114	45112	PW DEPT SUPPLIES	2.31
ACE HARDWARE OF GUSTI	409114	45112	PW DEPT SUPPLIES	5.77
ACE HARDWARE OF GUSTI	409114	45112	PW DEPT SUPPLIES	5.77
ACE HARDWARE OF GUSTI	409248	45112	AIRPORT - PAINT POTHOLE	16.85
ACE HARDWARE OF GUSTI	409254	45112	PW - EXTRA KEY FOR TOOL	0.65
ACE HARDWARE OF GUSTI	409254	45112	PW - EXTRA KEY FOR TOOL	0.56
ACE HARDWARE OF GUSTI	409254	45112	PW - EXTRA KEY FOR TOOL	0.52
ACE HARDWARE OF GUSTI	409254	45112	PW - EXTRA KEY FOR TOOL	1.29
ACE HARDWARE OF GUSTI	409254	45112	PW - EXTRA KEY FOR TOOL	1.29
ACE HARDWARE OF GUSTI	409272	45112	NEW OUTLET	20.56
ACE HARDWARE OF GUSTI	409290	45112	AIRPORT MAINTENANCE	22.89
ACE HARDWARE OF GUSTI	409329	45112	AIRPORT CLEANING SUPPL	21.62
ACE HARDWARE OF GUSTI	409623	45112	REPLACE BROKEN WIRE	4.73
ACE HARDWARE OF GUSTI	409626	45112	PART TO REPLACE BROKEN	3.24
ACE HARDWARE OF GUSTI	409732	45112	PW PROPANE & PATCH FO	1.46
ACE HARDWARE OF GUSTI	409732	45112	PW PROPANE & PATCH FO	1.26
ACE HARDWARE OF GUSTI	409732	45112	PW PROPANE & PATCH FO	1.17
ACE HARDWARE OF GUSTI	409732	45112	PW PROPANE & PATCH FO	2.92
ACE HARDWARE OF GUSTI	409732	45112	PW PROPANE & PATCH FO	2.91
ACE HARDWARE OF GUSTI	409733	45112	AIRPORT SUPPLIES - TAPE	4.97
ACE HARDWARE OF GUSTI	409740	45112	PW DEPT SUPPLIES -DUCK	0.81
ACE HARDWARE OF GUSTI	409740	45112	PW DEPT SUPPLIES -DUCK	0.70
ACE HARDWARE OF GUSTI	409740	45112	PW DEPT SUPPLIES -DUCK	0.65
ACE HARDWARE OF GUSTI	409740	45112	PW DEPT SUPPLIES -DUCK	1.62
ACE HARDWARE OF GUSTI	409740	45112	PW DEPT SUPPLIES -DUCK	1.62
ACE HARDWARE OF GUSTI	409752	45112	PW SUPPLIES	1.49

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
ACE HARDWARE OF GUSTI	409752	45112	PW SUPPLIES	1.29
ACE HARDWARE OF GUSTI	409752	45112	PW SUPPLIES	1.19
ACE HARDWARE OF GUSTI	409752	45112	PW SUPPLIES	2.98
ACE HARDWARE OF GUSTI	409752	45112	PW SUPPLIES	2.99
ACE HARDWARE OF GUSTI	409773	45112	AIRPORT LOUNGE CLEAN	37.61
ACE HARDWARE OF GUSTI	409850	45112	EXTRA WELL KEY	6.46
ACE HARDWARE OF GUSTI	409857	45112	EXTRA WELL KEY	2.15
ACE HARDWARE OF GUSTI	409905	45112	PW CLEANING SUPPLIES	2.37
ACE HARDWARE OF GUSTI	409905	45112	PW CLEANING SUPPLIES	2.05
ACE HARDWARE OF GUSTI	409905	45112	PW CLEANING SUPPLIES	1.89
ACE HARDWARE OF GUSTI	409905	45112	PW CLEANING SUPPLIES	4.73
ACE HARDWARE OF GUSTI	409905	45112	PW CLEANING SUPPLIES	4.73
ACE HARDWARE OF GUSTI	409937	45112	REPLACE LIGHT BULBS ED	54.02
ACE HARDWARE OF GUSTI	409948	45112	REPLACE LIGHT BULBS	31.36
ACE HARDWARE OF GUSTI	409954	45112	REPLACE OUTLET COVERS	8.64
ACE HARDWARE OF GUSTI	409957	45112	FAUCET KNOB REPLACEME	4.21
ACE HARDWARE OF GUSTI	410169	45112	WATER - PADLOCKS	77.88
ACE HARDWARE OF GUSTI	410170	45112	PARK - BATHROOM CLEANI	44.33
ACE HARDWARE OF GUSTI	410267	45112	WATER- READING METER	11.01
ACE HARDWARE OF GUSTI	410268	45112	WATER- UTILITY LIGHTER	2.81
ACE HARDWARE OF GUSTI	410308	45112	WWTP MAIN GATE LOCK	8.62
ACE HARDWARE OF GUSTI	410331	45112	WATER - EXTENSION CORD	30.30
ACE HARDWARE OF GUSTI	410439	45112	LIGHT BULBS - KITCHEN SH	10.81
ACE HARDWARE OF GUSTI	410538	45112	PW SUPPLIES TO WASH VE	3.27
ACE HARDWARE OF GUSTI	410538	45112	PW SUPPLIES TO WASH VE	2.84
ACE HARDWARE OF GUSTI	410538	45112	PW SUPPLIES TO WASH VE	2.62
ACE HARDWARE OF GUSTI	410538	45112	PW SUPPLIES TO WASH VE	6.55
ACE HARDWARE OF GUSTI	410538	45112	PW SUPPLIES TO WASH VE	6.54
ACE HARDWARE OF GUSTI	410583	45112	SOCCER FIELD GRAFFITI RE	48.01
ACE HARDWARE OF GUSTI	410648	45112	PW SUPPLIES - NUTS/BOLT	2.91
ACE HARDWARE OF GUSTI	410648	45112	PW SUPPLIES - NUTS/BOLT	2.52
ACE HARDWARE OF GUSTI	410648	45112	PW SUPPLIES - NUTS/BOLT	2.33
ACE HARDWARE OF GUSTI	410648	45112	PW SUPPLIES - NUTS/BOLT	5.81
ACE HARDWARE OF GUSTI	410648	45112	PW SUPPLIES - NUTS/BOLT	5.81
ACE HARDWARE OF GUSTI	410799	45112	PW - DECK POWER BIT TO	0.81
ACE HARDWARE OF GUSTI	410799	45112	PW - DECK POWER BIT TO	0.70
ACE HARDWARE OF GUSTI	410799	45112	PW - DECK POWER BIT TO	0.65
ACE HARDWARE OF GUSTI	410799	45112	PW - DECK POWER BIT TO	1.62
ACE HARDWARE OF GUSTI	410799	45112	PW - DECK POWER BIT TO	1.62
ACE HARDWARE OF GUSTI	410826	45112	REPAIR KITCHEN CABINET	0.75
ACE HARDWARE OF GUSTI	410826	45112	REPAIR KITCHEN CABINET	0.65
ACE HARDWARE OF GUSTI	410826	45112	REPAIR KITCHEN CABINET	0.60
ACE HARDWARE OF GUSTI	410826	45112	REPAIR KITCHEN CABINET	1.49
ACE HARDWARE OF GUSTI	410826	45112	REPAIR KITCHEN CABINET	1.48
ACE HARDWARE OF GUSTI	410857	45112	REPAIRS AT WATER WELL #	27.00
ACE HARDWARE OF GUSTI	410873	45112	WELL #7 - LEAK REAPIR SU	3.42
ACE HARDWARE OF GUSTI	410895	45112	SHARPENING TOOL FOR C	77.92
ACE HARDWARE OF GUSTI	410925	45112	AL GOMAN - BABY CHANG	23.56
ACE HARDWARE OF GUSTI	410933	45112	AL GOMAN - BABY CHANG	20.54
ACE HARDWARE OF GUSTI	410956	45112	NUTS/BOLTS/WASHERS - I	4.03
ACE HARDWARE OF GUSTI	410979	45112	NUTS / BOLTS REPAIR TABL	22.22
ACE HARDWARE OF GUSTI	411027	45112	WATER WELL SITES - ROU	28.13
ACE HARDWARE OF GUSTI	411063	45112	PW CEILING TILE REPLACE	1.07

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
ACE HARDWARE OF GUSTI	411063	45112	PW CEILING TILE REPLACE	0.93
ACE HARDWARE OF GUSTI	411063	45112	PW CEILING TILE REPLACE	0.86
ACE HARDWARE OF GUSTI	411063	45112	PW CEILING TILE REPLACE	2.14
ACE HARDWARE OF GUSTI	411063	45112	PW CEILING TILE REPLACE	2.13
Vendor ACE HARDWARE OF GUSTINE Total:				898.26
Vendor: AMAZON CAPITAL SERVICES, INC.				
AMAZON CAPITAL SERVICE	111K-DDNC-D9XH	45115	STREETS - REFLECTIVE TAP	347.17
AMAZON CAPITAL SERVICE	141R-G1LR-TVHC	45115	OFFICE SUPPLIES	1.04
AMAZON CAPITAL SERVICE	141R-G1LR-TVHC	45115	OFFICE SUPPLIES	0.26
AMAZON CAPITAL SERVICE	141R-G1LR-TVHC	45115	OFFICE SUPPLIES	3.88
AMAZON CAPITAL SERVICE	141R-G1LR-TVHC	45115	OFFICE SUPPLIES	3.88
AMAZON CAPITAL SERVICE	141R-G1LR-TVHC	45115	OFFICE SUPPLIES	3.89
AMAZON CAPITAL SERVICE	1C1D-XW9Q-WLNY	45115	PW PRINTER TONER	85.49
AMAZON CAPITAL SERVICE	1C1D-XW9Q-WLNY	45115	PW PRINTER TONER	74.09
AMAZON CAPITAL SERVICE	1C1D-XW9Q-WLNY	45115	PW PRINTER TONER	68.39
AMAZON CAPITAL SERVICE	1C1D-XW9Q-WLNY	45115	PW PRINTER TONER	170.98
AMAZON CAPITAL SERVICE	1C1D-XW9Q-WLNY	45115	PW PRINTER TONER	170.99
AMAZON CAPITAL SERVICE	1C1-XW9Q-XF73	45115	PW - PLUMBING WRENCH	129.36
AMAZON CAPITAL SERVICE	1CCX-NMFP-96GV	45115	BIRD ABATEMENT -EGRET	56.07
AMAZON CAPITAL SERVICE	1CCX-NMFP-96GV	45115	BIRD ABATEMENT -EGRET	56.10
AMAZON CAPITAL SERVICE	1CCX-NMFP-96GV	45115	BIRD ABATEMENT -EGRET	56.07
AMAZON CAPITAL SERVICE	1D9G-FY9R-VXFV	45115	WWTP SUPPLIES	43.20
AMAZON CAPITAL SERVICE	1D9P-MWVN-FWKN	45115	PW DEPT OPP SUPPLIES -	39.29
AMAZON CAPITAL SERVICE	1D9P-MWVN-FWKN	45115	PW DEPT OPP SUPPLIES -	34.05
AMAZON CAPITAL SERVICE	1D9P-MWVN-FWKN	45115	PW DEPT OPP SUPPLIES -	31.43
AMAZON CAPITAL SERVICE	1D9P-MWVN-FWKN	45115	PW DEPT OPP SUPPLIES -	78.57
AMAZON CAPITAL SERVICE	1D9P-MWVN-FWKN	45115	PW DEPT OPP SUPPLIES -	78.57
AMAZON CAPITAL SERVICE	1JGM-F7GH-PQK4	45115	BIRD ABATEMENT	103.95
AMAZON CAPITAL SERVICE	1JGM-F7GH-PQK4	45115	BIRD ABATEMENT	107.10
AMAZON CAPITAL SERVICE	1JGM-F7GH-PQK4	45115	BIRD ABATEMENT	103.95
AMAZON CAPITAL SERVICE	1LNT-CC3C-RGFQ	45115	OFFICE SUPPLIES	5.11
AMAZON CAPITAL SERVICE	1LNT-CC3C-RGFQ	45115	OFFICE SUPPLIES	1.28
AMAZON CAPITAL SERVICE	1LNT-CC3C-RGFQ	45115	OFFICE SUPPLIES	19.18
AMAZON CAPITAL SERVICE	1LNT-CC3C-RGFQ	45115	OFFICE SUPPLIES	19.18
AMAZON CAPITAL SERVICE	1LNT-CC3C-RGFQ	45115	OFFICE SUPPLIES	19.17
Vendor AMAZON CAPITAL SERVICES, INC. Total:				1,911.69
Vendor: AMERIPRIDE				
AMERIPRIDE	1502327886	45116	FD - CLEANING SUPPLIES	81.80
Vendor AMERIPRIDE Total:				81.80
Vendor: ANTONIO ESQUIVEZ				
ANTONIO ESQUIVEZ	2363	45117	REPAIR TO LAWN MOWER	102.89
Vendor ANTONIO ESQUIVEZ Total:				102.89
Vendor: ARAMARK UNIFORM SERVICES INC				
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	3.31
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	3.31
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	6.63
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	5.97
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	13.92
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	27.18
ARAMARK UNIFORM SERV	636616008	45118	PW UNIFORMS	5.97
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	1.09
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	1.10
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	2.19

Warrant List

Post Dates: 03/06/2019 - 03/19/2019

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	1.97
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	4.60
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	8.97
ARAMARK UNIFORM SERV	636629819	45118	PW UNIFORMS	1.97
Vendor ARAMARK UNIFORM SERVICES INC Total:				88.18
Vendor: BLAKE GILES				
BLAKE GILES	1054	45119	SIGN OUTSIDE OF BORREL	967.95
Vendor BLAKE GILES Total:				967.95
Vendor: CALIFORNIA STATE DISBURSEMENT UNIT				
CALIFORNIA STATE DISBUR	PR-3/2/19	5975	PAYROLL DEDUCTIONS	351.34
Vendor CALIFORNIA STATE DISBURSEMENT UNIT Total:				351.34
Vendor: CENTRAL SANITARY SUPPLY				
CENTRAL SANITARY SUPPL	953268	45120	PW DEPT SUPPLIES	62.29
CENTRAL SANITARY SUPPL	953268	45120	PW DEPT SUPPLIES	53.98
CENTRAL SANITARY SUPPL	953268	45120	PW DEPT SUPPLIES	49.83
CENTRAL SANITARY SUPPL	953268	45120	PW DEPT SUPPLIES	124.58
CENTRAL SANITARY SUPPL	953268	45120	PW DEPT SUPPLIES	124.57
Vendor CENTRAL SANITARY SUPPLY Total:				415.25
Vendor: CINTAS CORPORATION #3				
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	8.33
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	17.50
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	34.17
CINTAS CORPORATION #3	922746566	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	8.33
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	17.50
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	34.17
CINTAS CORPORATION #3	922749906	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	8.33
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	17.50
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	34.17
CINTAS CORPORATION #3	922751561	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	4.17
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	8.33
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	7.50
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	17.50
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	34.17
CINTAS CORPORATION #3	922753185	45121	PW UNIFORMS	7.50
Vendor CINTAS CORPORATION #3 Total:				333.36
Vendor: CITIZENS BUSINESS BANK				
CITIZENS BUSINESS BANK	APRIL 2019 PYMNT	45122	LEASE NOTE #05-027 SEW	32,523.02
CITIZENS BUSINESS BANK	APRIL 2019 PYMNT	45122	LEASE NOTE #05-027 SEW	13,274.49
Vendor CITIZENS BUSINESS BANK Total:				45,797.51

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: CITY OF GUSTINE				
CITY OF GUSTINE	BORRELLI WATER - MARCH	45123	BORRELLI WATER - MARCH	1,198.34
Vendor CITY OF GUSTINE Total:				1,198.34
Vendor: CSG CONSULTING - PRECISION				
CSG CONSULTING - PRECIS	B1866	45124	PERMIT ISSUANCE AND PL	1,043.27
CSG CONSULTING - PRECIS	B1866	45124	PERMIT ISSUANCE AND PL	234.66
Vendor CSG CONSULTING - PRECISION Total:				1,277.93
Vendor: DEPOT GARAGE INC				
DEPOT GARAGE INC	0018233	45125	PW HEATER HOSE VEHICLE	20.46
DEPOT GARAGE INC	0018233	45125	PW HEATER HOSE VEHICLE	17.73
DEPOT GARAGE INC	0018233	45125	PW HEATER HOSE VEHICLE	16.37
DEPOT GARAGE INC	0018233	45125	PW HEATER HOSE VEHICLE	40.91
DEPOT GARAGE INC	0018233	45125	PW HEATER HOSE VEHICLE	40.91
DEPOT GARAGE INC	0018245	45125	PW TIRES MOUNT & BALA	51.50
DEPOT GARAGE INC	0018245	45125	PW TIRES MOUNT & BALA	44.63
DEPOT GARAGE INC	0018245	45125	PW TIRES MOUNT & BALA	41.20
DEPOT GARAGE INC	0018245	45125	PW TIRES MOUNT & BALA	102.99
DEPOT GARAGE INC	0018245	45125	PW TIRES MOUNT & BALA	102.99
DEPOT GARAGE INC	0018473	45125	PW OIL CHANGE VEHICLE	8.46
DEPOT GARAGE INC	0018473	45125	PW OIL CHANGE VEHICLE	7.33
DEPOT GARAGE INC	0018473	45125	PW OIL CHANGE VEHICLE	6.76
DEPOT GARAGE INC	0018473	45125	PW OIL CHANGE VEHICLE	16.91
DEPOT GARAGE INC	0018473	45125	PW OIL CHANGE VEHICLE	16.91
DEPOT GARAGE INC	0018585	45125	PW VEHICLE - IGNITION S	17.35
DEPOT GARAGE INC	0018585	45125	PW VEHICLE - IGNITION S	15.04
DEPOT GARAGE INC	0018585	45125	PW VEHICLE - IGNITION S	13.88
DEPOT GARAGE INC	0018585	45125	PW VEHICLE - IGNITION S	34.70
DEPOT GARAGE INC	0018585	45125	PW VEHICLE - IGNITION S	34.70
Vendor DEPOT GARAGE INC Total:				651.73
Vendor: DEREK SAWYER SMART ENERGY HEATING & AIR INC.				
DEREK SAWYER SMART EN	30899	45126	FD MAINENANCE ON HVA	70.00
Vendor DEREK SAWYER SMART ENERGY HEATING & AIR INC. Total:				70.00
Vendor: DLH TOOLS INC.				
DLH TOOLS INC.	0031128-IN	45127	NEW STREET SIGNS	3,530.44
Vendor DLH TOOLS INC. Total:				3,530.44
Vendor: DOMINGOS PONCEANO				
DOMINGOS PONCEANO	47 - A	45128	JANITORIAL - FEBRUARY 2	400.00
DOMINGOS PONCEANO	47 - A	45128	JANITORIAL - FEBRUARY 2	30.00
DOMINGOS PONCEANO	47 - A	45128	JANITORIAL - FEBRUARY 2	300.00
DOMINGOS PONCEANO	47 - A	45128	JANITORIAL - FEBRUARY 2	450.00
DOMINGOS PONCEANO	47 - B	45128	JANITORIAL GOMAN DUE	150.00
Vendor DOMINGOS PONCEANO Total:				1,330.00
Vendor: DONLEE PUMP COMPANY				
DONLEE PUMP COMPANY	91378	45129	AIRPORT - VAPOR RECOVE	611.82
Vendor DONLEE PUMP COMPANY Total:				611.82
Vendor: DON'S MOBILE GLASS INC				
DON'S MOBILE GLASS INC	ITUR330229	45130	PW CORP YARD- GLASS RE	32.26
DON'S MOBILE GLASS INC	ITUR330229	45130	PW CORP YARD- GLASS RE	27.96
DON'S MOBILE GLASS INC	ITUR330229	45130	PW CORP YARD- GLASS RE	25.81
DON'S MOBILE GLASS INC	ITUR330229	45130	PW CORP YARD- GLASS RE	64.52
DON'S MOBILE GLASS INC	ITUR330229	45130	PW CORP YARD- GLASS RE	64.52
Vendor DON'S MOBILE GLASS INC Total:				215.07

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: E & M ELECTRIC, INC				
E & M ELECTRIC, INC	1903	45131	PW DEPT SUPPLIES	11.89
E & M ELECTRIC, INC	1903	45131	PW DEPT SUPPLIES	10.30
E & M ELECTRIC, INC	1903	45131	PW DEPT SUPPLIES	9.51
E & M ELECTRIC, INC	1903	45131	PW DEPT SUPPLIES	23.77
E & M ELECTRIC, INC	1903	45131	PW DEPT SUPPLIES	23.77
E & M ELECTRIC, INC	1905	45131	OUTLET REPAIR AT WWTP	252.17
E & M ELECTRIC, INC	1917	45131	NORTH SEWER LIFT STATI	1,059.76
Vendor E & M ELECTRIC, INC Total:				1,391.17
Vendor: GILTON SOLID WASTE MANAGEMENT INC				
GILTON SOLID WASTE MA	FEBRUARY 2019 BINS	45132	TRASH BINS - FEBRUARY 2	284.60
Vendor GILTON SOLID WASTE MANAGEMENT INC Total:				284.60
Vendor: GOUVEIA ENGINEERING INC				
GOUVEIA ENGINEERING I	8214	45133	CMAQ- BICYCLE PEDESTRI	2,304.97
GOUVEIA ENGINEERING I	8291	45133	BICYCLE / PEDESTRIAN	260.00
GOUVEIA ENGINEERING I	8292 A	45133	NORTH AVE RESIDENTIAL	132.50
GOUVEIA ENGINEERING I	8292 B	45133	ALT MODES MEASURE V SI	292.50
GOUVEIA ENGINEERING I	8292 D	45133	MEASURE V	1,170.00
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	12.45
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	12.43
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	62.25
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	18.68
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	18.68
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	12.45
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	18.68
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	93.38
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	124.50
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	124.50
GOUVEIA ENGINEERING I	8292 E	45133	SOLAR - SCHMIDT PARK PR	124.50
GOUVEIA ENGINEERING I	8293	45133	WWTP IMPROVEMENT PL	4,017.50
GOUVEIA ENGINEERING I	8294	45133	NORTH AVE SEWER LINE C	3,518.75
GOUVEIA ENGINEERING I	8295	45133	SR 140/33 ROUNDABOUT	567.00
GOUVEIA ENGINEERING I	8296	45133	SR 140/33 ROUNDABOUT	1,113.75
GOUVEIA ENGINEERING I	8297	45133	5TH ST/4TH AVE ROUNDA	236.25
GOUVEIA ENGINEERING I	8298	45133	SCHMIDT PARK TRAIL PHA	325.00
GOUVEIA ENGINEERING I	8299	45133	AIRPORT STORM DRAINAG	60.00
GOUVEIA ENGINEERING I	8300	45133	ABDALLAH LOT SPLIT	408.19
GOUVEIA ENGINEERING I	8301	45133	CMAQ - TRANSPORTATION	614.25
GOUVEIA ENGINEERING I	8392	45133	PUBLIC WORKS	85.32
GOUVEIA ENGINEERING I	8392	45133	PUBLIC WORKS	85.31
GOUVEIA ENGINEERING I	8393	45133	NORTH AVE SEWER LINE C	1,032.94
GOUVEIA ENGINEERING I	8394	45133	SR 140/33 ROUNDABOUT	930.00
GOUVEIA ENGINEERING I	8395	45133	5TH ST/4TH AVE ROUNDA	767.50
GOUVEIA ENGINEERING I	8396	45133	AIRPORT STORM DRAINAG	60.00
GOUVEIA ENGINEERING I	8397	45133	ABDALLAH LOT SPLIT	333.38
GOUVEIA ENGINEERING I	8398	45133	WWTP IMPROVEMENT PL	3,980.00
Vendor GOUVEIA ENGINEERING INC Total:				22,917.61
Vendor: GUERREROS TIRE AND AUTO REPAIR INC.				
GUERREROS TIRE AND AU	03012019	45135	PW TIRES VEHICLE #1065	104.10
GUERREROS TIRE AND AU	03012019	45135	PW TIRES VEHICLE #1065	90.22
GUERREROS TIRE AND AU	03012019	45135	PW TIRES VEHICLE #1065	83.28
GUERREROS TIRE AND AU	03012019	45135	PW TIRES VEHICLE #1065	208.20

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
GUERREROS TIRE AND AU	03012019	45135	PW TIRES VEHICLE #1065	208.20
Vendor GUERREROS TIRE AND AUTO REPAIR INC. Total:				694.00
Vendor: HALYCON CREEK INC. (DBA MID VALLEY I.T.)				
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	28.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	28.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	140.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	42.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	42.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	28.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	42.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	210.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	280.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	280.00
HALYCON CREEK INC. (DBA	20200206	45136	MONTHLY I.T. SUPPORT - A	280.00
HALYCON CREEK INC. (DBA	20200259	45136	MONTHLY PD I.T. SUPPORT	2,103.26
Vendor HALYCON CREEK INC. (DBA MID VALLEY I.T.) Total:				3,503.26
Vendor: HILMAR LUMBER INC				
HILMAR LUMBER INC	332947	45137	MATERIALS TO REPAIR TEN	26.92
HILMAR LUMBER INC	333043	45137	SOCCER FIELD CHAIN LINK	333.06
HILMAR LUMBER INC	333049	45137	PW DEPT SUPPLIES	-1.14
HILMAR LUMBER INC	333049	45137	PW DEPT SUPPLIES	-0.99
HILMAR LUMBER INC	333049	45137	PW DEPT SUPPLIES	-0.91
HILMAR LUMBER INC	333049	45137	PW DEPT SUPPLIES	-2.28
HILMAR LUMBER INC	333049	45137	PW DEPT SUPPLIES	-2.29
Vendor HILMAR LUMBER INC Total:				352.37
Vendor: IEH-JL ANALYTICAL				
IEH-JL ANALYTICAL	457779	45138	WWTP SAMPLES	372.50
IEH-JL ANALYTICAL	459613	45138	WWTP SAMPLES	233.00
IEH-JL ANALYTICAL	460264	45138	WWTP SAMPLES	156.00
IEH-JL ANALYTICAL	460649	45138	WWTP SAMPLES	216.50
Vendor IEH-JL ANALYTICAL Total:				978.00
Vendor: INFOSEND BILLING				
INFOSEND BILLING	150406	45139	UTILITY BILLING	35.81
INFOSEND BILLING	150406	45139	UTILITY BILLING	28.28
INFOSEND BILLING	150406	45139	UTILITY BILLING	14.32
INFOSEND BILLING	150406	45139	UTILITY BILLING	11.31
INFOSEND BILLING	150406	45139	UTILITY BILLING	236.34
INFOSEND BILLING	150406	45139	UTILITY BILLING	186.65
INFOSEND BILLING	150406	45139	UTILITY BILLING	236.34
INFOSEND BILLING	150406	45139	UTILITY BILLING	186.65
INFOSEND BILLING	150406	45139	UTILITY BILLING	193.37
INFOSEND BILLING	150406	45139	UTILITY BILLING	152.72
INFOSEND BILLING	150642	45139	TREE & LEAF BILL INSERT	175.35
Vendor INFOSEND BILLING Total:				1,457.14
Vendor: IRRIGATION DESIGN & CONSTRUCTION LLC				
IRRIGATION DESIGN & CO	0257892-IN	45140	PW WORK GLOVES	3.88
IRRIGATION DESIGN & CO	0257892-IN	45140	PW WORK GLOVES	3.36
IRRIGATION DESIGN & CO	0257892-IN	45140	PW WORK GLOVES	3.10
IRRIGATION DESIGN & CO	0257892-IN	45140	PW WORK GLOVES	7.76
IRRIGATION DESIGN & CO	0257892-IN	45140	PW WORK GLOVES	7.76
IRRIGATION DESIGN & CO	0257912-IN	45140	PW DEPT OPP SUPPLIES -	3.88
IRRIGATION DESIGN & CO	0257912-IN	45140	PW DEPT OPP SUPPLIES -	3.36
IRRIGATION DESIGN & CO	0257912-IN	45140	PW DEPT OPP SUPPLIES -	3.10

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
IRRIGATION DESIGN & CO	0257912-IN	45140	PW DEPT OPP SUPPLIES -	7.76
IRRIGATION DESIGN & CO	0257912-IN	45140	PW DEPT OPP SUPPLIES -	7.76
Vendor IRRIGATION DESIGN & CONSTRUCTION LLC Total:				51.72
Vendor: JOBS AVAILABLE				
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	6.24
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	31.20
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	15.60
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	6.24
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	9.36
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	65.52
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	65.52
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	46.80
JOBS AVAILABLE	1904013	45141	ADVERTISING - ACCOUNTI	65.52
Vendor JOBS AVAILABLE Total:				312.00
Vendor: JON W ZALINSKI				
JON W ZALINSKI	1630	45142	REPAIR CHAINSAW	43.77
Vendor JON W ZALINSKI Total:				43.77
Vendor: MARTIN L. CARVER				
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	8.44
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	8.44
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	75.94
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	75.94
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	9.28
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	3.24
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	10.66
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	23.19
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	43.39
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	19.04
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	40.50
MARTIN L. CARVER	1653	45143	HOUSING ELEMENT	19.44
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	43.88
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	43.88
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	394.88
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	394.88
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	48.26
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	16.85
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	55.46
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	120.57
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	225.67
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	98.98
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	210.60
MARTIN L. CARVER	1657	45143	HOUSING ELEMENT/ZONI	101.09
Vendor MARTIN L. CARVER Total:				2,092.50
Vendor: MATTOS NEWSPAPERS INC				
MATTOS NEWSPAPERS INC	71083	45144	PD PARKING CITATIONS	137.54
MATTOS NEWSPAPERS INC	71110	45144	ANIMAL CONTROL CORRE	109.17
MATTOS NEWSPAPERS INC	71185	45144	FIREWORKS PASTA TAKE O	59.33
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	1.92
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	9.62
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	4.83
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	1.92
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	2.89
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	20.21

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	14.44
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	20.21
MATTOS NEWSPAPERS INC	CW02281903	45144	ADVERTISING - ACCOUNTA	20.21
MATTOS NEWSPAPERS INC	PI020719101	45144	PUBLIC NOTICE: ENERGY	80.00
MATTOS NEWSPAPERS INC	PI022119102	45144	PUBLIC NOTICE: ORDINAN	80.00
Vendor MATTOS NEWSPAPERS INC Total:				562.29
Vendor: MERCED COUNTY REGISTRAR OF VOTERS				
MERCED COUNTY REGISTR	CITY OF GUSTINE GG 2018	45145	GUBERNATIONAL GENERA	3,553.13
Vendor MERCED COUNTY REGISTRAR OF VOTERS Total:				3,553.13
Vendor: MODERN WILDLIFE SOLUTIONS				
MODERN WILDLIFE SOLUT	6405	45146	GOPHER ABATEMENT - FE	300.00
Vendor MODERN WILDLIFE SOLUTIONS Total:				300.00
Vendor: NATURAL INVESTIGATIONS COMPANY, INC.				
NATURAL INVESTIGATIONS	1167	45147	5TH ST/4TH AVE ROUNDA	11,638.10
NATURAL INVESTIGATIONS	1194	45147	5TH ST/4TH AVE ROUNDA	5,935.21
Vendor NATURAL INVESTIGATIONS COMPANY, INC. Total:				17,573.31
Vendor: OPERATING ENGINEERS LOCAL #3				
OPERATING ENGINEERS L	PR-03/2/19	45167	PAYROLL DEDUCTIONS	49.00
OPERATING ENGINEERS L	PR-3/2/19	45167	PAYROLL DEDUCTIONS	294.00
Vendor OPERATING ENGINEERS LOCAL #3 Total:				343.00
Vendor: O'REILLY AUTO ENTERPRISES, LLC				
O'REILLY AUTO ENTERPRIS	5718-159096	45148	GREASE - MOWER & VARI	12.97
O'REILLY AUTO ENTERPRIS	5718-160205	45148	PW REPLACE WIPER BLAD	0.61
O'REILLY AUTO ENTERPRIS	5718-160205	45148	PW REPLACE WIPER BLAD	0.53
O'REILLY AUTO ENTERPRIS	5718-160205	45148	PW REPLACE WIPER BLAD	0.49
O'REILLY AUTO ENTERPRIS	5718-160205	45148	PW REPLACE WIPER BLAD	1.23
O'REILLY AUTO ENTERPRIS	5718-160205	45148	PW REPLACE WIPER BLAD	1.23
Vendor O'REILLY AUTO ENTERPRISES, LLC Total:				17.06
Vendor: P G & E				
P G & E	03012019	45149	LINDEN & BONTA ELECTRI	11.48
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	2,166.39
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	1,296.76
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	90.37
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	409.48
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	248.15
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	66.57
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	597.18
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	265.23
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	1,330.66
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	5,590.61
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	95.13
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	8,117.37
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	1,891.50
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	884.12
P G & E	MARCH 2019	45149	GAS AND ELECTRIC	113.06
Vendor P G & E Total:				23,174.06
Vendor: PARREIRAS AUTO REPAIR				
PARREIRAS AUTO REPAIR	41539	45150	FD TRUCK MAINTENANCE	733.54
Vendor PARREIRAS AUTO REPAIR Total:				733.54
Vendor: POLICE OFFICERS ASSOC				
POLICE OFFICERS ASSOC	PR-3/2/19	45168	PAYROLL DEDUCTIONS	300.00
Vendor POLICE OFFICERS ASSOC Total:				300.00

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
Vendor: PUBLIC EMP RETIREMENT SYSTEM				
PUBLIC EMP RETIREMENT	PR-3/2/19EECLASSICMISC	5969	RETIREMENT CONTRIBUTI	1,508.06
PUBLIC EMP RETIREMENT	PR-3/2/19EECLASSICSAFET	5970	RETIREMENT CONTRIBUTI	563.62
PUBLIC EMP RETIREMENT	PR-3/2/19EEPEPRAMISC	5968	RETIREMENT CONTRIBUTI	569.81
PUBLIC EMP RETIREMENT	PR-3/2/19EEPEPRASAFETY	5976	RETIREMENT CONTRIBUTI	938.46
PUBLIC EMP RETIREMENT	PR-3/2/19ERCLASSICMISC	5973	RETIREMENT CONTRIBUTI	1,943.24
PUBLIC EMP RETIREMENT	PR-3/2/19ERCLASSICSAFE	5974	RETIREMENT CONTRIBUTI	1,124.55
PUBLIC EMP RETIREMENT	PR-3/2/19ERPEPRAMISC	5972	RETIREMENT CONTRIBUTI	623.78
PUBLIC EMP RETIREMENT	PR-3/2/19ERPEPRASAFETY	5971	RETIREMENT CONTRIBUTI	949.64
Vendor PUBLIC EMP RETIREMENT SYSTEM Total:				8,221.16
Vendor: R.J. RICCIARDI, INC. CERTIFIED PUBLIC ACCOUNTANTS				
R.J. RICCIARDI, INC. CERTIF	10861	45151	ACCOUNTING SERVICES	460.25
Vendor R.J. RICCIARDI, INC. CERTIFIED PUBLIC ACCOUNTANTS Total:				460.25
Vendor: RANEY PLANNING & MANAGEMENT, INC.				
RANEY PLANNING & MAN	1878P-3	45152	SE DEV RASMUSSEN DEVE	1,000.00
RANEY PLANNING & MAN	1879P-3	45152	SE DEV KATAKIS DEVELOP	1,000.00
RANEY PLANNING & MAN	1902E-2	45152	CANNABIS TIP TOP MICRO	4,289.32
Vendor RANEY PLANNING & MANAGEMENT, INC. Total:				6,289.32
Vendor: RAY A. MORGAN COMPANY				
RAY A. MORGAN COMPAN	2434838	45153	COPIER LEASE 3/4/2019 4/	70.81
RAY A. MORGAN COMPAN	2434838	45153	COPIER LEASE 3/4/2019 4/	132.76
RAY A. MORGAN COMPAN	2434838	45153	COPIER LEASE 3/4/2019 4/	17.70
RAY A. MORGAN COMPAN	2434838	45153	COPIER LEASE 3/4/2019 4/	221.28
RAY A. MORGAN COMPAN	2434838	45153	COPIER LEASE 3/4/2019 4/	221.28
RAY A. MORGAN COMPAN	2434838	45153	COPIER LEASE 3/4/2019 4/	221.27
Vendor RAY A. MORGAN COMPANY Total:				885.10
Vendor: ROBERT HALF INTERNATIONAL				
ROBERT HALF INTERNATIO	52903158	45154	PT HRLY HELP	26.29
ROBERT HALF INTERNATIO	52903158	45154	PT HRLY HELP	5.26
ROBERT HALF INTERNATIO	52903158	45154	PT HRLY HELP	178.78
ROBERT HALF INTERNATIO	52903158	45154	PT HRLY HELP	178.78
ROBERT HALF INTERNATIO	52903158	45154	PT HRLY HELP	136.72
ROBERT HALF INTERNATIO	52903534	45154	PT ACCOUNTANT HRLY HE	28.66
ROBERT HALF INTERNATIO	52903534	45154	PT ACCOUNTANT HRLY HE	7.16
ROBERT HALF INTERNATIO	52903534	45154	PT ACCOUNTANT HRLY HE	272.27
ROBERT HALF INTERNATIO	52903534	45154	PT ACCOUNTANT HRLY HE	272.27
ROBERT HALF INTERNATIO	52903534	45154	PT ACCOUNTANT HRLY HE	136.14
ROBERT HALF INTERNATIO	52976592	45154	PT ACCOUNTANT HRLY HE	37.46
ROBERT HALF INTERNATIO	52976592	45154	PT ACCOUNTANT HRLY HE	9.37
ROBERT HALF INTERNATIO	52976592	45154	PT ACCOUNTANT HRLY HE	355.91
ROBERT HALF INTERNATIO	52976592	45154	PT ACCOUNTANT HRLY HE	355.91
ROBERT HALF INTERNATIO	52976592	45154	PT ACCOUNTANT HRLY HE	177.95
Vendor ROBERT HALF INTERNATIONAL Total:				2,178.93
Vendor: ROCHA BACKHOE SERVICE INC				
ROCHA BACKHOE SERVICE	1448	45155	POTHOLE REPAIRS	1,660.00
ROCHA BACKHOE SERVICE	1450	45155	WATER LEAK REPAIR	6,250.00
Vendor ROCHA BACKHOE SERVICE INC Total:				7,910.00
Vendor: S & N AIROFLO, INC				
S & N AIROFLO, INC	17510	45156	AIRATOR SERVICE AT WWT	1,732.12
Vendor S & N AIROFLO, INC Total:				1,732.12
Vendor: SAN JOAQUIN RIVER GROUNDWATER SUSTAINABILITY AGENCY				
SAN JOAQUIN RIVER GRO	DECEMBER 10, 2018	45157	WATER GSA/ GROUNDWA	2,430.47

Warrant List

Post Dates: 03/06/2019 - 03/19/2019

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
SAN JOAQUIN RIVER GRO	MARCH 8, 2019	45157	WATER GSA/ GROUNDWA	418.00
Vendor SAN JOAQUIN RIVER GROUNDWATER SUSTAINABILITY AGENCY Total:				2,848.47
Vendor: SCHAEFFER MANUFACTURING COMPANY				
SCHAEFFER MANUFACTUR	FF25073-INV1	45158	OIL FOR WWTP AERATORS	807.55
SCHAEFFER MANUFACTUR	FF25074-INV1	45158	OIL FOR WWTP AERATORS	484.53
Vendor SCHAEFFER MANUFACTURING COMPANY Total:				1,292.08
Vendor: SHERYL GOMES				
SHERYL GOMES	ZUMBA FEB 2019	45159	ZUMBA INSTR- FEB 2019	309.50
SHERYL GOMES	ZUMBA JAN 2019	45159	ZUMBA INSTR JAN 2019	304.00
Vendor SHERYL GOMES Total:				613.50
Vendor: STATE STREET BANK & TRUST COMPANY				
STATE STREET BANK & TRU	PR-3/2/19	5966	PAYROLL DEDUCTIONS	825.00
Vendor STATE STREET BANK & TRUST COMPANY Total:				825.00
Vendor: SUPERIOR TANK SOLUTIONS				
SUPERIOR TANK Solutio	1835P	45160	WATER TANK REPAIR	85,925.00
Vendor SUPERIOR TANK SOLUTIONS Total:				85,925.00
Vendor: TERMINIX INTERNATIONAL				
TERMINIX INTERNATIONALA	383336817	45161	WWTP PEST CONTROL	41.00
TERMINIX INTERNATIONALA	383337417	45161	WWTP PEST CONTROL	10.00
TERMINIX INTERNATIONALA	383342115	45161	GOMAN CENTER PEST CO	70.00
Vendor TERMINIX INTERNATIONAL Total:				121.00
Vendor: TESEI PETROLEUM				
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	67.87
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	583.67
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	53.09
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	172.77
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	37.02
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	180.80
TESEI PETROLEUM	22001	45162	FUEL FD/PD/PW VEHICLE	181.40
Vendor TESEI PETROLEUM Total:				1,276.62
Vendor: TIFFANY VITORINO				
TIFFANY VITORINO	MARCH2019	45169	PER DIEM & MILEAGE - SP	351.64
Vendor TIFFANY VITORINO Total:				351.64
Vendor: TYLER TECHNOLOGIES, INC.				
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	13.57
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	13.57
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	67.85
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	20.36
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	20.36
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	13.57
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	20.34
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	101.78
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	135.70
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	135.70
TYLER TECHNOLOGIES, IN	025-250533	45163	SOFTWARE MAINTENANC	135.70
Vendor TYLER TECHNOLOGIES, INC. Total:				678.50
Vendor: VERIZON WIRELESS				
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	0.44
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	53.19
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	96.05
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	13.18
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	45.58
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	28.28

Vendor Name	Payable Number	Payment Number	Description (Item)	Amount
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	15.19
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	28.27
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	53.19
VERIZON WIRELESS	9822872875	45164	CELL SERVICE - FEBRUARY	151.96
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	0.46
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	54.71
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	98.80
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	13.56
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	46.89
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	29.08
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	15.63
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	29.08
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	54.71
VERIZON WIRELESS	9824822597	45164	CELL SERVICE - MARCH 20	156.31
Vendor VERIZON WIRELESS Total:				984.56
Vendor: WASHINGTON STATE SUPPORT REGISTRY				
WASHINGTON STATE SUPP	PR-3/2/19	45170	PAYROLL DEDUCTION	142.71
Vendor WASHINGTON STATE SUPPORT REGISTRY Total:				142.71
Vendor: WESTSIDE WELDING & RADIATOR				
WESTSIDE WELDING & RA	10620	45165	WATER METER COVERS	156.00
WESTSIDE WELDING & RA	10622	45165	INSTALL SHOVEL BRACKET	7.80
WESTSIDE WELDING & RA	10622	45165	INSTALL SHOVEL BRACKET	6.76
WESTSIDE WELDING & RA	10622	45165	INSTALL SHOVEL BRACKET	6.24
WESTSIDE WELDING & RA	10622	45165	INSTALL SHOVEL BRACKET	15.60
WESTSIDE WELDING & RA	10622	45165	INSTALL SHOVEL BRACKET	15.60
Vendor WESTSIDE WELDING & RADIATOR Total:				208.00
Vendor: YANCEY LUMBER CO				
YANCEY LUMBER CO	A2019007731	45166	REPAIR BROKEN BENCH @	82.32
YANCEY LUMBER CO	R2019000594	45166	PD KEYS	6.77
Vendor YANCEY LUMBER CO Total:				89.09
Grand Total:				263,777.20

Report Summary

Fund Summary

Fund	Payment Amount
001 - GENERAL FUND	24,400.25
002 - UTILITY TAX FUND	57.36
009 - COMMUNITY CENTER FUND	2,028.37
016 - SWIM POOL FUND	1,450.19
017 - CITY WIDE LIGHTING & LAND	6,234.73
019 - RECREATION FUND	1,153.54
020 - SURFACE TRANS SERV FUND	24,692.03
021 - ST/SIDEWALK MAINT	6,950.25
047 - FIREWORKS	59.33
059 - STORM DRAIN	899.63
060 - WATER FUND	107,922.98
061 - SEWER FUND	57,206.19
062 - REFUSE	1,989.70
063 - AIRPORT FUND	1,719.88
074 - ASSESS - BORRELLI	1,311.40
099 - PAYROLL TRUST FUND	10,183.21
101 - GENERAL GOVERNMENT IMPACT FEES	57.54
102 - POLICE IMPACT FEES	20.09
103 - FIRE IMPACT FEES	66.12
104 - PARKS IMPACT FEE	143.76
105 - STORM DRAIN IMPACT FEES	269.06
106 - WATER IMPACT FEES	118.02
107 - SEWER IMPACT FEES	4,802.79
108 - REGIONAL TRANSPORTATION IMPACT FEES	120.53
202 - ALT MODES MEASURE V	292.50
203 - SB1 - ROAD REPAIR/LOCAL STREETS 2017 ACT	1,170.00
301 - SWRCB GRANT WASTEWATER PROJ C-06-8179-11	8,457.75
Grand Total:	263,777.20

Account Summary

Account Number	Account Name	Payment Amount
001-0000-430.202-00	377 4TH ST CANNABIS D	4,289.32
001-0110-530.201-00	OTHER CONTRACT SERVI	54.02
001-0130-530.003-00	ELECTION	3,553.13
001-0140-500.010-00	SALARIES - PART TIME E	66.12
001-0140-520.000-00	OFFICE SUPPLIES	6.15
001-0140-530.011-00	TELEPHONE & INTERNET	0.90
001-0140-530.014-00	POSTAGE	35.81
001-0140-530.030-00	ADVERTISING	8.16
001-0140-530.201-00	OTHER CONTRACT SERVI	153.09
001-0150-500.010-00	SALARIES - PART TIME E	26.29
001-0150-520.011-00	UNIFORM ALLOWANCE	21.08
001-0150-520.040-00	FUEL	67.87
001-0150-530.011-00	TELEPHONE & INTERNET	107.90
001-0150-530.060-00	ELECTRIC	2,166.39
001-0150-530.062-00	GAS	1,296.76
001-0150-530.201-00	OTHER CONTRACT SERVI	400.00
001-0210-520.010-00	DEPT OPERATING SUPPL	174.31
001-0210-520.040-00	FUEL	583.67
001-0210-530.011-00	TELEPHONE & INTERNET	194.85
001-0210-530.030-00	ADVERTISING	40.82
001-0210-530.060-00	ELECTRIC	90.37
001-0210-530.201-00	OTHER CONTRACT SERVI	2,806.12
001-0220-520.010-00	DEPT OPERATING SUPPL	151.80
001-0220-520.030-00	MOTOR VEHICLE EXPEN	733.54
001-0220-520.040-00	FUEL	53.09
001-0220-530.060-00	ELECTRIC	409.48

Account Summary

Account Number	Account Name	Payment Amount
001-0220-530.062-00	GAS	248.15
001-0230-520.010-00	DEPT OPERATING SUPPL	109.17
001-0230-530.011-00	TELEPHONE	26.74
001-0410-530.009-00	OTHER PROFESSIONAL S	1,228.09
001-0410-530.030-00	ADVERTISING	160.00
001-0410-530.094-00	PLANNING/CONSTRUCT	234.66
001-0410-530.230-00	PROJECT/ DEV EXPENSES	2,741.57
001-0610-520.010-00	DEPT OPERATING SUPPL	1,085.00
001-0610-520.011-00	UNIFORM ALLOWANCE	21.09
001-0610-520.030-00	MOTOR VEHICLE EXPEN	305.37
001-0610-530.011-00	TELEPHONE	92.47
001-0610-530.030-00	ADVERTISING	20.43
001-0610-530.060-00	ELECTRIC	66.57
001-0610-530.080-00	EQUIPMENT RENTAL	132.06
001-0610-530.201-00	OTHER CONTRACT SERVI	437.84
002-0147-530.011-00	TELEPHONE	57.36
009-0150-520.010-00	DEPT OPERATING SUPPL	211.33
009-0150-520.040-00	FUEL	172.77
009-0150-530.011-00	TELEPHONE	30.82
009-0150-530.060-00	ELECTRIC	597.18
009-0150-530.062-00	GAS	265.23
009-0150-530.201-00	OTHER CONTRACT SERVI	751.04
016-0613-530.011-00	TELEPHONE	57.35
016-0613-530.030-00	ADVERTISING	8.16
016-0613-530.060-00	ELECTRIC	1,330.66
016-0613-530.201-00	OTHER CONTRACT SERVI	54.02
017-0260-530.060-00	ELECTRIC	5,590.61
017-0610-520.010-00	DEPT OPERATING SUPPL	237.94
017-0610-520.011-00	UNIFORM ALLOWANCE	42.14
017-0610-520.040-00	FUEL	37.02
017-0610-530.011-00	TELEPHONE	107.90
017-0610-530.030-00	ADVERTISING	175.35
017-0610-530.201-00	OTHER CONTRACT SERVI	43.77
019-0613-530.030-00	ADVERTISING	12.25
019-0613-530.060-00	ELECTRIC	95.13
019-0613-530.091-00	MEETINGS & TRAINING	351.64
019-0613-530.201-00	OTHER CONTRACT SERVI	694.52
020-0310-530.009-00	OTHER PROFESSIONAL S	24,692.03
021-0310-520.010-00	DEPT OPERATING SUPPL	5,762.12
021-0310-520.011-00	UNIFORM ALLOWANCE	37.94
021-0310-520.030-00	MOTOR VEHICLE EXPEN	175.48
021-0310-530.201-00	OTHER CONTRACT SERVI	974.71
047-0704-520.010-00	DEPT OPERATING SUPPL	59.33
059-0140-500.010-00	SALARIES - PART TIME E	21.79
059-0140-520.000-00	OFFICE SUPPLIES	1.54
059-0140-530.014-00	POSTAGE	14.32
059-0140-530.201-00	OTHER CONTRACT SERVI	29.01
059-0730-520.010-00	DEPT OPERATING SUPPL	207.27
059-0730-520.030-00	MOTOR VEHICLE EXPEN	161.98
059-0730-530.009-00	OTHER PROFESSIONAL S	52.32
059-0730-530.201-00	OTHER CONTRACT SERVI	411.40
060-0140-500.010-00	SALARIES - PART TIME E	806.96
060-0140-520.000-00	OFFICE SUPPLIES	23.06
060-0140-530.014-00	POSTAGE	236.34
060-0140-530.201-00	OTHER CONTRACT SERVI	407.93
060-0142-530.030-00	ADVERTISING	85.73
060-0710-520.010-00	DEPT OPERATING SUPPL	865.17
060-0710-520.011-00	UNIFORM ALLOWANCE	88.52

Account Summary

Account Number	Account Name	Payment Amount
060-0710-520.030-00	MOTOR VEHICLE EXPEN	404.94
060-0710-520.040-00	FUEL	180.80
060-0710-530.009-00	OTHER PROFESSIONAL S	3,404.61
060-0710-530.011-00	TELEPHONE	308.27
060-0710-530.060-00	ELECTRIC	8,128.85
060-0710-530.201-00	OTHER CONTRACT SERVI	92,981.80
061-0140-500.010-00	SALARIES - PART TIME E	806.96
061-0140-520.000-00	OFFICE SUPPLIES	23.06
061-0140-530.014-00	POSTAGE	236.34
061-0140-530.201-00	OTHER CONTRACT SERVI	407.93
061-0142-530.030-00	ADVERTISING	146.97
061-0520-520.010-00	DEPT OPERATING SUPPL	3,683.89
061-0520-520.011-00	UNIFORM ALLOWANCE	172.83
061-0520-520.030-00	MOTOR VEHICLE EXPEN	404.94
061-0520-520.040-00	FUEL	181.40
061-0520-530.009-00	OTHER PROFESSIONAL S	556.13
061-0520-530.060-00	ELECTRIC	1,891.50
061-0520-530.102-00	BOND PRINC/COP'S & S	32,523.02
061-0520-530.121-00	INTEREST - COP'S & SRF	13,274.49
061-0520-530.201-00	OTHER CONTRACT SERVI	2,896.73
062-0140-500.010-00	SALARIES - PART TIME E	450.81
062-0140-520.000-00	OFFICE SUPPLIES	23.06
062-0140-530.014-00	POSTAGE	193.37
062-0140-530.201-00	OTHER CONTRACT SERVI	373.99
062-0510-520.011-00	UNIFORM ALLOWANCE	37.94
062-0510-530.009-00	OTHER PROFESSIONAL S	284.60
062-0510-530.030-00	ADVERTISING	85.73
062-0510-530.201-00	OTHER CONTRACT SERVI	540.20
063-0340-520.010-00	DEPT OPERATING SUPPL	103.94
063-0340-530.009-00	OTHER PROFESSIONAL S	120.00
063-0340-530.060-00	ELECTRIC	884.12
063-0340-530.201-00	OTHER CONTRACT SERVI	611.82
074-0610-530.059-00	WATER UTILITY	1,198.34
074-0610-530.060-00	ELECTRIC	113.06
099-0000-220.050	PERS PAYABLE	8,221.16
099-0000-220.071	POA DEDUCT PAYABLE	300.00
099-0000-220.081	UNION DUES PAYABLE	343.00
099-0000-220.092	CAL PERS 457 DEF COMP	825.00
099-0000-220.097	CALIFORNIA STATE DISB	351.34
099-0000-220.098	WASHINGTON SUPPORT	142.71
101-0140-530.009-00	OTHER PROFESSIONAL S	57.54
102-0210-530.009-00	OTHER PROFESSIONAL S	20.09
103-0220-530.009-00	OTHER PROFESSIONAL S	66.12
104-0610-530.009-00	OTHER PROFESSIONAL S	143.76
105-0730-530.009-00	OTHER PROFESSIONAL S	269.06
106-0710-530.009-00	OTHER PROFESSIONAL S	118.02
107-0520-530.009-00	OTHER PROFESSIONAL S	4,802.79
108-0310-530.009-00	OTHER PROFESSIONAL S	120.53
202-0310-530.009-00	OTHER PROFESSIONAL S	292.50
203-0310-530.009-00	OTHER PROFESSIONAL S	1,170.00
301-0520-530.009-00	OTHER PROFESSIONAL S	8,457.75
	Grand Total:	263,777.20

Project Account Summary

Project Account Key	Payment Amount
None	263,777.20
Grand Total:	263,777.20

Jami Westervelt



TREASURER'S REPORT

Period Ending February 28, 2019

The following investment and cash information pertains to the period ending February 28, 2019:

<u>Institution</u>	<u>Acct#</u>	<u>Investment Type</u>	<u>Interest Rate</u>	<u>Balance</u>
Investments				
State of California LAIF	000-100.055	Pooled	2.392%	\$6,031,350.59
Non Interest Bearing Items				
Tri-Counties Bank	099-100.004	Payroll Account		\$596,202.10
Tri-Counties Bank	000-100.100	General Checking		\$1,431,576.57
<i>Subtotal</i>				\$2,027,778.67
Total Cash and Investments				\$8,059,129.26

Prepared by:



Jami Westervelt, Finance Director



ITEM NO. 5

CITY COUNCIL AGENDA ITEM

MARCH 19, 2019

PREPARED BY: Milt Medeiros, Chief of Police

SUBJECT: Great Strides Fundraiser 5K Walk

BACKGROUND/DISCUSSION

Staff has received a request from Nicole Hood, Administrative Manager for The Cystic Fibrosis Foundation, who will be hosting the Great Strides Fundraiser 5K Walk. The Cystic Fibrosis Foundation raises money for cystic fibrosis, a genetic disease that affects the lungs and digestive system. This event is scheduled for Saturday, September 28, 2019 from 6:30 AM to 1:00 PM. The use of the park and gazebo area will be required, and an audio system with amplified music will be used. A short speaking program will be held in the park from 9:45 AM to 10:00 AM. The 5K walk will commence at 10:00 AM and will conclude by 11:30 AM. The program facilitator anticipates approximately 100 participants.

Staff will ensure that all the proper permits are secured and Police personnel will be assigned as needed.

The following streets (sidewalks) will be utilized during the 5K walk: Eastbound 3rd Avenue to northbound West Avenue. Northbound West Avenue to eastbound 1st Avenue and then onto southbound 5th Street. The participants will proceed south on 5th Street to westbound 5th Avenue and then northbound West Avenue. The route continues north on West Avenue to eastbound 3rd Avenue and concludes at Henry Miller Park. The adjacent sidewalks on each of the aforementioned streets will act as the course. No street closures nor traffic control efforts are required.

FISCAL IMPACT

There will be no fiscal impact related to this event.

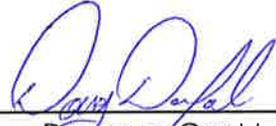
RECOMMENDATION

Staff recommends that Council approve this request for the Great Strides Fundraiser 5K Walk.

EXHIBIT(S)

- A) Letter of request from Nicole Hood, Administrative Manager, Northern California Chapter of the Cystic Fibrosis Foundation.

APPROVED BY:



DOUG DUNFORD, CITY MANAGER



January 15, 2019

To the City Manager and City Council of Gustine:

The Cystic Fibrosis (CF) Foundation, located in San Francisco, California, would like to host our Great Strides fundraising 5k walk at Henry Miller Park on September 28, 2019. The CF Foundation raises money for cystic fibrosis, a genetic disease that affects the lungs and digestive system.

We are requesting use of the park and gazebo. The walk will begin at Henry Miller Park and head west down 3rd Ave. We will then turn right up West Ave, right on 1st Ave, right on 5th St, right on 5th Ave, right on West Ave and right again on 3rd Ave. We will end at Henry Miller Park. I have attached a picture of the route.

We would like to hold this event at Henry Miller Park from 6:30am until 1:00pm. CF Foundation Staff and volunteers will be setting up from 6:30am until 9:00am. At this time, participants will begin arriving. Registration is from 9:00am until 10:00am. At 10:00am the walk will begin. We will have around 100 participants that will walk a 5k (about 3 miles). They will complete the walk between 11:00am and 11:30am. Lunch will be served and cleanup will begin. The event will be completed by 1:00pm at the latest.

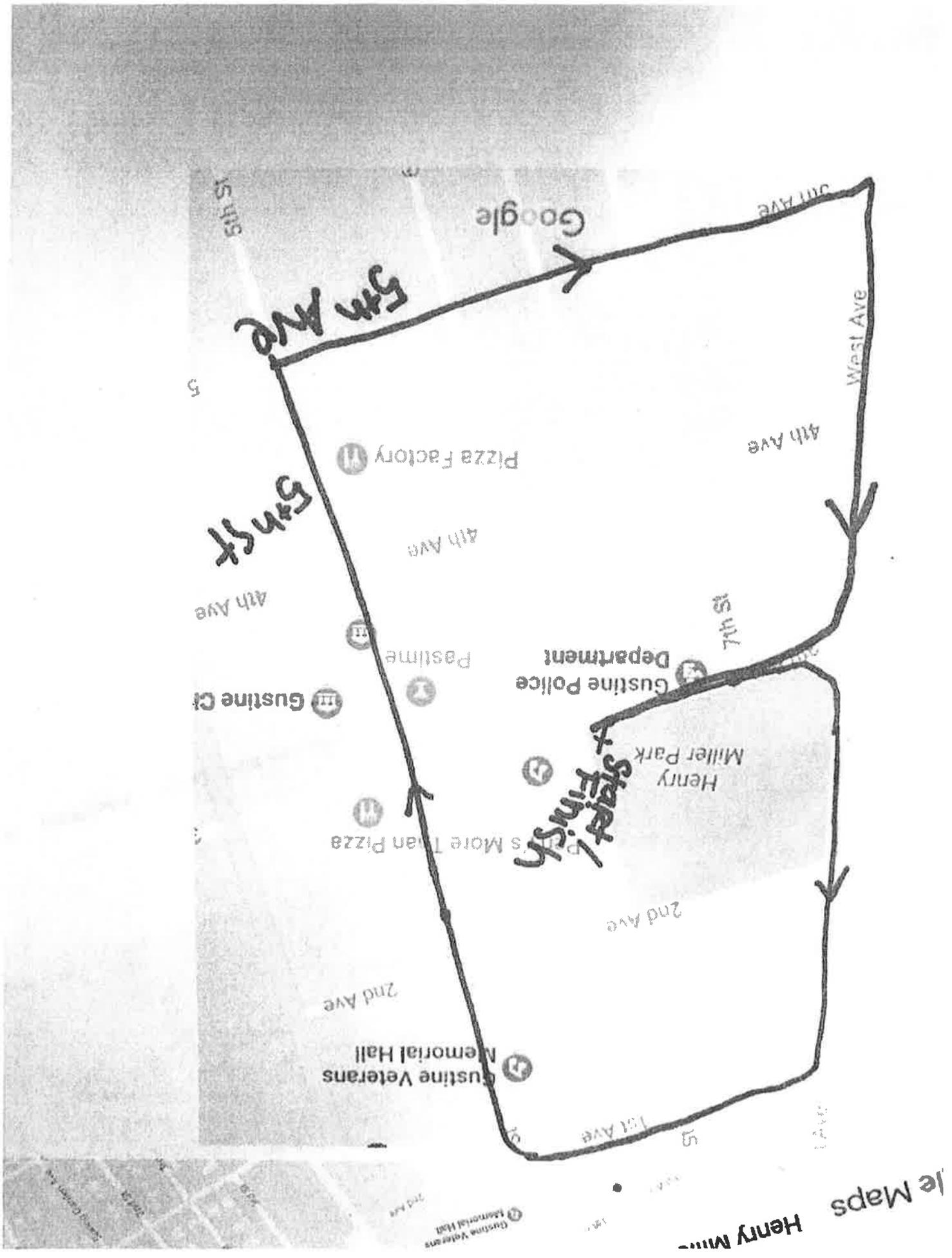
We will have a short speaking program from 9:45am-10:00am and we would like to play music throughout the morning. We are requesting the use of amplified sound.

If you have any questions or need any more information please do not hesitate to ask.

Thank you,

Nicole Hood
Administrative Manager

Northern California Chapter
235 Montgomery Street, Suite 724, San Francisco, California 94104
415.989.6500
www.cff.org/NCA email: NCalifornia@cff.org



5th Ave

5th St

Start/Finish

Google

West Ave

4th Ave

4th Ave

4th Ave

7th St

Gustine Police Department

Miller Park

Pizza's More Than Pizza

2nd Ave

2nd Ave

Gustine Veterans Memorial Hall

1st Ave

1st Ave

le Maps

Henry Min

Gustine Veterans Memorial Hall



COUNCIL AGENDA ITEM

MARCH 19, 2019

PREPARED BY: Doug Dunford, City Manager

SUBJECT: DISCUSSION & DIRECTION: Westside Christian Sidewalk Project

BACKGROUND/DISCUSSION

Staff was contacted by Jerome Zalinski, representing Westside Christian Church to see if the City would allow them to completely renovate the sidewalk. Jerome explained that Westside Christian Church wanted to completely redo the front landscape of their church and thought they could help the City in renewing the sidewalk in front as well.

A parishioner was in attendance at the last City Council meeting to view the presentation on the benefits of using pavers. The next day, Staff was contacted by Jerome who asked if the City would be interested in putting pavers in as the sidewalk instead of concrete. Westside Christian Church has negotiated a deal with Green Lion Landscape to purchase the pavers at a greatly reduced cost.

Mr. Zalinski is asking if the City will allow, or at the least consider having the church install the pavers for a test period. If Council doesn't like the looks or feel of the pavers, Westside Christian Church will replace it with concrete within 45 days of the notice.

Jerome Zalinski and Matt Stewart from Green Lion Landscape are both expected to be present at the meeting to answer any questions that Council may have regarding the pavers or the installation.

FISCAL IMPACT

None at this time

RECOMMENDATION

Council to discuss and to give direction to the City Manager on what direction to move on installing pavers or concrete.

EXHIBIT(S)

A) Photo samples



BELGARD

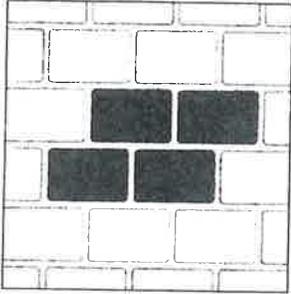
Cambridge Cobble®

The tranquil, tree-lined avenues of 19th-century small-town America are recalled in this sturdy paver. Cambridge Cobble offers a more tailored, architectural look with its gently rounded corners and domed "pillow top" surface. The subtle color combinations and versatile patterns make it ideal for crafting intricate circular designs and captivating serpentine walkways.

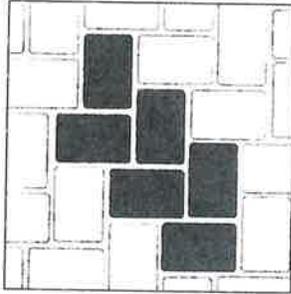
Features & Benefits:

- Gently rounded corners with domed "pillow-top" surface
- Clean line architectural appearance
- Wide range of natural color blends
- An abundance of adaptable shapes
- Perfect for intricate circle patterns and serpentine walkways

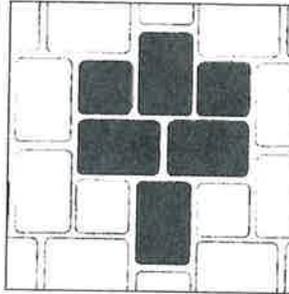
Laying Patterns:



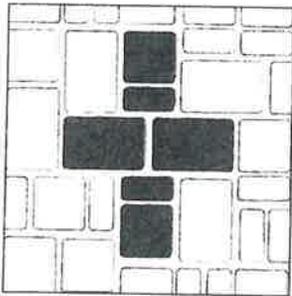
Running Bond



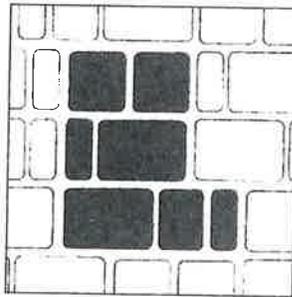
90° Herringbone



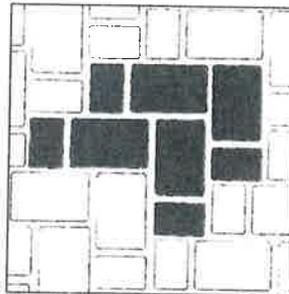
2-Piece Pattern



3-Piece Pattern



4-Piece Pattern



2-Piece 90° Herringbone

Colors:



Aspen



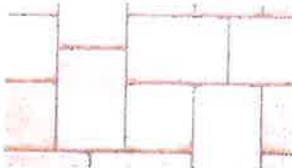
Autumn



Barcelona



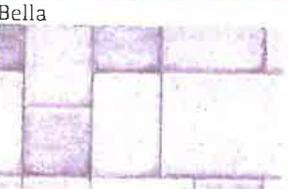
Bella



Montecito



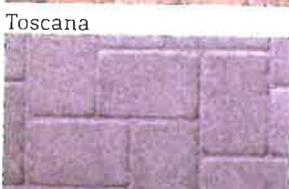
Toscana



Rio



Victorian



Dark Charcoal (6x9 only)

Cambridge Cobble®

Shapes & Sizes:*

SQUARE

6 x 6 x 2 1/4"



RECTANGLE

6 x 9 x 2 1/4"



LARGE RECTANGLE

9 x 12 x 2 1/4"



2-PIECE MODULAR

6 x 3 x 2 1/4"



6 x 6 x 2 1/4"



CIRCLE KIT

6 x Variable x 2 1/4"



*Please contact your local sales representative for more information.



BELGARD

Sierra an Oldcastle® company

4202 Gibraltar Court
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209.983.1609

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Holland Stone

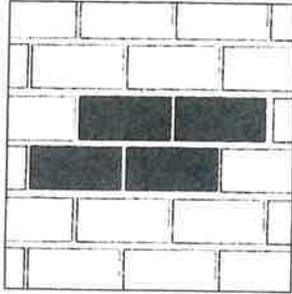
With its simple shape and traditional appeal, Holland Stone is a practical choice for a variety of residential and commercial installations. Its exceptional strength and durability combine with a range of captivating color blends that only add to its popularity. Basic in form, its clean, modular shape is the key to a myriad of dynamic design options and applications.



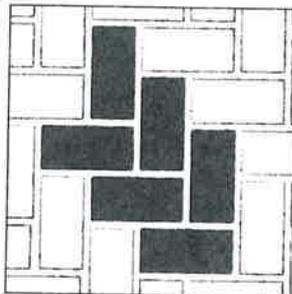
Features & Benefits:

- Simple and elegant design and look
- Smooth clean surface
- Architectural appearance in straight lines
- Wide range of natural color blends
- Meets the requirements of ASTM C936
- Versatile border options

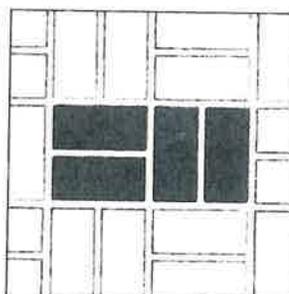
Laying Patterns:



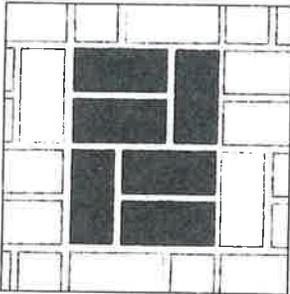
Running Bond



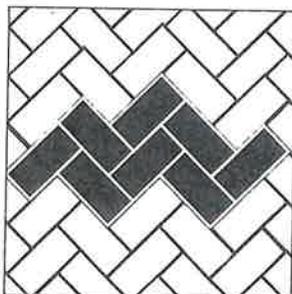
90° Herringbone



Basket Weave



Modified Basket Weave



45° Herringbone

60MM HOLLAND STONE

4 x 8 x 2 1/4
(NOMINAL)



80MM HOLLAND STONE**

4 x 8 x 3 1/4
(NOMINAL)



Appropriate paver thickness is based on project-specific conditions, including type of loading, base design, and subgrade conditions. It is recommended that you consult a Belgard Representative when specifying products for vehicular applications.

Colors:



Toscana



Victorian



Dark Charcoal*

*Available in 60mm Only

**Recommended for commercial vehicular traffic applications

Please contact your local sales representative for more information.



BELGARD

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**AGREEMENT
BETWEEN
THE CITY OF GUSTINE
AND
CHRISTIAN BRALY
FOR WESTSIDE CHRISTIAN CHURCH SIDEWALK PROJECT**

This Agreement (“Agreement”) is made and entered into this 13th day of March, 2019 by and between the City of Gustine (“City”) and Christian Braly, an individual (“Owner”). City and Owner are sometimes referred to herein individually as “Party” and collectively as “Parties.”

RECITALS

WHEREAS, Owner is the owner of the real property located at 139 Fifth Street, Gustine, CA (“Property”) on which Owner owns and operates the Westside Christian Church.

WHEREAS, various improvements to the existing sidewalk and right-of-way adjacent to the Property are necessary.

WHEREAS, Owner wishes to install a new sidewalk adjacent to the Property (“Project”).

WHEREAS, Owner will advertise, award, administer, and fund the contracts for construction of the Project at no cost to City.

WHEREAS, it is the intent of the Parties to enter into this Agreement to establish and coordinate the responsibilities of the Parties with respect to the Project, all as further set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by City and Owner as follows:

TERMS

1. **Incorporation of Recitals.** The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.
2. **Term.** This Agreement shall be effective as of the date first set forth above, and shall continue in effect until the Project is complete as determined by City in its sole and absolute discretion.
3. **General Agreement to Cooperate.** The Parties agree to mutually cooperate in order to help ensure that the Project is successfully completed with minimum impact to both Parties, and the public.
4. **Obligations of Owner.**

4.1 Owner shall be responsible for procuring all construction management and construction services necessary to complete the Project in compliance with all applicable local, state and federal laws including, without limitation, the California Public Contract Code and the California Labor Code. Owner shall ensure that the contractor completes the portions of the Project according to City designs and specifications, identified in and attached as Exhibit A.

4.2 Owner shall fully complete and construct the Project at no cost to City.

4.3 Owner shall require the contractor on the Project to obtain all required permits and approvals for all Project work.

4.4 Owner shall include, in its contract with the contractor on the Project, a requirement that the contractor include City, its officials, officers, employees and agents as additional insureds and shall cause the contractor to indemnify the City, its officials, officers, employees and agents. The amount of such insurance and indemnity language shall be reviewed and approved by the City Manager.

4.5 Owner shall allow City staff access to the Project site and Property, at all reasonable times and upon advance notice, to perform observation and construction inspection of any Project improvements.

4.6 Owner shall provide City with as-built record drawings for the Project improvements after acceptance of the Project by City. Owner shall execute any documents necessary to reflect the transfer of title to the Project to City. City will only accept the Project if Owner constructs the Project in accordance with all applicable laws and City designs and specifications.

5. Time is of the Essence. Each Party warrants that it shall make its best efforts to perform all obligations assigned to it related to the Project in such a manner as to allow the Project to progress as scheduled.

6. Indemnification. Owner shall indemnify, defend and hold City, its officials, officers, employees, agents, consultants and contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts or omissions or willful misconduct of Owner, his employees, agents, consultants or contractors in the performance of Agreement, including the payment of all reasonable attorneys' fees.

7. Written Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

GUSTINE:
City of Gustine
352 Fifth Street

OWNER:
Christian Braly
130 Fifth Street

Gustine, CA 95322

Gustine, CA 95322

Attn: City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

8. Amendments. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing.

9. Assignment of Agreement. Neither Party may assign or transfer its respective rights or obligations under this Agreement without the express written consent of the other Party. Any purported assignment or transfer by one Party without the express written consent of the other Party shall be null and void and of no force or effect.

10. Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

11. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

12. Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, shall survive any such expiration or termination.

13. Third Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

14. Entire Agreement. This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior negotiations, agreements or understandings.

16. Attorneys' Fees. The prevailing party in any litigation to enforce or interpret this Agreement shall be entitled to recover its reasonable legal fees.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE
TO
AGREEMENT
BETWEEN
THE CITY OF GUSTINE
AND
CHRISTIAN BRALY
FOR WESTSIDE CHRISTIAN CHURCH SIDEWALK PROJECT**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first herein above written.

CITY OF GUSTINE

Christian Braly

By: _____

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

City Clerk

EXHIBIT A
PROJECT DESIGN AND SPECIFICATIONS



ITEM NO. 7

CITY COUNCIL AGENDA ITEM

MARCH 19, 2019

PREPARED BY: Jami Westervelt, Finance Director

SUBJECT: Review and Accept the City of Gustine Annual Audit

BACKGROUND/DISCUSSION

The City of Gustine must contract with an independent audit firm to audit its Annual Financial Statements. The City has been behind on the audits for some time, culminating in the termination of the contract with its previous audit firm due to delays in delivering the 2012/13 audit. The City went through an RFP process to select a new firm and chose RJR Ricciardi, Inc. out of San Rafael.

The City also took this opportunity to take steps to bring its financial statements into line with Generally Accepted Accounting Principles and standards of the Governmental Accounting Standards Board.

The audit before you marks a culmination of a tremendous amount of work on the general ledger accounts that make up the financial picture for the City as well as the financial statements included.

In order to make this transition, the City contracted professionals through the PUN Group to prepare the financials and assist in rectifying some of the account issues. With such few accounting staff at the City, the improvements would not have been possible without enlisting PUN Group.

By having PUN prepare the financials for the City, the City also ends its history of the auditor both preparing and auditing the financials, which does not follow best practices.

The attached audit includes the necessary technical review in addition to the financial statements and independent auditors report on internal controls. The City did not meet the threshold that would require a Single Audit during this audit period.

While the 2014/15 audit has taken considerable time to complete and longer than envisioned by either the City or PUN, it marks a very important step to bringing the City into the required accounting standards. Changes such as converting to a modified accrual basis of accounting are very time consuming but are necessary and well overdue for the City of Gustine.

Kenneth Pun, Managing Partner at the PUN GROUP, will be at the Council meeting to discuss the audit and answer any questions.

RECOMMENDATION

Council review and accept the City's Independent Auditors' Report and Comprehensive Annual Financial Statements for the fiscal year ending June 30, 2015 and management letter.

EXHIBIT(S):

- A) Independent Auditors' Report and Comprehensive Annual Financial Statements
- B) Management Letter

APPROVED BY:



DOUG DUNFORD, CITY MANAGER

CITY OF GUSTINE

**CITY COUNCIL
&
MANAGEMENT REPORT**

**For the Year Ended
JUNE 30, 2015**

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R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Members
of the City Council
City of Gustine
Gustine, California

In planning and performing our audit of the basic financial statements of City of Gustine for the fiscal year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of City of Gustine's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

During our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration in this report. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are not intended to be all-inclusive, but rather represent those matters that we considered worthy of your consideration. Our comments and recommendations are submitted as constructive suggestions to assist you in strengthening controls and procedures; they are not intended to reflect on the honesty or integrity of any employee. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist City of Gustine in implementing the recommendations.

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

We thank City of Gustine's staff for its cooperation during our audit.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 14, 2019

To the Honorable Members
of the City Council
City of Gustine
Gustine, California

We have audited the basic financial statements of City of Gustine for the year ended June 30, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 29, 2017, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of City of Gustine. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by City of Gustine are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by City of Gustine during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the basic 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 basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole. The most sensitive estimate(s) affecting the basic financial statements were:

- Accrual and disclosure of compensated absences;
- Capital asset lives and depreciation expense;
- Actuarial assumptions for pension plan disclosure;
- Accrual and disclosure of leases;
- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements (Audit Adjustments)

Professional standards require us to accumulate all known and likely misstatements (audit adjustments) identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Of the 3 audit adjustments detected as a result of audit procedures and corrected by management most were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 12, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

City of Gustine
CITY COUNCIL & MANAGEMENT REPORT
For the Year Ended June 30, 2015

Current Year Observations

1) Employee Dishonesty Insurance

Observation:

During the course of the audit we noted that City of Gustine's (the City's) assets may not be insured against the risk of acts of employee dishonesty.

Recommendation:

We recommend the City to review their insurance coverages and consider purchasing insurance to protect against the risk of acts of employee dishonesty and fraud.

2) Payroll Tax Return Reconciliation

Observation:

During the course of our audit we noted the City does not reconcile salary and tax amounts on the quarterly payroll tax returns to the general ledger.

Recommendation:

We recommend the City reconcile salary and tax amounts on the quarterly payroll tax returns to the general ledger on a quarterly basis.

3) City Pool Cash Receipts and Concession Inventory

Observation:

During the course of the audit we noted that the City pool daily receipts summary sheet does not document the pool manager's review. We also noted there are no formal perpetual inventory records for pool and special events concession items.

Recommendation:

We recommend the City have the pool manager document their review of the daily receipts by signing the daily summary sheet. We also recommend the City consider manually tracking daily purchases and sales of concession items and have the pool and special events managers document their review of the inventory sheets by signing the sheet.

4) Electronic Payments

Observation:

During the course of our audit we noted the City's electronic payments are not formally approved.

Recommendation:

We recommended the City to consider creating an approval sheet that is signed off by two check signers prior to payment for all electronic or ACH payments.

City of Gustine
CITY COUNCIL & MANAGEMENT REPORT
For the Year Ended June 30, 2015

Prior Year Observations

There were no prior year observations that came to our attention.

**Independent Auditors' Report
and
Comprehensive Annual Financial Statements**

FOR THE FISCAL YEAR ENDED
June 30, 2015

**CITY OF GUSTINE,
CALIFORNIA**



Prepared by City of Gustine Finance Department

**City of Gustine
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For the Fiscal Year Ended June 30, 2015**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Members
of the City Council
City of Gustine
Gustine, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for 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, we consider internal control relevant to City of Gustine'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 City of Gustine's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gustine's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2019, on our consideration of City of Gustine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Gustine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 14, 2019

City of Gustine
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 2,572,818	\$ 2,059,489	\$ 4,632,307
Receivables	198,642	239,766	438,408
Cash with fiscal agent		113,839	113,839
Capital assets, not being depreciated:			
Land	71,310	2,933,628	3,004,938
Capital assets (net of accumulated depreciation):			
Buildings and improvements	278,832	6,717,806	6,996,638
Machinery and equipment	9,382	449,579	458,961
Road network	9,533,400		9,533,400
Total assets	<u>12,664,384</u>	<u>12,514,107</u>	<u>25,178,491</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	259,981	38,749	298,730
Total deferred outflows of resources	<u>259,981</u>	<u>38,749</u>	<u>298,730</u>
LIABILITIES			
Accounts payable	84,713	89,023	173,736
Unearned revenue	309,540		309,540
Noncurrent liabilities:			
Due within one year	74,930	357,099	432,029
Due in more than one year	386,281	3,015,674	3,401,955
Aggregate net pension liability	1,738,580	239,271	1,977,851
Total liabilities	<u>2,594,044</u>	<u>3,701,067</u>	<u>6,295,111</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	441,171	88,487	529,658
Total deferred inflows of resources	<u>441,171</u>	<u>88,487</u>	<u>529,658</u>
NET POSITION			
Net investment in capital assets	9,892,924		9,892,924
Restricted for:			
Capital projects	1,636,610		1,636,610
Debt service	23,572		23,572
Community development	1,091,478		1,091,478
Public safety	218,051		218,051
Unrestricted (deficit)	(2,973,485)	8,763,302	5,789,817
Total net position	<u>\$ 9,889,150</u>	<u>\$ 8,763,302</u>	<u>\$ 18,652,452</u>

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

**City of Gustine
Statement of Activities
For the Year Ended June 30, 2015**

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities							
General government	282,749	437,342	327,379		481,972		481,972
Public safety	1,574,554	72,336	233,663		(1,268,555)		(1,268,555)
Transportation	460,647	20,441	127,310		(312,896)		(312,896)
Community development	126,652	110,877		94,695	78,920		78,920
Cultural and recreation	555,822	109,495	133,142		(313,185)		(313,185)
Interest and other charges	11,542				(11,542)		(11,542)
Total governmental activities	3,011,966	750,491	821,494	94,695	(1,345,286)	-	(1,345,286)
Business-type activities:							
Water	933,406	980,381				46,975	46,975
Sewer	1,175,406	1,368,361				192,955	192,955
Refuse	447,886	489,400				41,514	41,514
Storm Drain	40,839	45,010				4,171	4,171
Airport	193,409	114,966	10,000			(68,443)	(68,443)
Total business-type activities	2,790,946	2,998,118	10,000	-		217,172	217,172
Total primary government	5,802,912	3,748,609	831,494	94,695	(1,345,286)	217,172	(1,128,114)

General revenues:

Property taxes	496,768	496,768
Utility user taxes	239,826	239,826
Sales taxes	583,559	583,559
Business licenses/Franchise fee	116,606	116,606
Other taxes	16,456	16,456
Grants and contributions not restricted to specific programs		
Unrestricted investment earnings	1,392	7,258
Transfers	254,526	(254,526)
Total general revenues and transfers	1,709,133	(247,268)
Changes in net position	363,847	(30,096)
Net position-beginning	(1,542,291)	(633,478)
Adjustments to beginning balance	11,067,594	9,426,876
Net position-ending	9,889,150	8,763,302

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

**City of Gustine
Balance Sheet
Governmental Funds
June 30, 2015**

	<u>Major Funds</u>			<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Utility Tax</u>	<u>USDA</u>		
ASSETS					
Cash and investments	\$ 259,510	\$ 696,875	\$ -	\$ 1,616,433	\$ 2,572,818
Cash with agents-restricted	-			-	-
Receivables	126,381	13,052		59,209	198,642
Due from other governments	-			-	-
Due from other funds	350,302			-	350,302
Total assets	<u>\$ 736,193</u>	<u>\$ 709,927</u>	<u>\$ -</u>	<u>\$ 1,675,642</u>	<u>\$ 3,121,762</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 71,447	\$ 3,082		\$ 10,184	\$ 84,713
Due to other funds	-			350,302	350,302
Deposit and other liabilities	70,930			-	70,930
Unearned revenue	309,540			-	309,540
Total liabilities	<u>451,917</u>	<u>3,082</u>	<u>-</u>	<u>360,486</u>	<u>815,485</u>
Fund balances:					
Nonspendable:					
Assets held for resale	-			-	-
Long-term receivables	-			-	-
Restricted for:					
Capital projects	389,743		-	1,246,867	1,636,610
Community development	339,916	706,845		44,717	1,091,478
Debt service	-			23,572	23,572
Law enforcement	218,051			-	218,051
Assigned for:					
Services, material and supplies	-			-	-
Capital	-			-	-
Emergencies	34,371			-	34,371
Unassigned, Reported in:					
General Fund	(697,805)			-	(697,805)
Total fund balances	<u>284,276</u>	<u>706,845</u>	<u>-</u>	<u>1,315,156</u>	<u>2,306,277</u>
Total liabilities and fund balances	<u>\$ 736,193</u>	<u>\$ 709,927</u>	<u>\$ -</u>	<u>\$ 1,675,642</u>	<u>\$ 3,121,762</u>

Reconciliation of the Governmental Fund Balances to the Governmental Activities net Position

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	9,892,924
Long-term liabilities, including certificates of participation, accrued compensated absences, and pensions, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,310,051)</u>
Net Position of Governmental Activities	<u>\$ 9,889,150</u>

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

City of Gustine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds			Non-Major Governmental Funds	Total Governmental Funds
	General	Utility Tax	USDA		
REVENUES					
Property taxes	\$ 467,497		\$ -	\$ 29,271	\$ 496,768
Sales taxes	583,559			-	583,559
Business licenses/Franchise fee	116,606			-	116,606
Other taxes	16,456	\$ 239,826		-	256,282
Licenses and permits	75,553			9,938	85,491
Fines and forfeitures	23,859			-	23,859
Use of money and property	57,626			-	57,626
From other agencies	538,584	12,412		291,280	842,276
Charges for services	258,215	4,858		227,136	490,209
Other revenue	167,840	739		32	168,611
Total revenue	<u>2,305,795</u>	<u>257,835</u>	<u>-</u>	<u>557,657</u>	<u>3,121,287</u>
EXPENDITURES					
Current:					
General government	217,190	89,251		-	306,441
Public Safety	1,552,155			28,731	1,580,886
Transportation	-			193,947	193,947
Community development	56,121			70,531	126,652
Cultural and recreation	544,013			-	544,013
Debt service					
Principal				3,667	3,667
Interest				11,542	11,542
Capital outlays					
	-			-	-
Total expenditures	<u>2,369,479</u>	<u>89,251</u>	<u>-</u>	<u>308,418</u>	<u>2,767,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(63,684)</u>	<u>168,584</u>	<u>-</u>	<u>249,239</u>	<u>354,139</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	191,260		394,761	324,051	910,072
Transfers out	<u>(464,286)</u>	<u>(191,260)</u>			<u>(655,546)</u>
Total other financing sources (uses)	<u>(273,026)</u>	<u>(191,260)</u>	<u>394,761</u>	<u>324,051</u>	<u>254,526</u>
Net changes in fund balances	<u>(336,710)</u>	<u>(22,676)</u>	<u>394,761</u>	<u>573,290</u>	<u>608,665</u>
Fund balances-beginning	623,882	740,026	(394,761)	745,877	1,715,024
Adjustments to beginning balance	(2,896)	(10,505)		(4,011)	(17,412)
Fund balances-ending	<u>\$ 284,276</u>	<u>\$ 706,845</u>	<u>\$ -</u>	<u>\$ 1,315,156</u>	<u>\$ 2,306,277</u>

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

City of Gustine
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2015

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

Net change in fund balances-total governmental funds	\$ 608,665
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(278,509)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including accrued compensated absences and pension expenses.	30,024
Governmental funds report debt principal payments as expenditures. However, in the statement of activities principal payments are reported as a reduction of long-term debt.	3,667
	<hr/>
Change in net position of governmental activities	<u><u>\$ 363,847</u></u>

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

**City of Gustine
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance over/(under) budget</u>
REVENUES				
Property taxes	\$ 447,600	\$ 447,600	\$ 467,497	\$ 19,897
Sales taxes	451,000	451,000	583,559	132,559
business licenses/Franchise fee	114,000	114,000	116,606	2,606
Other taxes	11,500	11,500	16,456	4,956
Licenses and permits	68,500	68,500	75,553	7,053
Fines and forfeitures	1,500	1,500	23,859	22,359
Use of money and property	92,000	92,000	57,626	(34,374)
From other agencies	511,274	511,274	538,584	27,310
Charges for services	82,950	82,950	258,215	175,265
Other revenue	99,350	99,350	167,840	68,490
Total revenue	<u>1,879,674</u>	<u>1,879,674</u>	<u>2,305,795</u>	<u>426,121</u>
EXPENDITURES				
City council	20,349	20,349	18,185	(2,164)
City manager	33,341	33,341	41,744	8,403
Elections	6,000	6,000	1,875	(4,125)
Finance	76,277	76,277	29,991	(46,286)
City attorney	38,500	38,500	52,949	14,449
City clerk	14,135	14,135	16,600	2,465
General government buildings	84,127	84,127	94,379	10,252
Police	1,413,523	1,413,523	1,533,147	119,624
Fire	38,871	38,871	42,523	3,652
Animal Control	79,917	79,917	79,562	(355)
Planning	21,932	21,932	56,121	34,189
Parks	62,289	62,289	258,830	196,541
Recreation	91,015	91,015	143,573	52,558
Total expenditures	<u>1,980,276</u>	<u>1,980,276</u>	<u>2,369,479</u>	<u>389,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,602)</u>	<u>(100,602)</u>	<u>(63,684)</u>	<u>36,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	104,092	104,092	211,368	107,276
Transfers out	-	-	(484,394)	(484,394)
Total other financing sources (uses)	<u>104,092</u>	<u>104,092</u>	<u>(273,026)</u>	<u>(377,118)</u>
Net changes in fund balances	<u>3,490</u>	<u>3,490</u>	<u>(336,710)</u>	<u>(340,200)</u>
Fund balances-beginning	623,882	623,882	623,882	-
Adjustments to beginning balance	-	-	(2,896)	(2,896)
Fund balances-ending	<u>\$ 627,372</u>	<u>\$ 627,372</u>	<u>\$ 284,276</u>	<u>\$ (343,096)</u>

City of Gustine
Statement of Net Position
Proprietary Funds
June 30, 2015

Enterprise Funds

	Water	Sewer	Refuse	Storm Drain	Airport	Total
ASSETS						
Current assets:						
Cash and Investments	\$ 177,589	\$ 1,783,645	\$ 224	\$ 97,225	\$ 806	\$ 2,059,489
Receivables	112,397	65,318	52,729	4,396	4,926	239,766
Due from Other Funds		80,000				80,000
Total Current Assets	<u>289,986</u>	<u>1,928,963</u>	<u>52,953</u>	<u>101,621</u>	<u>5,732</u>	<u>2,379,255</u>
Noncurrent assets:						
Restricted cash and investments:						
Cash with fiscal agent	-	113,839				113,839
Total restricted assets	<u>-</u>	<u>113,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,839</u>
Capital assets:						
Land	-	2,912,778			20,850	2,933,628
Buildings and improvements	3,686,358	7,532,196			1,538,042	12,756,596
Machinery and equipment	242,233	1,851,117			49,917	2,143,267
Less accumulated depreciation	(1,536,289)	(5,715,650)			(480,539)	(7,732,478)
Total capital assets (net of accumulated depreciation)	<u>2,392,302</u>	<u>6,580,441</u>	<u>-</u>	<u>-</u>	<u>1,128,270</u>	<u>10,101,013</u>
Total noncurrent assets	<u>2,392,302</u>	<u>6,694,280</u>	<u>-</u>	<u>-</u>	<u>1,128,270</u>	<u>10,214,852</u>
Total assets	<u>2,682,288</u>	<u>8,623,243</u>	<u>52,953</u>	<u>101,621</u>	<u>1,134,002</u>	<u>12,594,107</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	10,857	27,892				38,749
Total deferred outflows of resources	<u>10,857</u>	<u>27,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,749</u>
LIABILITIES						
Current liabilities:						
Accounts payable	26,995	25,208	33,946	1,909	965	89,023
Due to other funds			60,000		20,000	80,000
Accrued compensated absences	35,292	25,511	3,904		3,467	68,174
Deposits and other liabilities	29,328	-				29,328
Loans/notes payable-current	106,864	99,907				206,771
Certificates of participation payable-current	17,000	104,000				121,000
Bonds payable-current	-	-				-
Total current liabilities	<u>215,479</u>	<u>254,626</u>	<u>97,850</u>	<u>1,909</u>	<u>24,432</u>	<u>594,296</u>
Noncurrent liabilities:						
Loans/notes payable	595,281	988,553				1,583,834
Certificates of participation payable	1,062,333	301,333				1,363,666
Bonds payable	-					-
Net pension liability	67,044	172,227				239,271
Total noncurrent liabilities	<u>1,724,658</u>	<u>1,462,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,186,771</u>
Total liabilities	<u>1,940,137</u>	<u>1,716,739</u>	<u>97,850</u>	<u>1,909</u>	<u>24,432</u>	<u>3,781,067</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	24,794	63,693				88,487
Total deferred inflows of resources	<u>24,794</u>	<u>63,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,487</u>
NET POSITION						
Net investment in capital assets	610,824	5,086,648	-	-	1,128,270	6,825,742
Restricted for debt service	-	113,839				113,839
Unrestricted (deficit)	117,390	1,670,216	(44,897)	99,712	(18,700)	1,823,721
Total net position	<u>\$ 728,214</u>	<u>\$ 6,870,703</u>	<u>\$ (44,897)</u>	<u>\$ 99,712</u>	<u>\$ 1,109,570</u>	<u>\$ 8,763,302</u>

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

City of Gustine
Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds

	Business-Type Activities-Enterprise Funds					Totals
	Water	Sewer	Refuse	Storm Drain	Airport	
Operating Revenues						
Charges for services	980,115	1,344,097	489,400	45,010	113,433	2,972,055
From other agencies	-	-			10,000	10,000
Other revenues	266	24,264			1,533	26,063
Total Operating Revenues	<u>980,381</u>	<u>1,368,361</u>	<u>489,400</u>	<u>45,010</u>	<u>124,966</u>	<u>3,008,118</u>
Operating Expenses						
Salaries and benefits	451,335	325,476	28,041	25,936	31,387	862,175
Services, materials and supplies	274,405	488,035	419,845	14,903	101,571	1,298,759
Depreciation/amortization	135,321	293,006			60,451	488,778
Total Operating Expenses	<u>861,061</u>	<u>1,106,517</u>	<u>447,886</u>	<u>40,839</u>	<u>193,409</u>	<u>2,649,712</u>
Operating Income (Loss)	<u>119,320</u>	<u>261,844</u>	<u>41,514</u>	<u>4,171</u>	<u>(68,443)</u>	<u>358,406</u>
Nonoperating revenues (expenses):						
Interest income	-	7,258				7,258
Interest expense	(72,345)	(68,889)				(141,234)
Total Nonoperating revenue (expense)	<u>(72,345)</u>	<u>(61,631)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,976)</u>
Income before contributions and transfers	46,975	200,213	41,514	4,171	(68,443)	224,430
Transfers In	3,677	3,379	478	495	619	8,648
Transfers Out	(131,587)	(131,587)				(263,174)
Change in Net Position	<u>(80,935)</u>	<u>72,005</u>	<u>41,992</u>	<u>4,666</u>	<u>(67,824)</u>	<u>(30,096)</u>
Total net position, beginning	(1,273,543)	649,861	(91,354)	92,528	(10,970)	(633,478)
Adjustments to beginning balance	2,082,692	6,148,837	4,465	2,518	1,188,364	9,426,876
Total net position, ending	<u><u>728,214</u></u>	<u><u>6,870,703</u></u>	<u><u>(44,897)</u></u>	<u><u>99,712</u></u>	<u><u>1,109,570</u></u>	<u><u>8,763,302</u></u>

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

City of Gustine
Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year ended June 30, 2015

	Business-Type Activities-Enterprise Funds					Totals
	Water	Sewer	Refuse	Storm Drain	Airport	
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 957,462	\$ 1,256,163	\$ 470,490	\$ 43,213	\$ 109,943	\$ 2,837,271
Payments to suppliers	(281,366)	(470,042)	(419,012)	(13,075)	(100,733)	(1,284,228)
Payments to employees	(455,067)	(335,063)	(28,041)	(25,936)	(31,387)	(875,494)
Other operating revenues	266	24,264		-	11,533	36,063
Net cash provided/(used) by operating activities	<u>221,295</u>	<u>475,322</u>	<u>23,437</u>	<u>4,202</u>	<u>(10,644)</u>	<u>713,612</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	3,677	3,379	478	495	619	8,648
Transfers out to other funds	(131,587)	(131,587)				(263,174)
Net cash provided/(used) by noncapital financing activities	<u>(127,910)</u>	<u>(128,208)</u>	<u>478</u>	<u>495</u>	<u>619</u>	<u>(254,526)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on loans, bonds, and capital leases	(118,348)	(194,722)				(313,070)
Interest paid on loans, bonds and capital leases	(72,345)	(68,889)				(141,234)
Repayment of temporary cash loans from other funds	(350,293)	1,280,296	(23,691)	-	10,831	917,143
Total Nonoperating revenue (expense)	<u>(540,986)</u>	<u>1,016,685</u>	<u>(23,691)</u>	<u>-</u>	<u>10,831</u>	<u>462,839</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends on investments		7,258				7,258
Net cash provided by investing activities	-	<u>7,258</u>	-	-	-	<u>7,258</u>
Net increase/(decrease) in cash and cash equivalents	(447,601)	1,371,057	224	4,697	806	929,183
Cash and cash equivalents-beginning of year	625,190	526,427	-	92,528	-	1,244,145
Cash and cash equivalents-end of year	<u>\$ 177,589</u>	<u>\$ 1,897,484</u>	<u>\$ 224</u>	<u>\$ 97,225</u>	<u>\$ 806</u>	<u>\$ 2,173,328</u>
Reconciliation of operating income to net cash provided/(used) by operating activities:						
Operating income/(loss)	\$ 119,320	\$ 261,844	\$ 41,514	\$ 4,171	\$ (68,443)	\$ 358,406
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation/amortization expense	135,321	293,006			60,451	488,778
(Increase)/decrease in accounts receivable	51,585	(87,934)	(18,910)	(1,797)	(3,490)	(60,546)
Increase/(decrease) in accounts payable	(6,961)	17,993	833	1,828	838	14,531
Increase/(decrease) in deposits	(74,238)					(74,238)
Increase/(decrease) in net pension liability	(3,732)	(9,587)				(13,319)
Total adjustments	<u>101,975</u>	<u>213,478</u>	<u>(18,077)</u>	<u>31</u>	<u>57,799</u>	<u>355,206</u>
Net cash provided/(used) by operating activities	<u>\$ 221,295</u>	<u>\$ 475,322</u>	<u>\$ 23,437</u>	<u>\$ 4,202</u>	<u>\$ (10,644)</u>	<u>\$ 713,612</u>

Noncash investing, capital, and financing activities:

During the year there were no noncash activities.

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

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CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

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.

I – Summary of significant accounting policies

II – Reconciliation of government-wide and fund financial statements

III. Stewardship, compliance, and accountability

IV. Detailed notes on all funds

V. Other Information

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

I – Summary of significant accounting policies

A. Reporting entity

The City of Gustine, California is a municipal corporation, operating as a general law city of the State of California and as such can exercise the powers specified by the constitution and laws of the State of California. The City is governed by an elected five-member City Council under the administration of an appointed City Manager. 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.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its components units. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of a 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

In accordance with GASS Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, the statement of net position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources - This amount represents outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources - This amount represents inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Fiduciary fund financial statements are reported using the accrual basis of accounting but do not have a measurement focus since agency funds and private-purpose funds are the only fiduciary funds the City reports. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the "current financial resources" measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of "the end of the current fiscal period." Expenditures generally are recorded when a liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, 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 fund accounted for loan and grant monies for special projects. This fund was closed as of June 30, 2015.

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.

The storm drain fund is used to account for the operation related to the city's storm drain activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, refuse, airport and storm drain enterprise funds are charges to customers for sales and services. The water and sewer enterprise fund and the also recognize as operating revenue the fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets: All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, liabilities, and net position or equity

1. Cash and investments

The City maintains a cash and investment pool that is available for use by all funds. This pool utilizes investments authorized by the Government Code and is further defined by the City's investment policy that is reviewed annually by the City Council.

Highly liquid market investments with maturities of 1 year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for the securities for which market quotations are readily available.

Authorized investments include deposits in the State of California administered Local Agency Investment Fund, insured certificates of deposits, collateralized certificates of deposits, commercial paper, bankers acceptances, medium term notes, money market mutual funds and securities backed by the U.S. Government. All investments are stated at fair value.

Interest income earned as a result of pooling is distributed to the appropriate funds based on month end cash balances in each fund. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

For purposes of the statement of cash flows, the City considers short term and highly liquid investments (including restricted assets) to be cash and cash equivalents.

The City invests its excess cash principally in U.S. Government Securities, U.S. Treasuries and the State of California Local Agency Investment Fund (LAIF). Investments in the LAIF are available for withdrawal on demand.

The City is also required to deposit funds with fiscal agents under the provisions of Revenue Bonds, Contracts and/or Lease Agreements. These funds are invested by the fiscal agent in instruments generally more restrictive than the City's investment policy.

2. Receivables

Billed but unpaid services provided to individuals or non-governmental entities are recorded as "receivables."

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

Services provided to other governmental entities are recorded as "due from other governments." The City's utility enterprise funds include an estimated amount for services rendered but not yet billed as of June 30, 2015, determined by prorating the July 2015 bi-monthly billing.

The City has not experienced any material write-off of receivables; and therefore, an "allowance for bad debts" is not included on the City's balance sheets or statements of net position.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roadways), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000, and an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized

Donated assets include developer donated land as well as the improvements on the land including streets, curbs and gutters, sidewalks, street lighting and landscaping. No developer donated assets are included in the total amount of capital grants and contributions on the government-wide statement of activities for the year ended June 30, 2015.

Property, plant and equipment of the primary government is depreciated over the estimated useful lives using the straight-line method, half-year convention. Estimated useful lives are as follows:

Distribution Systems	50 years
Roadways	50
Buildings	20-40
Vehicles	5-20
Other Equipment	3-10

4. Compensated absences

The liability for vested leave (vacation, compensated time off, holiday) earned but not used in governmental funds is expensed and established as a liability and is reported in the government-wide statement of net position in the governmental activities column. Vested leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue. No liability is recorded for non-vesting leave such as sick leave.

5. Long-term liabilities

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

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

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

6. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Measurement Period	July 1, 2013 to June 30, 2014

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

7. Fund balances

In the fund financial statements, governmental funds report components of fund balance based on constraints on the specific purposes for which amounts can be spent. "Nonspendable" fund balance is not in a spendable form or has a requirement to maintain intact. "Restricted" fund balance has externally enforceable limitations on its use such as restrictions from outside parties such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. "Committed" fund balance is constrained by limits imposed by the government's highest level of decision-making and can only be removed or modified by a formal action by that authority. "Assigned" fund balance is limited by City Council, the City Manager or the designated department head as delegated by City Council. "Unassigned" fund balance is the residual net resources. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

The City will spend the funds restricted for their purpose within those funds first followed by assigned funds for their intended purposes prior to spending any unassigned funds.

The Utility Users Tax fund is the City's only major special revenue fund. This fund accounts for the collection of revenues from the utility users tax and the use of those funds.

8. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

9. Use of estimates

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

10. Implementation of New GASB Pronouncements

GASB has issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27). This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures for pension plans. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This statement became effective for periods beginning after June 15, 2014.

GASB has issued Statement No. 69, Government Combinations and Disposals of Government Operation. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement became effective for periods beginning after December 15, 2013 and did not have a significant impact on the City's financial statements for year ended June 30, 2015.

GASB has issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

Measurement Date - an amendment of GASB Statement No. 68. This statement establishes standards that relate to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement became effective for periods beginning after June 15, 2014.

II – Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets are not current financial resources and therefore are not reported in the funds." The details of this \$9,892,924 difference are as follows:

Capital assets	\$	23,860,909
Less accumulated depreciation		<u>(13,967,985)</u>
 Net adjustment to reduce fund balance-total governmental funds to arrive at <i>net position-governmental activities</i>	 \$	 <u>9,892,924</u>

One element of that reconciliation explains that "long-term liabilities, including notes/loans payable and pension related amounts are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$2,314,168) difference are as follows:

Accrued compensated absences	\$	84,948
Notes/loans payable		305,333
Pension related amounts:		
Net pension liability-governmental activities	\$	1,738,580
Deferred inflows of resources-excess investment earnings		433,354
Deferred outflows of resources-contributions		(259,981)
Deferred outflows of resources-difference between actual and portion allocated to measurement period		<u>7,817</u>
Net pension related amounts		<u>1,919,770</u>
 Net adjustment to reduce fund balance-total governmental funds to arrive at <i>net position-governmental activities</i>	 \$	 <u>2,310,051</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this \$(278,509) difference are as follows:

Depreciation expense	\$ <u>(278,509)</u>
Net adjustment to decrease <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net position-governmental activities</i>	\$ <u>(278,509)</u>

Other elements of that reconciliation state that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the \$25,907 and \$3,667 differences are as follows:

Pension expense	\$ <u>30,024</u>
Net adjustment to increase <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net position-governmental activities</i>	\$ <u>30,024</u>
Principal payment on bonds payable	\$ <u>3,667</u>
Net adjustment to increase <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net position-governmental activities</i>	\$ <u>3,667</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

Development of the draft City budget is a collaborative process between the department heads of all departments of the City, the Finance Director and the City Manager. Each spring, each department head meets individually with the City Manager and Finance Director to review and update needs for routine expenditures and forecast new or one-time expenses to include in the upcoming fiscal budget. The City Manager and Finance Director work to forecast revenue based upon past performance and known circumstances in the community and the economy, as well as any projections available from the state or federal government.

The appropriated budget includes the funds the City Manager anticipates spending from in the coming fiscal year. The City Manager does not normally include in the budget document any funds where activity is not expected. The City Manager takes unexpected expenditures that arise after approval of the budget, or in funds not in the budget, to the Council for approval at its meetings throughout the fiscal year. The City Manager may make transfers of appropriations between departments and accounts within a specific fund within the budgeted totals for the fund.

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

The City Manager has the ultimate decision on what goes into the budget presented to the Council for approval.

The Council reviews the draft budget document as early as practical in the spring, normally during a regularly scheduled meeting. The Council must approve a budget prior to July 1 each year. When crucial information vital to the budget is not available to a quality that staff deems reliable enough to cover the entire fiscal year, the Council then approves a preliminary budget that staff operates under until the Council approves the revised and updated budget at a later meeting.

B. Deficit fund equity

At June 30, 2015, deficit unrestricted net assets was reported for governmental activities in the amount of \$(2,977,602). The deficit is result of GASS 68 implementation for reporting net pension liabilities in the government-wide financial statement and the General Fund deficit position. City management believes the current plan to bring the cash position of the General Fund positive will be adequate to meet its needs.

The Refuse enterprise fund has deficit net position of (\$44,897) as of June 30, 2015 City management believes the present rates will relieve the deficit balance of the Refuse Fund over the coming year.

The Airport enterprise fund has deficit net position of (\$18,700) as of June 30, 2015. City management believes the present rates will relieve the deficit balance of the Airport Fund over the coming year.

IV. Detailed notes on all funds

A. Cash and investments

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

Cash and investments	\$ 4,632,307
Cash and investments held by fiscal agents	<u>113,839</u>
Total cash and investments	<u>\$ 4,746,146</u>

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

Cash on hand	\$ 192
Demand deposit with financial institutions-Demand Deposits	4,472,541
Investments	<u>273,413</u>
Total cash and investments	<u>\$ 4,746,146</u>

Investments Authorized by the California Government Code. The table below 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

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

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	N/A	None	None	None
(LAIF) 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	1 year	None	None	None
Reverse repurchase and securities lending	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	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	N/A	None	None	None
Pool County pooled	N/A	None	None	None

Investments Authorized by Debt Agreements. Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. 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>Minimum Rating</u>
Local Agency Investment Fund	N/A	None	None	None
Qualified Mutual Funds	N/A	None	None	None
Money Market Accounts	N/A	None	None	None
U.S. Treasury obligations	5 years	None	None	None
U.S. agency obligations	5 years	None	None	None

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

CITY OF GUSTINE
Notes to Financial Statements
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evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

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 in the table below that shows the distribution of the City's investment by maturity.

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (in years)</u>
Money Market Funds	\$ 273,413	N/A
Local Agency Investment Fund (LAIF)	3,495,891	N/A
Held by Bond Trustee:		
Money Market Funds	<u>113,839</u>	N/A
Total	<u>\$ 3,883,143</u>	

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.

Disclosures Relating to Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required

by (where applicable) the California Government Code or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Rating</u>	<u>Amount</u>	<u>Minimum Rating Required</u>	<u>Ratings as of Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Money Market		\$ 273,413	N/A				\$ 273,413
LAIF		3,495,891	N/A				3,495,891
Held by Trustee:							
Money Market		113,839	N/A				113,839
Total		<u>\$ 3,883,143</u>		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,883,143</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 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 custodial credit risk for investments is the risk that, in the event of the failure of the broker or dealer to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California

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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 provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, \$105,500 held with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Investment in State Investment Pool. The City's investments with Local Agency Investment Fund (LAIF) at June 30, 2015 included a portion of the pooled funds invested in Structured Notes and Assets-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities. the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2015, the City had \$3,495,891 invested in LAIF, which had invested 2.08% of the pool investment funds in Structured Notes and Asset-Backed Securities.

The fair value of the City's position in the LAIF pool is the same as the value of the pool shares.

The Pooled Money Investment Board provides oversight to the State Treasurer's pooled investment program. The purpose of the board is to design and administer an effective cash management and investment program, using all monies flowing through the State Treasurer's Office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity, and yield. The Pooled Money Investment Board is comprised of the State Treasurer as chair, the State Controller, and the Director of Finance. The investment program is not registered with the Securities and Exchange Commission as an investment company.

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program generally is based on quoted market prices. The value of the deposits in the State Treasurer's pooled investment program, including the Local Agency Investment Fund, is equal to the dollars deposited in the program.

Certain funds have elected to participate in the pooled investment program even though they have the authority to make their own investments. Others may be required by legislation to participate in the program; as a result, the deposits of these funds or accounts may be considered involuntary. However, these funds or accounts are part of the State's reporting entity. The remaining participation in the pool, the Local Agency Investment Fund, is voluntary.

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B. Property taxes

Secured property taxes become a lien on the property as of January 1 and are levied in two equal installments the first due November 1 and delinquent on December 11, and the second due February 1 and delinquent April 11. Property taxes on unsecured property are due on the lien date of March 1 and become delinquent on September 1. The County of Merced is responsible for the assessment, collection and apportionment for all jurisdictions within the County, including the City of Gustine.

C. Receivables

Receivables as of June 30, 2015 for the City's individual major funds and nonmajor funds in the aggregate, are as follows:

	<u>General</u>	<u>Utility Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Taxes	\$ 81,911	\$ 13,052		94,963
Accounts	44,470		\$ 59,209	103,679
	<u>\$ 126,381</u>	<u>\$ 13,052</u>	<u>\$ 59,209</u>	<u>\$ 198,642</u>

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Storm Drain</u>	<u>Airport</u>	<u>Total Enterprise</u>
Interest		\$ 1,632				\$ 1,632
Accounts	\$112,397	63,686	\$ 52,729	\$ 4,396	\$ 4,926	238,134
	<u>\$112,397</u>	<u>\$ 65,318</u>	<u>\$ 52,729</u>	<u>\$ 4,396</u>	<u>\$ 4,926</u>	<u>\$ 239,766</u>

D. Interfund receivables, payables and transfers

Interfund balances for the purpose of the government-wide financial statements have been eliminated. The composition of interfund balances in the fund level statements as of June 30, 2015, is as follows:

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>	<u>Amount</u>
Special Revenue Fund	Enterprise Fund	Transfer debt payments and close fund	\$ 263,174
Special Revenue Fund	General Fund	Transfer debt payments and close fund	131,587
Special Revenue Fund	General Fund	Employee payouts	1,153
Enterprise Funds	General Fund	Employee payouts	8,648
Special Revenue Fund	General Fund	Create new fund for recording development fees	322,898
General Fund	Special Revenue Fund	Reserve funds	<u>191,260</u>
	Total transfers		<u>\$ 918,720</u>

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

E. Capital Assets

Summary of change in capital assets for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 71,310	_____	_____	\$ 71,310
Capital assets, being depreciated:				
Buildings and improvements	2,820,039			2,820,039
Machinery and equipment	969,560			969,560
Road network	<u>20,000,000</u>	_____	_____	<u>20,000,000</u>
Total capital assets being depreciated	<u>23,860,909</u>	_____	_____	<u>23,860,909</u>
Less accumulated depreciation for				
Buildings and improvements	(2,533,526)	(7,681)		(2,541,207)
Machinery and equipment	(956,050)	(4,128)		(960,178)
Road network	<u>(10,199,900)</u>	<u>(266,700)</u>		<u>(10,466,600)</u>
Total accumulated depreciation	<u>(13,689,476)</u>	<u>(278,509)</u>	_____	<u>(13,967,985)</u>
Total capital assets, being depreciated, net	<u>10,100,123</u>	<u>(278,509)</u>	_____	<u>9,821,614</u>
Governmental activities capital assets, net	<u>\$ 10,171,433</u>	<u>\$ (278,509)</u>	<u>\$ _____</u>	<u>\$ 9,892,924</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,933,628	_____	_____	\$ 2,933,628
Capital assets, being depreciated:				
Buildings and improvements	12,756,596			12,756,596
Machinery and equipment	<u>2,143,267</u>	_____	_____	<u>2,143,267</u>
Total capital assets being depreciated	<u>17,833,491</u>	_____	_____	<u>17,833,491</u>
Less accumulated depreciation for				
Buildings and improvements	(5,664,374)	(374,416)		(6,038,790)
Machinery and equipment	<u>(1,579,326)</u>	<u>(114,362)</u>		<u>(1,693,688)</u>
Total accumulated depreciation	<u>(7,243,700)</u>	<u>(488,778)</u>	_____	<u>(7,732,478)</u>
Total capital assets, being depreciated, net	<u>7,656,163</u>	<u>(488,778)</u>	_____	<u>7,167,385</u>
Business-type activities capital assets, net	<u>\$ 10,589,791</u>	<u>\$ (488,778)</u>	<u>\$ _____</u>	<u>\$10,101,013</u>

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

Depreciation/amortization expense was charged to functions as follows:

Governmental activities depreciation expense:		
Transportation	\$	266,700
Cultural and recreation		<u>11,809</u>
Total governmental activities depreciation expense		<u>\$ 278,509</u>
Business-type activities depreciation expense:		
Water	\$	135,321
Sewer		293,006
Airport		<u>60,451</u>
Total business-type activities depreciation expense		<u>\$ 488,778</u>

F. Long-term debt

Summary of change in long-term debt for the year ended June 30, 2015 was as follows:

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Due in one year	Classification Due in more than one year
Governmental Activities:						
Certificates of participation	\$ 309,000		\$ (3,667)	\$ 305,333	\$ 4,000	\$ 301,333
Total certificates of participation	309,000	\$ 0	(3,667)	305,333	4,000	301,333
Deposits and Other Liabilities:						
Insurance trust	2,742	6,974	(4,779)	4,937	4,937	0
Wages payable	<u>45,712</u>	<u>1,162,677</u>	<u>(1,142,396)</u>	<u>65,993</u>	<u>65,993</u>	<u>0</u>
Total Deposits and other liabilities	48,454	1,169,651	(1,147,175)	70,930	70,930	0
Compensated absences	<u>78,073</u>	<u>6,875</u>		<u>84,948</u>	<u>0</u>	<u>84,948</u>
Total governmental activities	<u>\$ 435,527</u>	<u>\$ 1,176,526</u>	<u>\$ (1,150,842)</u>	<u>\$ 461,211</u>	<u>\$ 74,930</u>	<u>\$ 386,281</u>

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Due in one year	Classification Due in more than one year
Business-type Activities:						
Loans/notes payable	\$ 1,985,537		\$ (194,932)	\$ 1,790,605	\$ 206,771	\$ 1,583,834
Certificates of participation	1,600,000		(115,334)	1,484,666	121,000	1,363,666
Deposits and Other Liabilities:						
Customers' deposits	103,566	\$ 34,297	(108,535)	29,328	29,328	0
Compensated absences	<u>26,111</u>	<u>45,822</u>	<u>(3,759)</u>	<u>68,174</u>	<u>0</u>	<u>68,174</u>
Total business-type Activities	<u>\$ 3,715,214</u>	<u>\$ 80,119</u>	<u>\$ (422,560)</u>	<u>\$ 3,372,773</u>	<u>\$ 357,099</u>	<u>\$ 3,015,674</u>

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

Governmental activities long-term debt

1. Certificates of participation

2011 COP-City hall project (1/3)

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. The certificates are being repaid one-third each by Water Enterprise, Sewer Enterprise and the General fund. The certificates have an interest rate of 3.75% and the final payment is scheduled for November 1, 2051. The governmental activity's balance outstanding as of June 30, 2015 was \$305,333.

The annual debt service requirements for the government activities share of city hall project certificates of participation payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,000	\$ 11,375	\$ 15,375
2017	4,000	11,225	15,225
2018	4,333	11,069	15,402
2019	4,333	10,906	15,239
2020	4,667	10,737	15,404
2021-2025	25,333	50,938	76,271
2026-2030	30,667	45,712	76,379
2031-2035	36,667	39,437	76,104
2036-2040	45,000	31,781	76,781
2041-2045	53,333	22,563	75,896
2046-2050	64,000	11,600	75,600
2051-2052	29,000	1,094	30,094
Total	<u>\$ 305,333</u>	<u>\$ 258,437</u>	<u>\$ 563,770</u>

Business-type activities long-term debt

1. Notes/loans payable

Notes/loans payable at June 30, 2015, consisted of the following:

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Classification	
					Due in one year	Due in more than one year
1999 State Water Resource Control Board (SWRCB)	\$ 236,005		\$ (37,231)	\$ 198,774	\$ 38,051	\$ 160,723
2004 Water infrastructure note	651,200		(95,700)	555,500	100,500	455,000
2006 Sewer system note	795,884		(52,843)	743,041	55,493	687,548
2010 Vierra loan	302,448		(9,158)	293,290	12,727	280,563
Total notes/loan payable	<u>\$ 1,985,537</u>	<u>\$ 0</u>	<u>\$ (194,932)</u>	<u>\$ 1,790,605</u>	<u>\$ 206,771</u>	<u>\$ 1,583,834</u>

1999 State Water Resource Control Board (SWRCB)-Sewer system improvements

In September 1999, the City entered into a loan agreement with the State Water Resource Control Board to borrow \$802,463. The proceeds were used to finance improvements to the City's municipal sewer system.

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The loan has an interest rate of 2.20% and the final payment is scheduled for January 29, 2020. The balance outstanding as of June 30, 2015 was \$198,774.

The annual debt service requirements for the SWRCB loan payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	41,473	912	42,385
Total	<u>\$ 198,774</u>	<u>\$ 13,307</u>	<u>\$ 212,081</u>

2004 water system note payable

In March 2004 the City entered in to an infrastructure loan agreement with City National Bank in the amount of \$1,368,300. The proceeds from this issue were used to refund a prior note payable that was used to finance water infrastructure improvements. The note has an interest rate of 4.95% and the final payment is scheduled for June 16, 2020. The balance outstanding as of June 30, 2015 was \$555,500.

The annual debt service requirements for the water system note payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 100,500	\$ 26,270	\$ 126,770
2017	105,500	21,233	126,733
2018	110,800	15,946	126,746
2019	116,400	10,393	126,793
2020	122,300	4,559	126,859
Total	<u>\$ 555,500</u>	<u>\$ 78,401</u>	<u>\$ 633,901</u>

2006 sewer system note payable

On September 20, 2006, the City in to a loan agreement with Citizens Business Bank in the amount of \$1,154,500. The proceeds from this issue were used to refund a prior note payable that was used to finance sewer system improvements. The note has an interest rate of 4.95% and the final payment is scheduled for October 17, 2025. The balance outstanding as of June 30, 2015 was \$743,041.

The annual debt service requirements for the business-type activity's share of city hall project certificates of participation payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 55,493	\$ 36,102	\$ 91,595
2017	58,274	33,321	91,595
2018	61,194	30,401	91,595
2019	62,260	27,335	91,595
2020	67,481	24,114	91,595
2021-2025	391,648	66,327	457,975
2026	44,691	1,107	45,798
Total	<u>\$ 743,041</u>	<u>\$ 218,707</u>	<u>\$ 961,748</u>

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

2010 Vierra loan payable

In February 2010 the City entered in to a note payable in the amount of \$350,000. The proceeds from the note were used to purchase property for the water and sewer enterprises. The note payable has an interest rate of 6.25% and the final payment is scheduled for January 2030. The note is being repaid with monthly payments of \$2,558. The balance outstanding as of June 30, 2015 was \$293,291.

The annual debt service requirements for the note payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 12,729	\$ 17,970	\$ 30,699
2017	13,548	17,151	30,699
2018	14,419	16,280	30,699
2019	15,346	15,353	30,699
2020	16,334	14,365	30,699
2021-2025	98,844	54,651	153,495
2026-2030	122,071	18,633	140,704
Total	<u>\$ 293,291</u>	<u>\$ 154,403</u>	<u>\$ 447,694</u>

2. Certificates of participation

Certificates of participation at June 30, 2015, consisted of the following:

				<u>Classification</u>		
	<u>Balance</u> <u>7/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2015</u>	<u>Due in</u> <u>one year</u>	<u>Due in</u> <u>more than</u> <u>one year</u>
1998 Sewer system	\$ 195,000		\$ (95,000)	\$ 100,000	\$ 100,000	\$ 0
2011 USDA City hall (2/3)	618,000		(7,333)	610,667	8,000	602,667
2012 USDA Water system	<u>787,000</u>		<u>(13,000)</u>	<u>774,000</u>	<u>13,000</u>	<u>761,000</u>
Total Certificates of participation	<u>\$ 1,600,000</u>	<u>\$ 0</u>	<u>\$ (115,333)</u>	<u>\$ 1,484,667</u>	<u>\$ 121,000</u>	<u>\$ 1,363,667</u>

1998 certificates of participation-Sewer system improvements

On September 1, 1998, the City agreed to issue certificates of participation in the amount of \$1,160,000. The proceeds from this issue were used to refund prior certificates of participation and finance improvements to the City's municipal sewer system. The certificates have interest rates varying from 4.40% to 5.50% and the final payment is scheduled for September 1, 2014. The balance outstanding as of June 30, 2015 was \$100,000.

The annual debt service requirements for the sewer system improvement certificates of participation payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 100,000	\$ 2,775	\$ 102,775
Total	<u>\$ 100,000</u>	<u>\$ 2,775</u>	<u>\$ 102,775</u>

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Notes to Financial Statements
June 30, 2015

2011 USDA certificates of participation-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. The certificates are being repaid one-third each by Water Enterprise, Sewer Enterprise and the General fund. The certificates have an interest rate of 3.75% and the final payment is scheduled for November 1, 2051. The business-type activity's balance outstanding as of June 30, 2015 was \$610,667.

The annual debt service requirements for the business-type activity's share of city hall project certificates of participation payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 8,000	\$ 22,750	\$ 30,750
2017	8,000	22,450	30,450
2018	8,667	22,138	30,805
2019	8,667	21,812	30,479
2020	9,333	21,475	30,808
2021-2025	50,667	101,875	152,542
2026-2030	61,333	91,425	152,758
2031-2035	73,333	78,875	152,208
2036-2040	90,000	62,562	153,562
2041-2045	106,667	45,125	151,792
2046-2050	128,000	23,200	151,200
2051-2052	58,000	2,188	60,188
Total	<u>\$ 610,667</u>	<u>\$ 516,875</u>	<u>\$ 1,127,542</u>

2012 USDA certificates of participation-Water system improvements

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 water system. The certificates have an interest rate of 2.75% and the final payment is scheduled for July 1, 2052. The balance outstanding as of June 30, 2015 was \$774,000.

The annual debt service requirements for the water system improvement certificates of participation payable outstanding at June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,000	\$ 21,106	\$ 34,106
2017	13,000	20,749	33,749
2018	14,000	20,378	34,378
2019	14,000	19,992	33,992
2020	14,000	19,607	33,607
2021-2025	74,000	92,042	166,042
2026-2030	82,000	81,345	163,345
2031-2035	90,000	69,547	159,547
2036-2040	99,000	56,581	155,581
2041-2045	120,000	41,910	161,910
2046-2050	146,000	23,237	169,237
2051-2053	95,000	3,946	98,946
Total	<u>\$ 774,000</u>	<u>\$ 470,443</u>	<u>\$ 1,244,443</u>

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

G. Public Employees Retirement System

Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 68,916	\$ 38,754	\$ 107,670
Safety	150,133	-	150,133
Differences between City's contributions and proportionate share of contributions			
Safety	40,927	-	40,927
Total deferred outflows of resources	\$ 259,976	\$ 38,754	\$ 298,730
Net pension liabilities:			
Miscellaneous	\$ 425,572	\$ 239,270	\$ 664,842
Safety	1,313,009	-	1,313,009
Total net pension liabilities	\$ 1,738,581	\$ 239,270	\$ 1,977,851
Deferred inflows of Resources:			
Difference in projected and actual earnings on pension investments:			
Miscellaneous	\$ 148,487	\$ 83,485	\$ 231,972
Safety	263,909	-	263,909
Adjustments due to differences in proportions			
Miscellaneous	3,138	1,765	4,903
Safety	19,876	-	19,876
Differences between City's contributions and proportionate share of contributions			
Miscellaneous	5,760	3,238	8,998
Total deferred inflows of resources	\$ 441,170	\$ 88,488	\$ 529,658
Pension expenses:			
Miscellaneous	\$ 45,229	\$ 25,429	\$ 70,658
Safety	143,801	-	143,801
Total pension expenses	\$ 189,030	\$ 25,429	\$ 214,459

General Information about the 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 acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2013 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic miscellaneous member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. A classic safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service. PEPPRA safety members become eligible for service retirement upon attainment of age 57 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2.5% of the average final 36 months compensation. Retirement benefits for PEPPRA miscellaneous employees are calculated as 2.0% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3.0% of the average final 36 months compensation. Retirement benefits for PEPPRA safety employees are calculated as 2.7% of the average final 36 months compensation.

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Employees Covered by Benefit Terms

At June 30, 2015 the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active employees	15	10
Transferred and terminated employees	17	13
Retired Employees and Beneficiaries	20	25
Total	52	48

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change as plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Also on August 31, 2012 the California Legislature passed AB 340, the Public Employees' Pension Reform Act of 2013 (PEPRA). As part of this reform, "new members" hired starting January 1, 2013 will have to pay their required employee contribution. Since their benefit level is much lower than the 'classic members" their contribution rate is also lower. PEPRA defines "new member" as an employee hired on or after January 1, 2013 who falls into one of the following:

1. Has no prior membership in any California public retirement system,
2. Has prior membership with another California public retirement system that has no reciprocity with CalPERS; or
3. Has an established membership with CalPERS prior January 1, 2013 and is re-hired by a different CalPERS employer after a break in service of greater than six months.

For the measurement date year ended June 30, 2015, the plan's contribution and the proportionate share of aggregate employer contributions of the cost-sharing plan made for each plan was as follows:

	Miscellaneous	Safety	Total
Contributions-employer	\$ 107,670	\$ 150,133	\$ 257,803

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate share for each plan as follows:

	Miscellaneous	Safety	Total
Proportionate share of net pension liability	\$ 664,842	\$ 1,313,009	\$ 1,977,851

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

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2013). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

date (June 30, 2014). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (fiscal year 2014).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The City's proportionate share of the net pension liability for each plan as of June 30, 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion June 30, 2014	0.01955%	0.02110%

For the measurement year ended June 30, 2014, the City recognized pension expense of \$1,029,793. At June 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 107,670	\$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(231,972)
Employer contributions in excess/(under) proportionate share of contributions	-	(8,998)
Adjustments due to difference in proportions	-	(4,903)
Total	\$ 107,670	\$ (245,873)

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 150,133	\$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(263,909)
Employer contributions in excess/(under) proportionate share of contributions	40,927	-
Adjustments due to difference in proportions	-	(19,876)
Total	\$ 191,060	\$ (283,785)

Aggregate Total		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 257,803	\$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(495,881)
Employer contributions in excess/(under) proportionate share of contributions	40,927	(8,998)
Adjustments due to difference in proportions	-	(24,779)
Total	\$ 298,730	\$ (529,658)

The \$488,731 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2019	\$ (62,957)	\$ (58,458)	\$ (121,415)
2020	(62,957)	(58,458)	(121,415)
2021	(61,966)	(59,964)	(121,930)
2022	(57,993)	(65,978)	(123,971)
2023	-	-	-
Thereafter	-	-	-
Total	\$ (245,873)	\$ (242,858)	\$ (488,731)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014, the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASS Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2%

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed ~ discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASS 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability.

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

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

¹ An expected inflation of 2.5% used for this period.

² An expected inflation of 3.0% used for this period.

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate – 1% (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>Discount Rate + 1% (8.50%)</u>
Miscellaneous Plan	\$ 1,201,066	\$ 664,842	\$ 219,827
Safety Plan-Classic	\$ 2,001,891	\$ 1,313,009	\$ 745,399
Total	<u>\$ 3,202,957</u>	<u>\$ 1,977,851</u>	<u>\$ 965,226</u>

Pension Plan Fiduciary Net Position

Detailed information about the Plans' fiduciary net position is available in the separately issued CalPERS financial report.

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

H. Prior Period Adjustment

The beginning net position at July 1, 2014 was restated as follows:

	Governmental Activities	Business-type Activities	Enterprise funds				
			Water	Sewer	Refuse	Storm Drain	Airport
Net position at July 1, 2014	\$ (1,542,291)	\$ (633,478)	\$ (1,273,543)	\$ 649,861	\$ (91,354)	\$ 92,528	\$ (10,970)
(1) Change in accounting principal -basis of accounting	13,017,388	9,729,205	2,167,405	6,366,453	4,465	2,518	1,188,364
(2) CalPERS Miscellaneous Plan:							
Net pension liabilities	(588,369)	(330,801)	(92,691)	(238,110)			
Deferred outflows of resources	58,457	32,866	9,209	23,657			
Deferred inflows of resources	(7,816)	(4,394)	(1,231)	(3,163)			
(3) CalPERS Safety Plan:							
Net pension liabilities	(1,576,040)						
Deferred outflows of resources	163,974						
Deferred inflows of resources							
Subtotal	11,067,594	9,426,876	2,082,692	6,148,837	4,465	2,518	1,188,364
Net position at July 1, 2014 as restated	\$ 9,525,303	\$ 8,793,398	\$ 809,149	\$ 6,798,698	\$ (86,889)	\$ 95,046	\$ 1,177,394

The City implemented GASB Statements No. 68 and No. 71 and converted the basis of accounting from modified cash to accrual for enterprise funds and from modified cash to modified accrual for governmental funds during the year ended June 30, 2015. The restatement to the beginning net position is to report accounts receivable, capital assets, accounts payable, long-term debt and net pension liabilities for the City's CalPERS plans in accordance with GASB Statements No. 68 and No. 71 based on the measurement date of June 30, 2014.

V. Other Information

A. Self insurance

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.

CITY OF GUSTINE
Notes to Financial Statements
June 30, 2015

B. Contingent liabilities

The City participates in a number of federal, state and local grant programs. These programs are subject to financial and compliance audits by the granters or their representatives. The audits of these programs for earlier years and the year ended June 30, 2015 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, 2015. Receipt of these grant revenues is not assured in the future.

CITY OF GUSTINE
 Required Supplementary Information
 June 30, 2015

Schedule of the City's Proportionate Share of the Net Pension Liability	
Last Ten Fiscal Years*	
Miscellaneous Plan	
As of June 30, 2015	
	6/30/2014 ¹
Plan's proportion of the net pension liability	0.01955%
Plan's proportionate share of the net pension liability	\$ 664,842
Plan's covered-employee payroll ²	\$ 703,971
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	94.44%
Plan's fiduciary net position	\$ 3,377,164
Plan's fiduciary net position as a percentage of the total pension liability	83.55%
Plan's proportionate share of aggregate employer contributions ^{3, 4}	\$ 91,324
Notes to Schedule:	
Benefit changes. In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.	
Changes in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.	
* - Fiscal year 2015 was the first year of implementation, therefore only one year is shown.	
¹ Historical information is required only for measurement periods for which GASB 68 is applicable.	
² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.	
³ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or	
⁴ This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.	

CITY OF GUSTINE
 Required Supplementary Information
 June 30, 2015

Schedule of the City's Proportionate Share of the Net Pension Liability, Continued
Last Ten Fiscal Years*
Safety Plan
As of June 30, 2015

	<u>6/30/2014¹</u>
Plan's proportion of the net pension liability	0.02110%
Plan's proportionate share of the net pension liability	\$ 1,313,009
Plan's covered-employee payroll ²	\$ 2,283,887
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	57.49%
Plan's fiduciary net position	\$ 3,829,922
Plan's fiduciary net position as a percentage of the total pension liability	74.47%
Plan's proportionate share of aggregate employer contributions ^{3,4}	\$ 108,430

Notes to Schedule:

Benefit changes. In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

* - Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

³ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or

⁴ This data is not required to be displayed by GASB 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

CITY OF GUSTINE
Required Supplementary Information
June 30, 2015

Schedule of Contributions
Last Ten Fiscal Years*
Miscellaneous Plan
As of June 30, 2015

	2014-15 ¹	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 107,670	\$ 79,133
Contributions in relation to the actuarially determined contributions ²	(107,670)	(79,133)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll ^{3,4}	\$ 725,090	\$ 703,971
Contributions as a percentage of covered-employee payroll ³		11.24%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year (\$683,467) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule

Valuation date: 6/30/2013

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2011 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

CITY OF GUSTINE
 Required Supplementary Information
 June 30, 2015

Schedule of Contributions
Last Ten Fiscal Years*
Safety Plan
As of June 30, 2015

	2014-15 ¹	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 150,133	\$ 163,974
Contributions in relation to the actuarially determined contributions ²	(150,133)	(163,974)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll ^{3,4}	\$ 527,902	\$ 512,526
Contributions as a percentage of covered-employee payroll ³		31.99%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year (\$497,598) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule

Valuation date: 6/30/2013

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2011 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

**City of Gustine
Combining Balance Sheet
Nonmajor Governmental Funds**

	Special Revenue		
	CDBG	Gas Tax Sidewalk Maintenance	Redevelopment Housing
ASSETS			
Cash and investments	\$ 361,019	\$ 523,346	\$ -
Cash with agents-restricted			
Receivables		59,209	
Due from other governments			
Due from other funds			
Total assets	<u>\$ 361,019</u>	<u>\$ 582,555</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
liabilities:			
Accounts payable		\$ 8,432	
Due to other funds			316,302
Total liabilities	<u>-</u>	<u>8,432</u>	<u>316,302</u>
Fund balances:			
Restricted for:			
Capital projects		574,123	
Community development	361,019		(316,302)
Debt service			
Total fund balances	<u>361,019</u>	<u>574,123</u>	<u>(316,302)</u>
Total liabilities and fund balances	<u>\$ 361,019</u>	<u>\$ 582,555</u>	<u>\$ -</u>

**City of Gustine
Combining Balance Sheet
Nonmajor Governmental Funds**

Borrelli Asmt District	Special Revenue		Total	Debt Service	Total Nonmajor Governmental Funds
	Southport Asmt District	Separate Impact Fees		GO Bond	
\$ 983	\$ 15,234	\$ 692,279	\$ 1,592,861	\$ 23,572	\$ 1,616,433
			59,209		-
					59,209
					-
					-
<u>\$ 983</u>	<u>\$ 15,234</u>	<u>\$ 692,279</u>	<u>\$ 1,652,070</u>	<u>\$ 23,572</u>	<u>\$ 1,675,642</u>
\$ 1,752			\$ 10,184		\$ 10,184
34,000			350,302		350,302
<u>35,752</u>	<u>-</u>	<u>-</u>	<u>360,486</u>	<u>-</u>	<u>360,486</u>
(34,769)	15,234	692,279	1,246,867		1,246,867
			44,717		44,717
				23,572	23,572
<u>(34,769)</u>	<u>15,234</u>	<u>692,279</u>	<u>1,291,584</u>	<u>23,572</u>	<u>1,315,156</u>
<u>\$ 983</u>	<u>\$ 15,234</u>	<u>\$ 692,279</u>	<u>\$ 1,652,070</u>	<u>\$ 23,572</u>	<u>\$ 1,675,642</u>

City of Gustine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue		
	CDBG	Gas Tax Sidewalk Maintenance	Redevelopment Housing
REVENUES			
Property taxes	\$ -	\$ -	\$ 29,241
Sales taxes			
business licenses/Franchise fee			
Other taxes			
Licenses and permits		9,938	
Fines and forfeitures			
Use of money and property			
From other agencies		291,280	
Charges for services			
Other revenue			
Total revenue	<u>-</u>	<u>301,218</u>	<u>29,241</u>
EXPENDITURES			
Current:			
General government			
Public Safety			
Transportation		173,539	
Community development	18,878		92
Cultural and recreation			
Debt service:			
Principal			
Interest			
Capital outlays			
Total expenditures	<u>18,878</u>	<u>173,539</u>	<u>92</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,878)</u>	<u>127,679</u>	<u>29,149</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		1,153	
Total other financing sources (uses)	<u>-</u>	<u>1,153</u>	<u>-</u>
Net changes in fund balances	<u>(18,878)</u>	<u>128,832</u>	<u>29,149</u>
Fund balances-beginning	379,897	446,553	(345,451)
Adjustments to beginning balances		(1,262)	
Fund balances-ending	<u>\$ 361,019</u>	<u>\$ 574,123</u>	<u>\$ (316,302)</u>

City of Gustine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

Borrelli Asmt District	Special Revenue		Total	Debt Service	Total Nonmajor Governmental Funds
	Southport Asmt District	Separate Impact Fees		GO Bond	
\$ -	\$ -	\$ -	\$ 29,241	\$ 30	\$ 29,271
					-
			9,938		9,938
			291,280		291,280
14,056	3,878	209,202	227,136		227,136
8			8	24	32
<u>14,064</u>	<u>3,878</u>	<u>209,202</u>	<u>557,603</u>	<u>54</u>	<u>557,657</u>
					-
		28,731	28,731		28,731
19,723	685		193,947		193,947
		51,561	70,531		70,531
				3,667	3,667
				11,542	11,542
<u>19,723</u>	<u>685</u>	<u>80,292</u>	<u>293,209</u>	<u>15,209</u>	<u>308,418</u>
<u>(5,659)</u>	<u>3,193</u>	<u>128,910</u>	<u>264,394</u>	<u>(15,155)</u>	<u>249,239</u>
		322,898	324,051		324,051
		322,898	324,051		324,051
<u>(5,659)</u>	<u>3,193</u>	<u>451,808</u>	<u>588,445</u>	<u>(15,155)</u>	<u>573,290</u>
(26,361)	12,041	240,471	707,150	38,727	745,877
(2,749)		-	(4,011)		(4,011)
<u>\$ (34,769)</u>	<u>\$ 15,234</u>	<u>\$ 692,279</u>	<u>\$ 1,291,584</u>	<u>\$ 23,572</u>	<u>\$ 1,315,156</u>

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 Members
of the City Council
City of Gustine
Gustine, California

We have audited the basic financial statements of City of Gustine as of and for the year ended June 30, 2015, and have issued our report thereon dated February 14, 2019. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Gustine's internal control over financial reporting as a basis for designing our auditing procedures, for the purpose of expressing our opinion on City of Gustine's financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Gustine's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Gustine'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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Gustine's basic 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 14, 2019



CITY COUNCIL AGENDA ITEM

MARCH 19, 2019

PREPARED BY: Jami Westervelt, Finance Director

SUBJECT: Approve Agreement with the PUN Group for Accounting Services

BACKGROUND/DISCUSSION

Each year the City of Gustine faces new and tougher accounting requirements. While Gustine has a smaller population and budget, the City must follow the same rules and regulations as larger cities—only with fewer resources to assist with compliance.

The Council recognized the shortage of accounting staff for the City and recently hired the PUN Group to assist in preparation of the most recent audit presented to Council.

PUN Group is a well-respected firm working with many other municipalities within the League of California Cities. They utilize top professionals in the business. PUN also serves as a popular audit firm for cities throughout the State so the City of Gustine enjoys the benefit of that base of knowledge as they prepare the City financials for audit.

The 2014/15 audit took a considerable amount of effort involving more than was anticipated by staff or the consultant, including preparing the assets and PERS portions of the audit and working with the software company on outstanding issues with the software system for the City. The 2014/15 audit and related improvements to the City of Gustine accounts would not have been possible without hiring PUN Group to assist.

Moving forward with bringing all the audits up to date is a top priority for the City. Contracting further with the PUN Group will allow that to happen in an efficient and cost-effective manner and within the full-time staffing limitations of the City.

City staff wishes to move forward as soon as possible with audits and the PUN Group proposed a possible scenario to accelerate that. PUN suggested closing the fiscal years ending June 2016, 2017 and 2018, but only submitting the documents for full audit of the most recent year—ending June 30, 2018. PUN proposed this scenario to our current audit firm and the lead auditor expressed no concerns on that path. At this time, we are awaiting comment on that proposal from the State.

Staff proposes moving forward with the contract with PUN. PUN can begin the work needed now as we await word from the State on consolidating the audit. The fees listed in the attached proposed contract reflect that course of action. If the State indicates another route is necessary, staff would bring the contract back to Council to discuss options.

For frame of reference on cost, the amount estimated by PUN to close the year and also prepare the financial reports is in line with the amount the former audit charged to

prepare (and not audit) the financials in 2011.

FISCAL IMPACT

The cost estimates from PUN breakdown as shown below:

		2016		2017		2018	
		Hours	Amounts	Hours	Amounts	Hours	Amounts
Jamie Hughson	\$ 100	80	\$ 8,000	80	\$ 8,000	250	\$ 25,000
Ash Hassan	\$ 75	100	\$ 7,500	100	\$ 7,500	200	\$ 15,000
Total			\$ 15,500		\$ 15,500		\$ 40,000

The fiscal year budget for 2018/19 included costs for accounting and auditing services that will cover the costs of the work in this contract that will take place prior to June 30, 2019. The amount that will take place in FY 2019/20 is well within the amounts budgeted for these services in recent years and staff does not see any additional strain on the 2019/20 budget related to entering into this agreement.

RECOMMENDATION

Authorize City Manager to sign the addendum for professional services with the Pun Group as outlined in the attached.

EXHIBIT(S):

- A) Professional Services Agreement with the Pun Group, LLC.

APPROVED BY:



DOUG DUNFORD, CITY MANAGER

**CITY OF GUSTINE
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of March 19, 2019 by and between the City of Gustine, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 352 Fifth Street, Gustine, California ("City"), and The Pun Group, a Limited Liability Partnership with its principal place of business at 200 East Sandpointe Ave, Suite 600, Santa Ana, CA 92707 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

Perform Professional Accounting and Consulting Services (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as "Exhibit A- Scope & Cost of Services Proposal."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in "Exhibit A- Scope & Cost of Services Proposal."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$71,000. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall

be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder within 180 days or as modified by agreement of both parties. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must

specifically include work performed under this Agreement. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence / \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any

insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the City), indemnify and hold the City, its officials, officers, employees, agents and volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its officials, officers, employees, agents or volunteers.

b. Additional Indemnity Obligations. Consultant shall defend, with counsel of City's choosing and at Consultant's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against the City, its officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the City, its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by the City, its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for the City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse the City, its officials, officers, employees, agents and volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its officials, officers, employees, agents and volunteers.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Merced, State of California.

16. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

17 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

18. Organization

Consultant shall assign Kenneth Pun as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Gustine
352 Fifth Street
Gustine, CA 95322
Attn: FINANCE

CONSULTANT:

The Pun Group
200 East Sandpointe Ave, Suite 600
Santa Ana, CA 92707
Attn: KENNETH PUN

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GUSTINE
AND THE PUN GROUP**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF GUSTINE

THE PUN GROUP

By: _____
DOUG DUNFORD
CITY MANAGER

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____
City Clerk

EXHIBIT A

Scope & Cost of Services Proposal

SCOPE

Consultant shall provide accounting services necessary for the City to accomplish the following goals:

- All accounting entries necessary to close Fiscal Year ending June 30, 2016
- All accounting entries necessary to close Fiscal Year ending June 30, 2017
- All accounting entries necessary to close Fiscal Year ending June 30, 2018
- Preparation of financial statements in their entirety as needed for audit of Fiscal Year ending June 30, 2018.
- Working directly with the audit firm selected and hired by the City in assistance to the City Finance Director.
- Providing professional assistance related to all of the above.
- Acting as point-of-contact for the State of California regarding the Financial Transactions report completed January 2019, including answering any questions and resolving any changes requested by the State.
- Completing the State of California Financial Transactions Report in January 2020 fulfilling the deadlines mandated by the State for that report.

COSTS

The costs for the above services are not to exceed \$71,000. The cost estimate is based upon the estimates of time below. Consultant is not bound to cost allowances per individual or year for tasks within the scope, but the total amount for the tasks listed above should not exceed \$71,000.

		2016		2017		2018	
		Hours	Amounts	Hours	Amounts	Hours	Amounts
Jamie Hughson	\$ 100	80	\$ 8,000	80	\$ 8,000	250	\$ 25,000
Ash Hassan	\$ 75	100	\$ 7,500	100	\$ 7,500	200	\$ 15,000
Total			<u>\$ 15,500</u>		<u>\$ 15,500</u>		<u>\$ 40,000</u>

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract not to exceed \$71,000 for the tasks out lined in the proposal.