

**REGULAR MEETING  
OF THE MADERA CITY COUNCIL**  
205 W. 4<sup>th</sup> Street, Madera, California 93637

**NOTICE AND AGENDA**

**Wednesday, March 15, 2017  
6:00 p.m.**

**Council Chambers  
City Hall**

**CALL TO ORDER**

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

**INVOCATION: Pastor Randy Brannon, Grace Community Church**

**PLEDGE OF ALLEGIANCE:**

**PUBLIC COMMENT:**

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

**A. WORKSHOP**

A-1 Report on Planned Weed Abatement Enforcement (Presentation by Fabela Rodriguez)

**B. CONSENT CALENDAR**

B-1 Minutes – 7/20/16

B-2 Information Only – Warrant Disbursement Report

- B-3 Bi-Weekly Water Conservation Report for 2/20/17 – 3/05/17 (Report by Dave Randall)
- B-4 Consideration of a Resolution Approving a Letter of Commitment as a Participating Jurisdiction in the Madera County Multi-Jurisdictional Local Hazard Mitigation Plan Update and Authorizing the Mayor to Sign the Letter of Commitment (Report by Wendy Silva)
- B-5 Consideration of a Resolution Approving Agreement for Outside of City Water Service for Property Located at 27722 Avenue 16, Approving Covenant to Annex, Authorizing the Mayor to Execute the Agreement and Covenant on Behalf of the City and Directing Staff to Record the Agreement and Covenant (Report by Keith Helmuth)
- B-6 Consideration of a Resolution Approving the Submission of a Grant Application to the Housing Related Parks Program 2016 and Authorizing the City Administrator to Execute All Required Grant Documents (Report by Ivette Iraheta)

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

- C-1 Second Reading and Consideration of the Adoption of an Ordinance Amending the City Municipal Code Relating to Organic Waste Recycling (Report by Dave Randall)

**D. WRITTEN COMMUNICATIONS**

There are no items for this section.

**E. ADMINISTRATIVE REPORTS**

- E-1 Acceptance of the Audited Financial Statements and Single Audit Report (Federal Grants) for the Fiscal Year ended June 30, 2016 (Report by Tim Przybyla)
- E-2 Presentation of the Mid-Year Operational Budget Report and Consideration of a Resolution Authorizing and Approving Amendments to the City of Madera Fiscal Year 2016/2017 Budget (Report by Tim Przybyla)

**F. COUNCIL REPORTS**

**G. CLOSED SESSION**

There are no items for this section.

**ADJOURNMENT** – Next regular meeting April 5, 2017

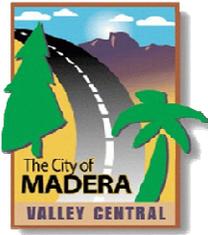
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- Please silence or turn off cell phones and electronic devices while the meeting is in session.
  - Regular meetings of the Madera City Council are held the 1<sup>st</sup> and 3<sup>rd</sup> Wednesday of each month at 6:00 p.m. in the Council Chambers at City Hall.
  - Any writing related to an agenda item for the open session of this meeting distributed to the City Council less than 72 hours before this meeting is available for inspection at the City of Madera Office of the City Clerk, 205 W. 4<sup>th</sup> Street, Madera, California 93637 during normal business hours.
  - The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Request for additional accommodations for the disabled, signers, assistive listening devices, or translators needed to assist participation in this public meeting should be made at least seventy two (72) hours prior to the meeting. Please call the Human Resources Office at (559) 661-5401. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service.
  - Questions regarding the meeting agenda or conduct of the meeting, please contact the City Clerk's office at (559) 661-5405.
  - Para asistencia en Español sobre este aviso, por favor llame al (559) 661-5405.
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I, Sonia Alvarez, City Clerk for the City of Madera, declare under penalty of perjury that I posted the above agenda for the regular meeting of the Madera City Council for March 15, 2017, near the front entrances of City Hall at 4:30 p.m. on March 10, 2017.

  
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Sonia Alvarez, City Clerk

[Return to Agenda](#)

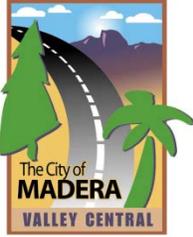


**Madera City Council Agenda 03/15/17  
Agenda Item A-1**

**Presentation only. There is no written report.**

**Return to Agenda**

Item:	B-1
Minutes for:	07/20/16
Adopted:	03/15/17



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

**July 20, 2016  
6:00 p.m.**

**Council Chambers  
City Hall**

**CALL TO ORDER**

The regular meeting for 07/20/16 was called to order by Mayor Poythress at 6:00 p.m.

**ANNOUNCEMENT:**

Mayor Poythress announced that the public address system is down and has been down for a little bit. Mayor Poythress stated that even though the recordings are still taking place, they will intentionally be a little bit more vociferous so people can hear and if there was any public comment at any time, they are free to not be quiet when they are at the microphone. Mayor Poythress stated this is their one opportunity to really blast out and it would be a good thing.

**ROLL CALL:**

**Present:** Mayor Robert L. Poythress  
Council Member Andrew J. Medellin  
Council Member Donald E. Holley  
Council Member Derek O. Robinson Sr.  
Council Member William Oliver  
Council Member Cece Foley Gallegos

**Absent:** Mayor Pro Tem Charles F. Rigby

Others present were City Administrator David Tooley, City Attorney Brent Richardson, City Clerk Sonia Alvarez, City Engineer Keith Helmuth, Director of Human Resources Wendy Silva, Planning Manager Chris Boyle, Director of Financial Services Tim Przybyla, Battalion Chief Jim Forga, Chief of Police Steve Frazier, Parks & Community Services Department Business Manager Mark Etheridge, Public Works Operations Director David Randall, Community Development Director David Merchen, Grants Administrator Ivette Iraheta, Chief Building Official Steve Woodworth, Information Services Manager Ted Uyesaka, Grants Department Program Manager Jorge Rojas and Police Commander Dino Lawson.

**INVOCATION:** Pastor Steve Estrada, New Harvest Christian Fellowship

**PLEDGE OF ALLEGIANCE:** Mayor Poythress led in the Pledge of Allegiance.

**PUBLIC COMMENT**

The first fifteen minutes of the meeting are reserved for members of the public to address the Council on items which are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Council is prohibited by law from taking any action on matters discussed that are not on

the Agenda, and no adverse conclusions should be drawn if the Council does not respond to public comment at this time.

Mayor Poythress asked if there were any members of the public who wished to address the Council. No comments were offered.

## **PRESENTATIONS**

### 1. Proclamation Recognizing U.S. Coast Guard Retiree Kenneth D. Miller

Mayor Poythress stated that for the first item, the Council would like to recognize somebody who is retiring but that in this particular case, the individual didn't look like he was of an age to retire. Mayor Poythress stated that from what he sees, the person looks like a very young individual, although in that profession, they can retire a little bit early and then go on to another career. Mayor Poythress asked Kenneth Miller to join him.

Mayor Poythress stated that Mr. Miller is a native Maderan and has had a great 20 year career in the U.S. Coast Guard. Mayor Poythress asked Mr. Miller to tell them a little bit about his time in Madera, his experience in the Coast Guard and to introduce his family.

Kenneth Miller thanked everybody and stated it was a privilege to be there. Mr. Miller introduced his wife and fellow Maderan, Roni Arellano Miller, his daughters Peyton [inaudible] and Aubrey. Mr. Miller also introduced his parents Gene and Sydney Miller, his father-in-law and mother-in-law John and Yvonne Arellano. Mr. Miller thanked them all for being present.

Council Member Holley stated that Mr. Miller shouldn't forget his extended family.

Mr. Miller stated that Donald Holley worked with his mom and dad for many years.

Mr. Miller stated he was born and raised in Madera and as soon as he graduated from high school, he took the summer off and then he joined the service on September 16, 1996; 20 years. Mr. Miller stated that it's been quite an experience; he's traveled the world quite a bit and the first 12½ years were on ships. He saw quite a bit of the world. He's been stationed in Astoria, Oregon and was in Hawaii for 3½ years on ships. Mr. Miller stated that pretty much in 2001, he was stationed in San Diego and then up to the Bay Area. So, from 2001 until now he has just been going back and forth to the Bay Area and San Diego. Mr. Miller stated that he can't really complain on the news stations so he's very happy about that.

Mayor Poythress asked Mr. Miller what he was thinking of doing at this time in his career and was he looking to spend some time with family, kind of reassessing and things like that.

Mr. Miller stated that his wife is actually a softball coach at York College in York, Nebraska. It's going on her third year there so they bought their house out there and they are getting settled in. Peyton is already going in the second grade and Aubrey will be going into Pre-K so they are settling in. Mr. Miller stated he will take the first year off and be a stay at home dad and then after that they will reevaluate. Mr. Miller stated he will be on the coaching staff as an assistant coach also so he's easing back into it.

Mayor Poythress stated that was great and that it was a great honor of their City to recognize Mr. Miller for his time in the service and his service to their country in the Coast Guard and it's certainly with a 20 year career not something that everybody does.

Mayor Poythress stated it was great having Mr. Miller there and representing our City. Mayor Poythress stated he knows that even when Mr. Miller is out there people might ask where he is from and so forth and hopefully Mr. Miller will say it's near Fresno. Mayor Poythress stated a lot of people ask where Madera is. Mayor Poythress stated he knows that Mr. Miller represented them well.

Mayor Poythress stated that the Office of the Mayor is providing a proclamation recognizing Mr. Miller's service and it mentions that Chief Warrant Officer 3 Kenneth D. Miller of the rank of CWO3 (Chief Warrant Officer) with the United States Coast Guard as Maritime Security under the efforts of Homeland Security and whereas be it resolved that he, Mayor Robert Poythress, on behalf of the citizens of the City of Madera and the City Council do hereby proclaim the 20<sup>th</sup> day of July as a day in celebration of Chief Warrant Officer 3 Kenneth D. Miller's retirement and extend to Chief Warrant Officer 3 Kenneth Miller his sincere congratulations for his 20 years of service to the United States of America and further wish him all the best of health and happiness in his retirement.

Mayor Poythress stated he'd like to shake Mr. Miller's hand in recognition of that and congratulate him and present him with the proclamation.

Mayor Poythress introduced Mr. Miller to Chuck Doud the publisher, editor, owner and chief bottle washer of the Madera Tribune.

2. Presentation of a \$1.4 Million Grant Award from the FAA to the City of Madera for the Madera Airport Apron Reconstruct Project – Phase II

Mayor Poythress stated that the second item that they'd like to discuss is an FAA grant award and that was being represented by a big [publicity] check. Mayor Poythress asked that Jason Rogers of the City of Madera and Sandra Garcia representative for Congressman Costa's office [approach the podium].

Mayor Poythress stated that in today's Madera Tribune there is a section that talks about things that happened 25 years ago and Ms. Garcia's boss' picture was in it; he was mentioned and he looks a little bit different than he does today.

Ms. Garcia stated it was because he doesn't have his arctic blond hair.

Mayor Poythress indicated he would give her the newspaper so that she could share with people in her office.

Ms. Garcia stated that she actually drove through Madera today. Ms. Garcia stated she was in Chowchilla and a couple of different Madera residents pointed out that she should stop by Madera to get the paper. Ms. Garcia stated they get the paper delivered to their office.

Mayor Poythress stated it was an extra copy as everyone is going to want one to put in their house.

Mayor Poythress asked Mr. Rogers to describe what the check was all about.

Jason Rogers, Administrative Analyst for the Public Works Department stated that the City of Madera applied for funding through the Department of Transportation Federal Aviation Administration's Airport Improvement Program [AIP] in order to reconstruct a portion of the general aviation apron at the airport. Mr. Rogers stated the FAA agreed to make available \$1,370,587 through their AIP grant process in order to cover 90% of the cost associated with the project.

Mr. Rogers stated the AIP provides grants to public agencies for the planning and development of public use airports and it was important to understand that for the City's airport, a lot of their primary funding for development of the airport is through the federal government's AIP program.

Mr. Rogers stated that they will use the check to reconstruct 179,500 square feet of the aviation apron and stated that the pavement that is going to be replaced is more than 30 years old; it is long overdue. Mr. Rogers stated some of it is cracked, weathered and showed signs of distress so they are going to get new pavement out there that will allow for some heavier planes and more traffic to go out to the airport and increase development at the airport.

Ms. Garcia thanked everyone for allowing her to speak on behalf of Congressman Costa. Ms. Garcia stated that unfortunately Congressman Costa couldn't make it today because he is traveling to Armenia with a delegation but he had shared some words with her that he wanted to share with all of the Council. Ms. Garcia read the following: Congratulations to the City of Madera for receiving Federal Aviation Administration funding for improvements at the Madera Municipal Airport. Long term investment made to our San Joaquin Valley's transportation systems help to reinforce safety, improve travel and increase connectedness throughout the state, country and world. Again, congratulations and I look forward to a positive impact this funding will have in our community. Congratulations.

Mayor Poythress stated he thought that with this improvement they would have the capacity to have a major airline start landing there.

Mr. Rogers stated that maybe next time.

Mayor Poythress thanked Ms. Garcia.

Mr. Rogers stated they did grade it for a potential charter business coming in so that way they can theoretically in the future have that potential.

Mayor Poythress stated there were some great improvements. Mayor Poythress stated that he knew that for those involved in the airport, maintenance, grant opportunities and things like that, that the City has received, he knows that for himself, he's not a pilot but from all the people involved in aviation, they just have great things to say about the City's airport.

Mayor Poythress stated that Mr. Doud was taking pictures again. Mayor Poythress asked Mr. Doud if he wanted a picture of the giant check.

Mr. Doud stated that the most important part was in the picture and that was the money.

Mayor Poythress thanked Mr. Doud and Ms. Garcia.

## **ANNOUNCEMENT**

Mayor Poythress called on the City Clerk to make the late distribution announcement.

Sonia Alvarez, City Clerk announced that pursuant to Government Code Section 54957, members of the public are advised that documents related to the following agenda item were distributed to the Council less than 72 hours before this meeting. Under Section E, Administrative Reports, Item E-1, subject matter is a Resolution Approving the Purchase of Easements. The revised exhibit for the Presbytery of San Joaquin easement deed was distributed to the Council this evening. Extra copies are available at the podium for members of the public wishing a copy.

Mayor Poythress thanked Ms. Alvarez.

### **A. WORKSHOP**

There are no items for this section.

### **B. CONSENT CALENDAR**

B-1 Minutes – There are no minutes for consideration.

B-2 Information Only – Warrant Disbursement Report

- B-3 A. Consideration of a Resolution Awarding Construction Contract for the Apron Reconstruction Phase II Project at Madera Municipal Airport to Granite Construction, Inc. in the Amount of \$1,208,874 and Authorizing Contingencies of up to Ten Percent (10%) as Approved by the City Engineer and Authorizing the Mayor to Execute the Agreement on Behalf of the City
- B. Consideration of a Resolution Approving an Agreement with Reinard W. Brandley for Professional Services for the Engineering Services for Construction Surveillance, Resident Engineering, Testing and Inspection in Connection with the Apron Reconstruction Phase II Project at the Madera Municipal Airport and Authorizing the Mayor to Execute the Agreement on Behalf of the City (Report by Dave Randall)
- B-4 Consideration of a Resolution Approving an Agreement for Special Services between the City of Madera and the Law Firm of Liebert Cassidy Whitmore and Authorizing the Mayor to Execute the Agreement (Report by Wendy Silva)
- B-5 Consideration of a Resolution Approving a Third Amendment to the Employment Agreement with the Executive Director of the Successor Agency to the Former Madera Redevelopment Agency (Report by Wendy Silva)
- B-6 Consideration of a Resolution Approving the VantageTrust II Multiple Collective Investment Funds Trust Participation Agreement for the VantageCare Retirement Health Savings Plan (Report by Wendy Silva)
- B-7 Consideration of a Resolution of the City Council of the City of Madera Approving an Agreement with James G. Palmer Appraisals, Inc. for Professional Appraisal Services for Easements and Land Acquisition on the Sharon Boulevard Infrastructure Project and Authorizing the Mayor to Execute the Agreement (Report by Keith Helmuth)
- B-8 Consideration of a Resolution Approving an Amendment to the Chief of Police At-Will Employment Agreement to Capture Existing Benefits and Authorizing the City Administrator to Execute the Amendment (Report by Wendy Silva)

Mayor Poythress asked if there were any items on the Consent Calendar that a Council person would like to have pulled for further discussion. Seeing none, he entertained a motion for action.

**ON MOTION BY COUNCIL MEMBER HOLLEY, AND SECONDED BY COUNCIL MEMBER ROBINSON, THE CONSENT CALENDER WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: MAYOR PRO TEM RIGBY**

**RES. NO. 16-103 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING THE AWARD OF THE CONSTRUCTION CONTRACT FOR APRON RECONSTRUCTION PHASE II PROJECT TO GRANITE CONSTRUCTION, INC. IN THE AMOUNT OF \$1,208,874 AND AUTHORIZING CONTINGENCIES OF UP TO TEN PERCENT (10%) AS APPROVED BY THE CITY ENGINEER, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY OF MADERA**

**RES. NO. 16-104 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING AN AGREEMENT WITH REINARD W. BRANDLEY FOR PROFESSIONAL SERVICES FOR THE ENGINEERING SERVICES FOR CONSTRUCTION SURVEILLANCE, RESIDENT ENGINEERING, TESTING AND INSPECTION IN CONNECTION WITH THE APRON RECONSTRUCTION PHASE II PROJECT AT THE MADERA MUNICIPAL AIRPORT, AND**

**AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY OF MADERA**

- RES. NO. 16-105** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING AN AGREEMENT FOR SPECIAL SERVICES AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT FOR SPECIAL SERVICES BETWEEN THE CITY OF MADERA AND THE LAW FIRM OF LIEBERT CASSIDY WHITMORE
- RES. NO. 16-106** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING AN AMENDMENT TO THE EXECUTIVE DIRECTOR OF THE SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY AT WILL EMPLOYMENT AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT
- RES. NO. 16-107** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING THE VANTAGETRUST 11 MULTIPLE COLLECTIVE INVESTMENT FUNDS TRUST PARTICIPATION AGREEMENT FOR THE VANTAGECARE RETIREMENT HEALTH SAVINGS PLAN AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT
- RES. NO. 16-108** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING AN AGREEMENT WITH JAMES G. PALMER APPRAISALS, INC. FOR PROFESSIONAL APPRAISAL SERVICES FOR EASEMENT AND LAND ACQUISITION ON THE SHARON BOULEVARD INFRASTRUCTURE PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT
- RES. NO. 16-109** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING AN AMENDMENT TO THE CHIEF OF POLICE AT WILL EMPLOYMENT AGREEMENT AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE AGREEMENT

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

- C-1 Public Hearing and Consideration of a Resolution Establishing Appropriation Limits for Fiscal Year 2016/2017 (Report by Tim Przybyla)

Tim Przybyla, Director of Financial Services stated he thought this was a Consent Item. Mr. Przybyla stated this was merely the approval which is done each year for the appropriation of funds for the new budget and as can be seen in the report, the City is well within their appropriation limits. Mr. Przybyla stated this is related to the budget which was approved at the last City Council meeting and it is one of the formalities that they need to go through to make sure the City can spend their money.

Mayor Poythress thanked Mr. Przybyla and stated that he thought the item was put in this section because of the public hearing and that's why it wasn't under the Consent Calendar.

Mayor Poythress asked if there were any questions of Mr. Przybyla before opening the item for public hearing. Seeing none; public hearing was opened. Seeing none; he brought the item back to the Council for action.

**ON MOTION BY COUNCIL MEMBER OLIVER, AND SECONDED BY COUNCIL MEMBER ROBINSON, ITEM C-1 WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: MAYOR PRO TEM RIGBY.**

**RES. NO. 16-110**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF MADERA, CALIFORNIA,  
ADOPTING THE APPROPRIATION LIMIT FOR THE 2016-17 FISCAL YEAR**

- C-2 Public Hearing to Consider the Community Development Block Grant Review and Advisory Committee Recommendations and Request for Council to Make Tentative Allocations for the 2016/2017 Action Plan (Report by Ivette Iraheta)

Ivette Iraheta, Grants Administrator stated this is the first Council hearing for the City FY 2016/2017 CDBG Action Plan. Ms. Iraheta introduced CDBG Program Manager, Jorge Rojas who offers translation services to those who may require it [in the audience].

Jorge Rojas stated in Spanish that this meeting is to schedule the CDBG funds for FY 2016/2017 and asked if there was anybody who needed translation services. Seeing none, Ms. Iraheta stated that the primary purpose of tonight's meeting was for Council to consider the Review and Advisory Committee's [RAC] tentative allocations. Final approval is scheduled for the August 3<sup>rd</sup> City Council meeting. Ms. Iraheta stated that as a result, Council would allocate \$847,853 to fund the various projects and programs that applicants have submitted for consideration.

Ms. Iraheta stated that staff included four columns on the worksheet that Council had before them to assist them with the process this evening. Ms. Iraheta stated that the first column indicates the Committee's recommended allocations and that was done on the June 30<sup>th</sup> meeting that they had. Ms. Iraheta stated that the second column expresses staff's preferences for the use of the funds and the third column is where Council would be making their tentative allocations.

Ms. Iraheta stated that given the broad scope of the grant, the CDBG award has a potential to advance an extensive number of the Vision Plan's objectives depending on the Council's allocations tonight. Ms. Iraheta introduced Ken Hutchings, Chairperson of the committee who will explain how the committee arrived at their allocations.

Mr. Hutchings stated it was a privilege to be there today. Mr. Hutchings stated that as was mentioned, he has the opportunity of serving along with five others in the RAC Advisory Committee for the distribution of CDBG funds. Mr. Hutchings stated he came a little unprepared to answer the question because he didn't really get to discuss with his fellow committee members what was going through their minds or whatever but he thinks that for the most part they have presentations from groups that were petitioning for the use of the CDBG funds.

Mr. Hutchings stated that going through this process makes you realize that there are social problems in the City but then you get a good feeling when you know all the various people who are trying to combat it so basically RAC is stuck with the task of distribution of insufficient funds for what really needs to be done. Mr. Hutchings stated that speaking for himself, there are a lot of good organizations out there who are trying to make Madera a better place to live.

Mr. Hutchings stated he thinks something that has been a consideration for RAC in the past is for their organizations that have received CDBG funds and still appear to be doing good. Mr. Hutchings stated he knows that whenever RAC is doing allocations, they traditionally ask if the organization has been funded in the past and what the level of the funding has been. Mr. Hutchings thinks that in many instances RAC uses that information to justify their current recommendation that if they've given it to them in the past and they're displaying a good track record of having accomplished stuff with these valuable funds or whatever then RAC is happy to fund them again. Mr. Hutchings asked if the Council had any questions.

Mayor Poythress asked if there were any questions for Mr. Hutchings. Seeing none, Mayor Poythress thanked Mr. Hutchings for helping out in the effort.

Ms. Iraheta stated that a lot of the applicants are there tonight as well as the program presentations from them.

Mayor Poythress stated that what has worked really well in the past is to take each activity type section separately and deal with it. Mayor Poythress stated that for instance they could work with the Administration section and then move into Public Services and then finish up with Capital Projects and Public Improvements.

Mayor Poythress stated that the first thing he would like to do is to take a look at the Administration activity type....

Brent Richardson, City Attorney advised Mayor Poythress that he needed to open public hearing for this item and suggested they do this at the outset.

Mayor Poythress opened the item for public hearing. Mayor Poythress stated they've got local Administration, the amount requested in the Fresno/Madera Continuum of Care and asked if anyone had any questions of the groups whether it be the City of Madera or Fresno/Madera Continuum of Care.

Council Member Oliver stated he had a couple of questions for the Continuum of Care grant application and asked that the applicant approach the podium.

Elizabeth Wisener, Community Services Program Manager with the Community Action Partnership of Madera County [CAPMC] stated she would answer any questions the Council may have regarding their application.

Council Member Holley stated that since he is a Board Member, he had to excuse himself and left the room.

Council Member Oliver asked that Ms. Wisener elaborate as to the \$16,000 funding allocation request and what that money will go to. He understands that it contributes towards the City's involvement with the Continuum of Care and he asked that she tell them a little bit more about that effort.

Ms. Wisener stated they will use the money as they have in the past to support the activities of the Madera County Ten Year Plan to End Homelessness. Ms. Wisener stated there are certain activities that they do every year. They are a member of the Fresno/Madera Continuum of Care Board and they also sit on the Executive Committee. Ms. Wisener stated they oversee the Madera County Homeless Coalition; they promote homeless awareness activities each year. In November, they put on some type of homeless awareness. Last year, they went to the homeless and distributed 200 lunches. Ms. Wisener stated they brought the members of the Coalition together, they do the annual Homeless Point-In-Time Count and that's quite an endeavor to coordinate and plan.

Ms. Wisener stated that this year, she's excited because it's the first year in five years that there's actually some hope on the horizon of getting some additional services for homeless. They just surveyed 88 of the homeless in Madera with a tool called VI-SPDAT [Vulnerability Index and Service Prioritization Decision Assistance Tool] which is a tool that ranks them according to their vulnerability and they found 56 men and a good number ranked 10 or higher which means they are probably chronically homeless.

Ms. Wisener stated CAPMC was awarded some funds through their Community Services Block Grant that is earmarked specifically to address homeless issues and what they are hoping to do is leverage that with funds that are available from the Continuum of Care. Ms. Wisener stated that every year she sees the Emergency Solution Grant come and go and they haven't been able to apply for it because of the matching dollars and this is the first year that there are 200,000 something dollars sitting on the Continuum of Care that are supposed to go to the entities that are not awarded an Emergency Solution Grant and Madera is one of them.

Ms. Wisener thinks she has come up with a way to get the match for that and the Housing Authority has offered some units in Chowchilla so they are trying to see how they can blend the money of the Community

Services Grant with the Emergency Solutions Grant; if they can get it to start some services for homeless men.

Ms. Wisener stated that when they did the count, they found eight veterans and HUD [Housing and Urban Development] has given them until the end of this year to house all of the homeless veterans that want to be housed. They've gone out looking for veterans in Madera and they couldn't find them and now they have eight and there's money to serve them. Ms. Wisener stated that the Continuum of Care has bi-weekly meetings where they look at who's on the registry and how they're moving along to get them housed and now for Madera she can ask what they are going to do with these eight vets and how they can help get them moving through the string to get them housed. Ms. Wisener stated they work very closely with the VA (Veterans Administration) to do the outreach and get them connected.

Council Member Oliver asked if the 88 folks that were identified through the survey were identified through the Point-In-Time Count that they do once a year.

Ms. Wisener stated that the Point-In-Time Count is not the same and they sent their numbers to HUD and HUD hasn't approved them yet so they won't allow her to release them until they get the final blessing from HUD. There's about 200 in Madera and of those they've interviewed 88. Ms. Wisener stated the assessment that they did is the first step to getting them housed and that's in addition to the count that they do in January.

Council Member Oliver stated that he's done the Point-In-Time Count in the past and it is very eye opening and educational. When they go out, they survey those folks whether it be at an encampment or wherever their dwelling might be, it would be that information that they'd capture.

Council Member Oliver stated that he knows it obviously makes them eligible for federal HUD monies and that some of the proceeds go toward their Community Action Partnership and housing especially for women and children. Council Member Oliver asked if there was any coordination with the City's Grants Department at looking how they can leverage each other's priorities, the Consolidated Plan and those objectives. Council Member Oliver asked if there been any dialogue in that respect.

Ms. Wisener asked if [he was referring to] the Grants Department at the City of Madera.

Council Member Oliver responded affirmatively.

Ms. Wisener stated that what she did was look up the City's Consolidated Plan and in her application she identified the areas in the Consolidated Plan that this application lines up with and that was to support the activities of the Homeless Coalition, to support the Fresno/Madera Continuum of Care and kind of indirect support to the Shunammite Place. Ms. Wisener stated that's really not funded through this grant but it's their participation on the Continuum of Care that allows them to continue getting that funding.

Council Member Oliver encouraged on-going dialogue with the City's Grants Department staff as they are looking for opportunities and obviously by participating with this body it does make some more grant funding available.

Council Member Oliver stated that his only other suggestion and comment is to just respect community partners. Just looking through, there's numerous agencies that are working to combat homelessness and provide services. The Point-In-Time Count is a great tool to acknowledge some of that need but he encourages them to look within. Council Member Oliver stated the City has a Code Enforcement Department that is engaging this population of people once or twice a week and this discussion came up briefly as they had a policy discussion on how to continue that program.

Council Member Oliver heavily recommended that if they move forward tonight with the \$16,000 expenditure that they coordinate with those departments that are engaging this population and he thinks

that a lot of the community outreach and activities that she's mentioned are good things but he thinks there's a tremendous opportunity to make tangible short term impact by engaging that community.

Council Member Oliver stated he doesn't know if this Emergency Services money that might be available could go towards the hiring of a staff member or advocate that could join the Code Enforcement and Public Works staff as they notice these encampments and engage this population. He is not sure if that might be a possibility.

Ms. Wisener stated she would have to look.

Council Member Oliver encouraged a discussion with their respective staffs that are engaged in this population almost on a weekly if not on a daily basis.

Ms. Wisener stated that is a great recommendation. Ms. Wisener stated that she's invited the City police to attend their Homeless Coalition meeting and she saw the Chief earlier. She did touch base with him after their count in January. Ms. Wisener stated she knows the police have been trying to clean up the riverbeds and the riverbeds are looking so much better. She asked if they can coordinate better next year and how they can support what the police are doing and then work together when it's time to do the count.

Council Member Oliver stated that the police is a facet to that but again the City does have a Code Enforcement wing. Council Member Oliver stated the City has directed policy as far as public health and safety and benefit to the community to clean up some of these encampments.

Council Member Oliver stated that in fact in one of the presentations that the City had at a Successor RDA [Redevelopment Agency] Agency Revitalization meeting two months ago, you see some of the homeless population in the background in the picture of the encampments so they engage this population whether it's receptive or not and they do provide those noticing/postings and he knows that the City is currently evaluating their policy, best practices and how to move forward.

Council Member Oliver encouraged Ms. Wisener to pick up the phone and call Jim Taubert who oversees that division. Council Member Oliver stated the Homeless Coalition is a great effort but he'd really like to see tangible hand holding with the City departments and staff that are on the ground engaged in this population. Council Member Oliver stated he thinks it would go a long way and he likes the Point-In-Time Count; it's necessary; the federal government requires it but even then a one or two day survey in one year, he doesn't know if it's a statistical, accurate sampling as to some of the true needs. Council Member Oliver stated they have an opportunity having staff that engage this population and he thinks it's a way to turn a negative situation into a positive for these folks.

Ms. Wisener stated that she would love to do that and if they are awarded, she will gladly do that. Ms. Wisener stated they have a great group of people on the Homeless Coalition; she will invite them to come. Ms. Wisener asked that they let her know what the needs are and how they can rally the Coalition to help. Ms. Wisener stated that they've just entered into a contract with Madera Behavioral Health to oversee two of their housing projects that serve homeless so they're kind of working with them; they serve a huge homeless population. Ms. Wisener stated they are working with Housing Authority so she is all for strengthening the collaborations they already have.

Council Member Oliver thanked Ms. Wisener.

Ms. Wisener asked if the Council had any questions.

Mayor Poythress asked if there were any questions for Ms. Wisener.

Mayor Poythress asked if there were any other members of the public who would like to comment on the allocations under the Administration portion of the projects before they moved on. Seeing none, Mayor Poythress asked that Council talk a little bit about it amongst themselves. Mayor Poythress stated they

have the requested amounts, what RAC recommended, what staff recommended and now Council has to decide on the amounts. Mayor Poythress asked if there were any comments among Council in regards to the allocations.

Council Member Medellin thanked Ms. Wisener for her presentation, for her hard work and her team's hard work and efforts over the years.

Council Member Medellin stated he concurs with his colleague. He thinks those are some wonderful suggestions to work within the City of Madera and Code Enforcement. They are all trying to accomplish the same thing so working together would certainly help that. Council Member Medellin stated he appreciates RAC and he thanked the team for sitting down and going through each one of the interviews.

Council Member Medellin recommended RAC's recommendation with the \$150,978 to Local Administration and \$16,000 to the Continuum of Care.

Mayor Poythress thanked Council Member Medellin and asked how the rest of the Council thought about that. Mayor Poythress stated they could see a lot of heads nodding so they'll go ahead and include that for now.

Mayor Poythress stated they would move on to the Public Services portion. Mayor Poythress stated they have a maximum allocation of \$125,227. They have the amount requested by the various organizations, they have RAC's recommendation and then they have staff's recommendation. Mayor Poythress stated that what they'll do first of all is open it up to Council and asked if there were any questions or any items that Council would like to have clarified.

Council Member Oliver stated he would like a brief presentation from each of the applicants. Council Member Oliver stated this is a very competitive pool of money and it would help him have a little bit more frame of reference if they could take a moment and share a little bit about their application.

Mayor Poythress stated they would start off by going down the list; they would start off with the Madera County Workforce Investment Center. Mayor Poythress asked that applicants come up to the podium and give their name and address.

Elaine Craig, Executive Director for the Madera County Workforce Investment Corporation. Ms. Craig thanked the Council for the opportunity to present and to further clarify or provide more information or answer any questions on their application.

Ms. Craig stated she has a PowerPoint [presentation] but she is not sure the Council really wants her to go through all of it again but she will point out that they are a non-profit corporation. They separated from the County Office of Education approximately three and a half years ago in order to get 501C3 status.

Ms. Craig stated they oversee the Madera County Workforce Assessment Center which is the America's Job Centers of California for Madera County. Ms. Craig stated that what they do every day all day is assist people coming through the doors who are looking for employment, better employment, skills training, education, including high school diploma or its equivalent including supportive services that facilitate success in going through the process.

Ms. Craig stated they also do direct job referrals through job orders from the employers in the community that give them job orders that have job openings.

Ms. Craig stated she has a youth program and she has a business services specialist team that respond to the needs of the employers and then she has course specialists that assist job seekers coming through the doors. Ms. Craig stated that was 101 in Workforce Development in Madera County.

Ms. Craig stated they have been reduced in funds every year since she's been in the system which has been 18 years going back to the Job Training Partnership Act and in 1998 the Workforce Investment Act was federally legislated and they have reduced funding almost every year. Ms. Craig stated they anticipate another 18% reduction unless the federal House changes that but right now they are looking at yet another reduction.

Ms. Craig stated she's given the Council kind of what they do and she will further explain that the Workforce Development Board has designated certain industries and they are based on labor market data so everything they do is indeed based on labor market data so if someone came in and said they wanted to be a massage therapist; great work, but they would not train in that. Ms. Craig stated the labor market/the economy does not show a need for that and oftentimes does not provide for living wage self-sufficiency and that is one of their mandates both from their federal law and from the Board.

Ms. Craig stated that based on labor data, they have identified manufacturing, advanced manufacturing, transportational logistics, health care, renewable energy and recently the Board added hospitality and tourism to address the economy in eastern Madera County. They typically train and do upscale training and education in those areas.

Ms. Craig stated they are on their fifth round application so she's gone through each round of funds that the Workforce has received of Community Development and Block Grant funds. Ms. Craig stated that the Council will notice that their application always asks for substantially more funds in order to do more extensive training in those areas. They've received lower amounts of funds in each round and subsequently she's had to lower the numbers that they've had to indicate on their outcomes that they would serve. Ms. Craig pointed out that even though they've indicated in the application, after their amount has been decreased for example, in the first round they were to serve 7 to 8 and they actually served 12.

Ms. Craig stated that in the first year of this money, they actually did a pre-apprenticeship program so they contracted with their local labor council and they did a pre-apprenticeship where these folks walk out of the room and out of the training with a forklift certification, an OSHA10 certification, First Aid/CPR and then they are given priority to sign up at the holes for apprenticeship programs.

Ms. Craig stated they fully expended the funds. Ms. Craig stated they do not leverage any or spend any of the funds on staffing, overhead or operational costs. Ms. Craig stated that every dollar the City gives them for every round that they've received has always been for direct customer service and they leverage their formula funds for staffing and for overhead and operational costs. The funds also contribute towards supportive services.

Ms. Craig stated she's given the Council outcomes for each of the rounds of funds as far as employment, average wages, certificates that were received, on the job training (OJT) that they may have done and she's taken that all the way through for them for the second, third and the fourth rounds. Ms. Craig noted this last round of \$13,000 they said they were going to serve 10; they've served 29 to date. They have fully expended those funds and again leveraging formula funds. Ms. Craig stated that again she's given the Council outcomes, wages and types of training.

Ms. Craig stated they've actually contracted with the adult school this last year and bought a HiSET [High School Equivalency Testing] class which is the high school equivalency test; they don't do the GED anymore in Madera; it's the HiSET. They bought a class so they could get an instructor providing tutorial assistance to the folks in this class. Ms. Craig stated it was open entry so that students/participants could walk in and out three days a week including end of the evening up to nine o'clock in the evening. Ms. Craig stated they really tried to open it up to give more opportunity for folks that need flexibility in order to get through this. Ms. Craig noted that this is important because their Board eight years ago through policy mandated that they would not spend federal formula funds on any person who did not have a high school diploma or its equivalent. That is not a mandate of their law, in fact the law says they can be basic skills deficient which is 9<sup>th</sup> grade or below and the employers in this community have consistently said they need to have the minimum requirement of a high school diploma or its equivalent so their Board went in that

direction. Ms. Craig stated again supportive services, mileage books, uniforms, supplies, fees; all of that gets paid for by them [Workforce Investment Corporation].

Ms. Craig stated that for this round and the \$10,000 that has been allocated by the RAC, they would again be asked to lower the numbers from the application so it would probably go down to about 8. Ms. Craig wished she could give the Council quantitative numbers on how many they would end up serving; she wished she could give them high numbers with the amount of money but she can't and to be quite honest it's customized by each individual who walks through the door and who's in most need.

Ms. Craig stated they take the funds from CDBG because either a person is tapped out because they have caps; they just lowered their cap at the June board meeting. Ms. Craig stated training is expensive. The cheapest form of education and training is at the Community College system, however the length of time to get through a program is often time substantial and these folks need and want training and industry recognized certificates as quickly as possible in order to get into the workplace so they choose proprietaries or they chose places where mileage is higher in order to get them back and forth. Ms. Craig stated they choose places that, and it is customer choice under their law with some level of reasonableness that they look at; so sometimes these folks are coming in and they've capped out.

Ms. Craig stated this CDBG money is used and for one person it might just be mileage; for another person it might be the standardized dress and work boots that are required by the employer otherwise they won't be hired. Ms. Craig stated another might be for the books for the Madera Adult School equivalency. Ms. Craig stated that unfortunately she can't give the Council quantitative numbers but the money gets used specifically for those where they can maximize giving them the financial assistance to make them successful in whatever their program and training needs are.

Ms. Craig stated that if she didn't have the \$10,000 or any other amount they would have to make decisions that potentially the City of Madera adult low income residents who walk through their door won't get all of the mileage or that they [Workforce Investment Corporation] possibly won't pay for the whole semester of books and if the Council has been to school lately, they are still very, very expensive. A set of books for a maintenance mechanic for a semester can cost upwards through \$1,000. Ms. Craig stated those are the types of decisions they make. They have very restrictive money; it's ratcheted down by federal mandate and eligibility. Ms. Craig stated this money because it's more unrestricted is then used for someone who possibly is not eligible under their federal formula and is desperately in need of assistance and has done everything Workforce Investment Corporation asked of them and Workforce Investment Corporation knows they are going to be successful if they can provide them with a little bit of assistance. That's where this money comes into play for them.

Mayor Poythress thanked Ms. Craig for all her great work at Workforce Investment Corporation.

Ms. Craig asked if the Council had any questions.

Mayor Poythress responded that she's covered a lot.

Mayor Poythress stated they would move on to the next organization, Pequeños Empresarios.

Rosa [no last name given] stated Leonor Hippolito is the Founder and President of Pequeños Empresarios. Rosa stated Ms. Hippolito is taking English classes right now and asked that Rosa translate a little bit.

Rosa [no last name given] translated the following for Ms. Hippolito. Ms. Hippolito stated she has been waiting for this moment for five years. She found the door and she has here, Pequeños Empresarios. She knows they are going to like this program because the children out there need all of us. Ms. Hippolito stated that Rosa will help her with the presentation.

Rosa stated she will help Ms. Hippolito with the presentation and that she is serving as the Accountant for Pequeños Empresarios if the Council would like to add something. Rosa stated she will go as fast as she can with the presentation because she knows the Council has to catch up on time.

Rosa stated this story began five years ago as Ms. Hippolito said even though she didn't have education in Mexico or here; she barely made it to less than middle school. Rosa stated that Ms. Hippolito still came and it's changing the history of some of the kids in the City of Madera and Fresno. Rosa stated that one of the important things was that Ms. Hippolito just got recognition not long ago from the City of Madera that was Hands On Hero and the Council could probably tell her what that is because she is actually from the Bay Area.

Rosa stated that after she [Rosa] found out about this program, she fell in love with it and seeing the need that they have, she comes all the way from the Antioch area to try to help and support Ms. Hippolito as much as she can with a little bit of translation or even requesting some of her friends for help. For example, they have someone working in Puerto Rico right now helping them with the website because they don't have the funds to pay someone. Rosa stated she reaches out to people and that's what she tries to be good at and she guesses that is what Ms. Hippolito hired her to do that.

Rosa stated they have helped more than 600 families through the City of Madera and Fresno. They are finding some support in Fresno with Steve Rios from Wells Fargo; he gave them a grant last year for \$10,000. Rosa stated that Mr. Rios gave them another grant this year for \$10,000 after Ms. Hippolito had an accident they were in red numbers so all the funds have been distributed. Rosa stated that Mr. Rios did say that once they get another grant for \$10,000 they would give them another \$20,000 for the organization so they are actually hoping that \$7,000 number is going to rise today.

Rosa stated that the program does seven different kinds of classes.

One of those is the finance classes. They had 27 kids open a bank account not long ago about a couple of months ago. What they teach them is financial education, the flow of money, how they open their own bank account. Rosa stated they manage sales and customer service. They prepare them to become successful entrepreneurs. Rosa stated these kids, when you look at them, they seriously go out there and they can sell cupcakes and anything they can get their hands on to be able to open their own bank account and take ownership on finances.

Rosa stated they do personal development. They develop their own leadership style. They become educated, responsible and respectful and committed to themselves and others. Rosa stated they teach children how to manage their fears and how to improve their self-esteem. Right now, they have two of the kids that are making a Spanish movie called the "Vida de un Cantante" or "The Life of a Singer". Rosa stated these two kids sell their videos out there promoting Pequeños Empresarios and the kids gave them a call. Rosa stated they are actually doing the movie right now and they are very, very proud of them. Rosa stated they have another kid that finished the program a couple of years ago. He moved to the City of Monterey and now he writes for the newspaper and he talks a lot about Pequeños Empresarios and how it helped him.

Rosa stated another thing they do is the cultural classes. They opened this class for everybody in the community; any ethnicity, but they do have a lot people in their own community that don't know how to read, write or speak Spanish so they are trying to enrich their cultural values by teaching them about the Spanish heritage but also this class is done in Spanish so anybody who comes along can learn. Rosa stated they do have a teacher that speaks Spanish and does Spanish classes for everybody.

Rosa stated they have etiquette classes. Children learn proper behavior at home and public places. They learn dining experiences etiquette and they learn how a gentleman and a lady should be treated. Rosa stated she wished she had taken that class a long time ago.

Rosa stated they have a Care of the Planet class. Their children take awareness of our planet and how to contribute to a better world respecting natural cycles and maintaining the ecosystem we have in harmony. Rosa stated the children have planted a few trees in the City of Madera so they are out there. They clean and recycle in public places as well. Rosa stated they have a lot of new programs. They take their kids to the park and they do a lot of that.

Rosa stated they teach them about nutrition as well; good habits and how to keep a healthy body.

Rosa stated all of this is done through classes in a classroom environment with dynamics and songs and everything they can get their hands on.

Rosa stated that they raise funds doing most of it with sales or asking for donations from small businesses.

Rosa stated the needs for their program.... They were doing classes in the City of Madera at the public library but obviously it's a quiet place to have 26 children in a class full of excitement so they moved to Sierra Vista Elementary School. Rosa stated they just borrow a space there and they take all the materials for the classes back and forth every week so they do need to have their own space to conduct the program. They need furniture for the classroom, they need computers and materials for the classes.

Rosa stated they have a coach that comes in to do the self-development class for the kids to teach them about their self-esteem and leadership and they also have the Spanish teacher and they need the wages for them.

Rosa stated they want to increase the number of participants to 100; right now they only have 26 children and that's all they can afford at the moment because they did a carnival not long ago and they were only able to raise \$1,100 so it's not enough to help all of these kids in the City.

Rosa stated they also want to do translation of their program so they can reach out to other cultures in California.

Rosa stated these are some of their kids [in the audience]. Some of the signs they have up indicate they are a champion, they are happy, they are a leader, they are Mexican and another one says they are intelligent. Rosa stated all of these kids are really making a difference out there in their school, the community, with their family and so they're doing a lot of these things for these kids.

Rosa stated she knows they have the First 5 in different cities. She is not so familiar with the program because her oldest child is a Marine and 23 years old so she can't recall that far back. Rosa stated she does see the need of these kids because they do take it from age 5 to 12 which is the gap as soon as they are done with the First 5 and they can take over from there and do something amazing or at least have an after school program that they would be able to implement in different schools or have it available in different schools so these kids can benefit from everything that the Council just saw on the slides.

Rosa stated that what they need right now more than anything are funds. She believes this is the first time they've applied in the City of Madera even though Ms. Hippolito lives here in Madera and she is involved in the community and embraces all the community and the children. Rosa stated this is the very first time they've asked for a grant from here and she is going to volunteer to take a two day class on how to help them try to reach out for grants and see where to look for funds and help them out because she thinks it's a worth it program.

Rosa stated maybe they're thinking about the kids going from 5 to 12 years old it's what the program covers but the values that they're putting in these kids at that age and where it's going to go from here on and the teenagers that are going to be in the City of Madera after they go to this program, is going to be amazing.

Rosa asked if the Council had any questions.

Mayor Poythress asked if there were any questions for Rosa.

Council Member Holley stated he had the opportunity to talk with her and see her [Ms. Hippolito] ideas and see the value that she's applying to these kids. Council Member Holley stated it's not just taking kids and teaching them about bank accounts, it's teaching them how to be entrepreneurs and how to dress up. Council Member Holley stated that what she's doing with these kids is really awesome. He wished they had more teachers like that, groups like that and try to show them something. Council Member Holley stated that's what they're about; trying to raise the kids in the right way so he thinks this is a really very awesome program that she's putting together and whatever help the Council can give her, he thinks she's well deserved of using it.

Council Member Holley stated he talked to her [Ms. Hippolito] when she had it in her garage and trying to do things in her garage is not really a safe atmosphere but she did it anyway because she wanted to make a difference in kid's lives no matter what the outcome was.

Rosa stated that she had a story written out that she was going to read out in two minutes because she thinks she talks fast enough but she didn't do it. Rosa stated that they are working on a e-magazine which is going to start with the story of Pequeños Empresarios and they are going to take it to any small business owners in Madera and Fresno and they are trying to raise it to help as many kids as possible. Rosa stated that is coming up and she will make sure the City of Madera gets one.

Gilbert Servin greeted the Council. Mr. Servin stated he has been involved with Pequeños Empresarios for almost a year volunteering and doing a lot of work to bring their books and everything current. Mr. Servin stated he did help them in the application process for the grant application requested here.

Mr. Servin stated the reason he is involved in this group is because like himself, he came to this country more than 50 years ago and when he came here he didn't speak a word of English and it was so difficult for him to get ahead. Mr. Servin stated that if it wasn't for his counselors that supported him from grade school all the way to university, he wouldn't have been an accountant. He's been an accountant for more than 45 years.

Mr. Servin recommends that the Council increase the amount of money they had recommended. Mr. Servin stated they asked for \$30,000 and apparently they are only going to get \$7,000 and to be honest they need the full \$30,000 so they can permanently move the program into a facility that would have permanent basis, they have the computers, the books, they have everything to assist these children to become better citizens and better students and basically better educated persons that will eventually become fully employed or self-employed.

Mr. Servin stated that as Entrepreneurs [Pequeños Empresarios] said, a lot of them will become entrepreneurs and that's one thing he considers himself, an entrepreneur, because if it wasn't for his ideas and bringing these things together.....he's been doing grants throughout the State of California for more than half a billion dollars' worth of grants and when he came across the Pequeños Empresarios, he thought it was a heck of a good program and that's why he's involved in it and he pleads with the Council to increase their request to the \$30,000 they requested originally. Mr. Servin thanked the Council.

Council Member Medellin stated he wanted to echo the comments of his colleague, Council Member Holley. Council Member Medellin thanked Rosa for the presentation and her passion. Council Member Medellin especially thanked Ms. Hippolito for her vision, foresight and passion for these kids.

Council Member Medellin stated that Ms. Hippolito had invited him a couple of times but he had a scheduling conflict but she showed him a video of these children that were very young and very small and very amazing and he thinks that what she is doing is making the next generation's leaders and he has no doubt that some of those children would sit up here [at the dais] one day here in Madera. Council Member Medellin stated that to take that young mind and teach them about financial education and leadership but he thinks more importantly, self-esteem which is something that is lacking with all of our children.

Council Member Medellín thanked them for their efforts and moving from her home and cooking and giving these kids everything she has for the betterment of the children.

Council Member Medellín stated the application stated 80% of the kids are Hispanic so it's not just Mexican or Hispanic children. Council Member Medellín asked if it was for anybody who wants to be involved.

Rosa replied affirmatively and stated they take anybody else who wants to come to the program and give it a try to see if it's something that they like. She knows there are a lot of kids that would like to learn Spanish and this is a good way to start. Rosa stated it is open to everybody.

Rosa stated that they want to translate a lot of the things they have right now because there are a lot of parents that want more information and most of the stuff is in Spanish. The person who is helping her in Puerto Rico is doing the translation of the flier that they currently have. Rosa stated they are doing some modifications to it so that it makes a little bit more sense because she knows that when they try to translate something from Spanish to English, it is really not the same verbiage so they are trying to make common sense for some of the people out there such as the business owners that will consider their program to be part of/within the City. Rosa asked if the Council had any questions.

Council Member Medellín thanked her and stated he applauded their efforts.

Council Member Oliver thanked them for the presentation and he is definitely excited about this program. Council Member Oliver stated the amount they've accomplished in just a short period of time is truly impressive and as his colleagues mentioned translating business principles as life skills is certainly a large priority.

Council Member Oliver noted that the office and office expenses that are budgeted is roughly 57% of the overall budget or business plan and asked if the program is self-sustainable and will those match dollars still sustain with Wells Fargo Bank in the event that the Council were to fund some amount and that were to go to that office expenditure and then next year HUD or the City's federal funding partner says the City doesn't have any allotment of money. Council Member Oliver wanted to know what would happen in that situation.

Rosa stated that Ms. Hippolito is not known to be a quitter and she has definitely been through a lot of struggles and Rosa thinks that the reason she joined Ms. Hippolito's vision is because she saw the passion that Ms. Hippolito has for all these kids. Rosa stated that when she saw that Ms. Hippolito has 26 kids here and 16 kids in Fresno, they have a least 40 parents. She stated they know that a lot of parents don't get as involved as you want them to be so when she knew that Ms. Hippolito was doing the carnival and everything that was going on and Ms. Hippolito was in charge of 1,000 things, she [Rosa] canceled the three events she had that day so she could be Ms. Hippolito's support.

Rosa stated that if she's passionate to believe in something that is changing the future of our children....Rosa stated she is a single mother who has a 7 year old girl and she wants her [daughter] to go to this program so she is actually moving in two weeks. She was planning to move to Madera and now that she's hearing all about Madera, she's falling in love with Madera so she might stay here instead of Fresno. Rosa stated she was planning to move to Fresno within a couple of weeks and see how things go over there but she does have the option of being in Madera too but her main concern/the biggest thing she is doing is moving here to help Pequeños Empresarios to get afloat. Rosa stated that regarding next year, Ms. Hippolito is not only a fighter for what she believes [in] and the vision that she has but now Ms. Hippolito has her [Rosa] on board so yes it will sustain.

Council Member Oliver stated there is obviously a great degree of promise and potential and he appreciates them starting here in the City of Madera and he thinks they have a partner. Council Member Oliver suggested they look at some of their competitors in this pool. Council Member Oliver stated they have the City's Parks & Community Services Department, they do work quite often in after school programs and with

the young people. There's the Coalition for Justice who work a lot of times with kids especially past 12 years of age and so he thinks she has some tremendous partner opportunities with some of those folks.

Rosa stated she didn't think they had reached out to those people as of right now but as she's getting involved she is a person who asks a thousand questions so she's trying to meet half way with what works for Ms. Hippolito and her vision as well. Rosa stated they will start wherever they need to start to make it work.

Council Member Oliver thanked her for the presentation.

Mayor Poythress stated that it's always easier to reach out to others when you live in the community.

Council Member Robinson stated that it is great that they are working with the youth because as some people say, it takes a village. Council Member Robinson stated that in today's work environment, Spanish is essential to advancement along with business principles, finance and technical. Council Member Robinson asked what days and times they held their classes.

Rosa stated that right now they are doing classes in Madera on Fridays. Rosa stated they are about to start the program next month because obviously when school closes for the summer they don't have a place to be at so the kids lose those activities for a couple of months. Rosa stated that they usually have classes on Friday from 5 – 8 [pm]. It's once a week. Rosa stated that if they add more children to the program, they can only have 20-25 children per classroom so they would do four classes within a week to cover 100 children if they're able to help 100 in a week.

Council Member Robinson stated he knows that Madera Housing Authority is going to start a computer center for youth and they may be able to .....

Rosa stated that per Ms. Hippolito, she's tried to keep the kids encouraged to stay within the program for these couple of months and today she has an activity and she happened to schedule it today which is the same day they are here and everybody was asking why she wasn't going to be there. Rosa stated they have 27 kids in the park in Madera right now just doing some classes in the park because they don't have a place to do it; they are still getting out there.

Council Member Robinson stated they have a center out there on Kennedy and also on Yosemite so there might be some room available.

Rosa asked if the Council had any questions. She stated she'd meant to be very brief and she just talked on.

Mayor Poythress thanked her and stated that the next presentation will be from the Madera Coalition for Community Justice the College Access Project.

Miriam Chavez stated she will not be going over the PowerPoint from last time however she does want to give the Council a very brief overview of what they did with the grant they were funded last year; she wants to give the Council a yearly update.

Ms. Chavez stated last year they were awarded \$10,000 during the past grant cycle. They said they were going to be serving 25 students however they actually served 38.

Ms. Chavez stated the students participated in a variety of different workshops and discussions. One of their biggest areas of focus was college prep where they talked about A-G requirements. They are serving youth after 12 years of age all the way up to 18 to 21. Ms. Chavez stated they talked about FAFSA, how to pay for college, grants, scholarships and all of that.

Ms. Chavez stated they also had the opportunity to take the students on a field trip to UC Merced and CSU Stanislaus that way they were able to compare a CSU campus from a UC campus, the different opportunities, the different areas of research and study. That was one of their biggest areas.

Ms. Chavez stated they also focused on service learning so the students were able to participate in different activities to be involved in their communities. One of the areas was actually Environmental Justice which is an area where Mark Cauley focuses on.

Ms. Chavez stated they did focus on Healthy Relationships as well. They addressed an area of overall health. Ms. Chavez stated the reason they focused on healthy relationships was because teen pregnancy is a big issue in Madera County but most importantly it's important for students and youths to understand what a healthy relationship looks like, how to establish healthy relationships with not just with the person they are dating but other people as well and what do healthy relationships look like.

Ms. Chavez stated that during their Inner Faith event, the youth had an opportunity to have a little photo booth where they had loveis# and they posted pictures on social media and they would say what love is to them.

Ms. Chavez stated they also participated in their annual Cesar Chavez event where they were able to look back at what Cesar Chavez did for the farmworker community and all the different positive changes that were made through that.

Ms. Chavez stated they also participated in Earth Day which is another area that they focused on. Mr. Cauley was working on it with them. In Earth Day, the youth prepared the dirt for planting in the community garden that they have off of Lake Street. Ms. Chavez stated they were able to prepare that for the preschoolers from the Madera Child Development Center to go and plant their seeds as well as students from Washington Elementary. It is an open community garden.

Ms. Chavez stated they also have a Health Team Fair where the youth were able to network with different organizations and agencies in the community and have them share information to other youth and community members on how to remain healthy whether it's nutrition-wise, emotional health and all of that aspect.

Ms. Chavez stated that some of their youth actually gave a presentation to Council last month so they've been actively working in the community in different things. Ms. Chavez stated that due to that presentation, they also have an upcoming interview with Univision this next week so they will be on live TV talking about the positive things they are doing in Madera. Those are some of the things they did in the past year.

Ms. Chavez stated that for this upcoming grant cycle they are asking for \$18,500. They are incorporating a parent component to this piece. The reason they are adding a parent component is because from this past year of working with youth, they've come to realize that youth and parents don't necessarily have the best communication and it's really important for them to start learning how to start those healthy relationships within their family; how to build that communication.

Ms. Chavez stated they are also working with parents through their partnership with Madera Unified School District. They've also come to realize that parents don't know how to have these conversations or don't know how to initiate them and it's very important that they instill those values in the youth and help parents learn parenting skills such as the best approaches to teach their youth what is valuable or important to them. Ms. Chavez stated that a lot of the times the youth they are working with don't even know what their values are or don't know how to evaluate them so that is another area that they focus on.

Ms. Chavez stated that one of the biggest differences for this upcoming grant cycle is the parent component which will entail a 12 week leadership program where they focus on Caray Corazon which is values, parenting skills, how they reflect back on their own personal experiences and how those affect how they are instilling certain things in their children as well. Ms. Chavez asked if the Council had any questions.

Council asked that they identify themselves.

Miriam Chavez apologized and stated she is the Office Manager and Mark Cauley stated he is the Outreach Coordinator. Ms. Chavez stated that they also have a parent and her children here who are products of their programs.

Council Member Robinson asked how their community garden is going.

Ms. Chavez stated it is definitely a very interesting project because they want to incorporate and want to participate. The way they can involve people are the ones that are already involved in their programs. Ms. Chavez stated it is really hard to spread the word to everyone else. She knows that during this time they've planted some stuff but she doesn't know what it is. She stated that Mr. Cauley probably knows.

Mr. Cauley stated it was vegetables and things like that.

Ms. Chavez stated they are preparing for pumpkins for the fall so that the pre-school kids and everyone is welcome to come and purchase.

Council Member Robinson asked how many hours they spend there and what days.

Ms. Chavez stated it is open for everyone to have access to it Monday thru Friday from 8 am – 5 pm. It is open for everyone to come in to the garden however their staff is there when they have projects going on for the youth and when they're working on something to prepare something necessary or that want to come in for field trips and plant something or a tour or anything like that.

Council Member Robinson stated that he hasn't seen that much being done.

Ms. Chavez stated that with the heat it has been difficult and they are also trying to change their ways since they do focus on Environmental Justice to save water, water conservation and they're trying to look for different plants and ideas that are more water friendly as they know that is a big problem here in the Central Valley.

Council Member Robinson asked if they pay for the water.

Ms. Chavez and Mr. Cauley stated they do not, technically it is City property.

Council Member Robinson asked if they can harvest.

Mr. Cauley and Ms. Chavez stated it is open to the public.

Council Member Robinson asked if it was open to the public not just for the Coalition.

Mr. Cauley and Ms. Chavez stated it is open to the public; that it was a community garden.

Council Member Robinson asked if anybody can go in there and plant.

Ms. Chavez stated that yes it is open to anybody. It is open from 8 am – 5 pm for anyone who is willing to come in and plant whether they're organic vegetables or anything like that.

Council Member Robinson asked if it is very organized.

Ms. Chavez replied affirmatively and that it was focused.

Mr. Cauley stated that different organizations work off a certain plot.

Ms. Chavez stated they also have a collaboration with United Way of Fresno and Madera Counties.

Council Member Robinson stated he is on the Board of United Way.

Ms. Chavez stated they have connection with May [no last name given] who wants.....

Council Member Robinson stated that she [May] is no longer there.

Ms. Chavez stated sorry. She was not aware of that.

Council Member Robinson stated that when you are a gardener, you want to get the maximum amount of yieldage. To know how to garden then they have to try to bring in other people like master gardeners.

Ms. Chavez stated that is definitely an area they want to explore for the future. They want to explore nutrition, healthy eating, accessible foods, all of that and she definitely thinks gardening is a very important aspect of that.

Council Member Robinson stated that he's been there and next time they should make it more user friendly, accessible and at least have some people there teaching them how to do it.

Ms. Chavez stated she agreed and that was a great recommendation and that is something that she will bring up to the board.

Council Member Medellin thanked them again for their presentation and stated they did a fantastic job, reaching out with FAFSA and the young ladies that gave their presentation here did a wonderful job. Council Member Medellin stated he got to see them at the school board presentation and a few other places and that they've pretty much almost memorized their speeches.

Council Member Medellin extended a huge thank you to Lourdes [no last name given]; he knows she's not present.

Council Member Medellin stated his favorite time of the year is when they do the intercultural/interfaith program at Hatfield Hall. Council Member Medellin stated that in this day and age, this is a wonderful time to educate ourselves on the many diverse people they have here just in Madera and just for a moment get to spend time with their culture and their faith and get to meet a number of new people and he thinks that is something that we need more of so he asked that they please extend his thanks to Lourdes and to them for their efforts in that event.

Mayor Poythress thanked them.

Mayor Poythress stated that the last in this category would be the City of Madera Parks Senior Services.

Mark Etheridge, Business Manager for the Parks and Community Services Department stated it is his privilege to present the CDBG application that the Parks & Community Services filled out this year. Mr. Etheridge stated that he's worked with the City for 17 years and he's seen quite a few CDBG applications be put forth in that time and he must admit that not every time has he been able to make a personal connection with the subject matter at hand, however he finds that more and more every day he's becoming connected with Senior Services in a personal way so it is a privilege to speak on this.

Mr. Etheridge stated that the City through the Parks & Community Services provides services for seniors at three sites. They have the Frank Bergon Senior Center where there is an assembly room, pool table, small kitchen facility, place to watch TV, books to read, those sort of things. Mr. Etheridge stated they have the Pan Am Community Center with the same sort of set up of assembly rooms, places for

classes/programs, that sort of thing and the Adult Day Care Center where they provide respite services for those individuals that have Dementia, Parkinson's disease and other related ailments.

Mr. Etheridge stated he'd like to go over briefly what they provided with the previous dollars that they've been granted through the CDBG process.

Mr. Etheridge stated they have a meals program and it consists of the presentation of congregate meals at the various senior sites. They also have a Meals on Wheels program that served an average of 80 clients last year with 14 meals per week per client for a total of 58,000 individual servings of meals. Mr. Etheridge stated this program makes a significant dent in the hunger situation among seniors in the community.

Mr. Etheridge stated they also offer wellness and nutrition at their various sites. Those programs include Tai Chi, Zumba, aerobics, walking, chair exercises, Yoga, dance instruction and many other individual programs and in the past year they've been able to serve or provide over 10,000 service units to Madera citizens.

Mr. Etheridge stated that recreation and educational activities were also provided at the sites. These are things like the Police Department giving talks on safety that particularly pertain to seniors and their concerns. Mr. Etheridge stated they have technology related programs. There's a video that's out that shows their seniors enjoying a basic computer class which is just basic programming, how to operate, making them comfortable with the computer.

Mr. Etheridge stated they have some genealogy programs, arts & crafts, ceramics classes, educational speakers, games, intergenerational programming, cooking classes and as the Council could see, the list goes on and on.

Mr. Etheridge stated that the Adult Day Care offers respite to those with degenerative diseases and the recreational and fitness wellness programs are also available there.

Mr. Etheridge stated he has a lot of statistics and facts and figures that he will go through individually for their enjoyment.

Mayor Poythress stated they might enjoy it if he didn't.

Mr. Etheridge stated that taking that hint, keeping that in mind, keeping it short, they are asking for \$125,227 in CDBG allocation. Mr. Etheridge stated that surveys tell them that seniors in the community want more programming, more choices, more forms of recreation, they want more in general and the problem on the other hand is resources. They are funded through FMAAA the Fresno Madera Area Agency on Aging, donations, fundraising and CDBG along with the City's General Fund to a certain extent and unfortunately several of those funding streams have diminished and continue to diminish as time goes by. Mr. Etheridge stated that is why they are asking for that amount of money.

Mr. Etheridge stated that in the interest of everybody's bedtime including the seniors in the community, he didn't bring anybody for testimonials so he'll just read a little bit from some written testimonials:

My name is Nancy Young and I am a program participant at the Pan American Center. I would like to submit a letter on behalf of the City of Madera's Parks & Recreation Department for support of funding for senior programs. Pan American Center is like our home away from home. We enjoy the new programs that are offered every day and try to help as much as we can to keep our Center safe, clean and fun. Any funding provided can go a long way to enriching our lives and we thank you for your consideration.

Mr. Etheridge stated there are quite a few of those letters and he'll just sample another one.

My mother has been attending the Madera Adult Day Care Center for the past eight years. I can't tell you how much they've done for my mother and myself. If it wasn't for the Madera Adult Day Care Center, I

would not be able to function at all. It is such a wonderful blessing to be able to know that our mother's cared for and safe with people who are kind and compassionate. I cannot say enough of how much the program means to me and my mother.

Mr. Etheridge stated that would conclude his presentation and he asked if the Council had any questions.

Mayor Poythress thanked him.

Mayor Poythress stated that in the Public Services category, they have the RAC recommendations and they have staff recommendation and now they are ready for Council recommendations and asked if anybody would like to suggest some for action.

Council Member Oliver stated he would throw out a few numbers and recommendations essentially in line with RAC with some deviations. Council Member Oliver proposed \$95,000 for Parks, \$12,000 for the Coalition, \$10,000 for Pequeños Empresarios and the remaining amount for Workforce Investment Center.

Council Member Holley stated he would like to concur with that.

Council Member Medellin stated earlier when Ken made his presentation, he talked about track record and history which except for the Pequeños Empresarios there is a lot of history and track record. Council Member Medellin stated that as he mentioned before about the Coalition, they have an impeccable track record on what they are doing in the community. Council Member Medellin stated he truly believes in the Pequeños Empresarios; he know they are just getting off the ground but what this money will do to help the youth of Madera. He will certainly agree with Councilman Oliver. Council Member Medellin stated that with those numbers, he too would concur.

Council Member Robinson asked if they could read out those numbers again and to who.

Mayor Poythress stated it looked like \$8,227 to Workforce Investment, \$10,000 to the Pequeños Empresarios, \$12,000 to the Madera Coalition and \$95,000 for the Senior Services.

Council Member Robinson stated he had no problem with the \$10,000 for Pequeños Empresarios but he thinks Madera County Workforce, the adults need money so they can support their families because they have been reducing their amount every year and they need the head of the household to earn to take care of their families.

Mayor Poythress asked if Council Member Robinson was more in line with the RAC recommendation of \$10,000.

Council Member Robinson stated \$10,000 or more.

Mayor Poythress asked if they potentially made that \$10,000, he himself would feel uncomfortable taking any more from Senior Services and asked if that would potentially come from the Coalition.

Council Member Robinson replied affirmatively.

Mayor Poythress asked what the others on the Council thought about that.

Council Member Oliver stated he concurred with Councilman Robinson as far as Workforce Investment Center. He thinks his recommendation and motivation is looking at the different funding streams that these organizations have.

Council Member Oliver stated that certainly there's a little bit greater capacity although any single dollar whether it be \$1,000 or \$10 [thousand] for Workforce Investment Center certainly goes a long way. Council Member Oliver stated he thinks in line with Mr. Hutchings comments earlier. He believes in looking back at

past performance as a positive and healthy indicator. Council Member Oliver stated he thinks the presentation that the Coalition provided here tonight provided a pretty good overview of how they see a lot of gaps in the community and exploit those issues and turn them into opportunities.

Council Member Robinson stated they run the community garden the way they run that, he wasn't impressed.

Council Member Oliver stated that might be one particular facet; a very, very small facet of an organization.

Council Member Robinson stated that was expensive.

Council Member Oliver stated he understands that but he thinks today they are looking at the Community Development Block Grant dollars and most of these services are oriented towards our young people, our seniors and those looking for work.

Council Member Robinson stated if the head of the household can't get ahead then you're going to have to give more money to the youth in order for them to do something and he'll [head of household] stay home and won't be able to find a job.

Council Member Medellin stated it's an argument both ways and Council Member Robinson brings up a very good point but he would not reduce funding for one particular aspect of a community garden especially in light of the drought that they've had and the amount of people working for the Coalition. Council Member Medellin stated this is not taking any money from anybody's paycheck, it certainly goes to a worthy cause in training people but it doesn't take any money from somebody's particular income.

Council Member Robinson asked why they were reducing it to \$8,000.

Council Member Medellin stated it was in order to spread the difference, the increase for the Pequeños and the Coalition for Community Justice.

Council Member Robinson stated that like he said if the adult can't get ahead, can't make a living then the whole family suffers.

Council Member Holley stated his suggestion was to give \$10,000 to the Workforce Investment Center, \$10,000 to the Pequeños, \$10,000 to the Coalition and the balance goes to the Parks [Senior] Services.

Council Member Robinson concurred with that.

Council Member Foley Gallegos concurred with that.

Mayor Poythress stated he would be fine with that.

Council Member Medellin asked what the balance would be for Parks.

Mayor Poythress stated the balance was \$95,227.

Council Member Medellin stated 10 [thousand] for Workforce....

Mayor Poythress stated 10 [thousand] all the way down and then .....

Council Member Medellin stated 10 [thousand] across and the balance which is 95 [thousand]...

Mayor Poythress stated 227....[\$95,227]

Mayor Poythress stated he wanted to respect the work that RAC has done and it's a little bit more in line with what they came up with too. He appreciates their efforts because he knows Council has taken a look at it this evening but RAC took a really hard look at it in their committee work and he doesn't want to diminish that.

Mayor Poythress asked if the Council was good with this.

Council Member Medellin stated he was good with that recommendation.

Mayor Poythress asked if there were any other comments for the public in regards to this. Seeing none, he moved on to Capital Projects and Public Improvements.

Mayor Poythress stated they have three categories and in the Amounts Requests, RAC Recommendations and Staff Recommendations are exactly the same. Mayor Poythress stated that descriptions where this money is going is mentioned in the staff report. Mayor Poythress asked if there were any questions that Council had of staff in regards to the recommendations.

Mayor Poythress addressed Mr. Rojas and stated the Council was in concert with all the recommendations.

Mayor Poythress asked if there was anybody from the public who would like to comment on Capital Projects and so forth. Seeing none, Mayor Poythress asked Mr. Richardson, City Attorney if it would be appropriate to close the public hearing and stated that these are the tentative allocation recommendations at this time.

Mr. Richardson stated that is what it will be, but brought back for approval at the next meeting.

Mayor Poythress thanked everybody on the RAC Committee, from the outstanding organizations that were mentioned earlier. Mayor Poythress stated that everything is worthy; there is no organization that was not worthy of funding or full allocations, it's just that as they can see, Council has to make decisions and work it out. Mayor Poythress stated that he does think that from a tentative basis, they have some fair allocations to be able to help folks out.

Council Member Holley re-entered the Council Chambers and took his seat at the dais.

- C-3 A. Consideration of A Minute Order Approving Engineer's Report for City Wide Landscape and Lighting Assessment District Zones of Benefit 1, 2, 3, 4, 6-A, 6-B, 7, 8, 9, 10-A, 10-B, 10-C, 10-D, 10-E, 10-F, 10-G, 10-H,10-I, 12, 13, 14, 15, 15-B, 15-C, 16, 17-A, 17-B, 17-C, 17-D, 18, 20-A, 20-B, 20-C, 21-A, 21-B, 21-C, 21-D, 23, 24, 25-C, 25-D, 26, 26-B, 26-C,26-D, 27, 27-B, 28, 28-B, 29, 29-B, 29-C, 29-D, 29-E, 30, 31-A, 31-B, 32-A, 32-B, 33, 34, 34-B, 34-C, 35, 36-A, 36-B, 36-C, 37, 39, 40, 41, 43-A, 43-C, 43-D, 43-E, 44, 45-A, 46, 50 & 51 for 2016/17 Fiscal Year
- B. Consideration of A Resolution of Intention to Levy and Collect Annual Assessments for City Wide Landscape and Lighting Assessment District Zones of Benefit 1, 2, 3, 4, 6-A, 6-B, 7, 8, 9, 10-A, 10-B, 10-C, 10-D, 10-E, 10-F, 10-G, 10-H,10-I, 12, 13, 14, 15, 15-B, 15-C, 16, 17-A, 17-B, 17-C, 17-D, 18, 20-A, 20-B, 20-C, 21-A, 21-B, 21-C, 21-D, 23, 24, 25-C, 25-D, 26, 26-B, 26-C,26-D, 27, 27-B, 28, 28-B, 29, 29-B, 29-C, 29-D, 29-E, 30, 31-A, 31-B, 32-A, 32-B, 33, 34, 34-B, 34-C, 35, 36-A, 36-B, 36-C, 37, 39, 40, 41, 43-A, 43-C, 43-D, 43-E, 44, 45-A, 46, 50 & 51 for Fiscal Year 2016/2017 and Setting Date for Public Hearing (Report by Keith Helmuth)

Keith Helmuth, City Engineer stated that on an annual basis, the Engineering Department prepares a Landscape Maintenance District Engineer's Report. This report addresses the City's Landscape and Lighting Assessment Districts. The Parks Department continues to assess the reasonable assessments. This assessment period includes such factors as new staff hired and drought impacts and that might be unduly impacted. Two years gives you a little bit more of an ability to go ahead and take out some of the

fluctuations. Mr. Helmuth stated staff had applied Cost of Living adjustments to several zones or landscape covenants allowed the escalation of acceptance based on inflationary factors but only if the projections indicate that it was warranted. Mr. Helmuth stated that the report also typically does several other things. Those include adding additional districts to the Engineering Report that did not exist in the previous year's report. No districts were added this year and as Council is aware, they are trying to make attempts not to add any more zones. They are already up to 80 and 80 is a bit much. Mr. Helmuth stated they also update exhibits and assessments to reflect parcels that may have been divided or merged in the previous year. No parcels have been merged or divided. Mr. Helmuth asked the Council to approve the Engineer's Report and adopt the resolutions to levy and collect assessment following the public hearing portion of this item. Mr. Helmuth asked if the Council had any questions.

Mayor Poythress asked if there were any questions regarding the Engineer's Report or the Intention to Levy and Collect Annual Assessments.

Mayor Poythress stated it was a very nice report, comprehensive and really did a nice job of explaining everything.

Mayor Poythress stated they had two actions. One would be a minute order on C-3A and he asked for a motion for action on that item.

**ON MOTION BY COUNCIL MEMBER HOLLEY, AND SECONDED BY COUNCIL MEMBER ROBINSON, ITEM C-3A WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: MAYOR PRO TEM RIGBY.**

Mayor Poythress stated that the next item would be the consideration of a resolution of Intent to Levy and Collect Annual Assessment. Mayor Poythress stated he would accept a motion for action on that item.

**ON MOTION BY COUNCIL MEMBER HOLLEY, AND SECONDED BY COUNCIL MEMBER ROBINSON, ITEM C-3B WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: MAYOR PRO TEM RIGBY.**

**RES. NO. 16-111      A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, TO LEVY AND COLLECT ANNUAL ASSESSMENTS FOR CITY WIDE LANDSCAPE AND LIGHTING DISTRICT ZONES OF BENEFIT 1, 2, 3, 4, 6-A, 6-B, 7, 8, 9, 10-A, 10-B, 10-C, 10-D, 10-E, 10-F, 10-G, 10-H, 10-I, 12, 13, 14, 15, 15-B, 15-C, 16, 17-A, 17-B, 17-C, 17-D, 18, 20-A, 20-B, 20-C, 21-A, 21-B, 21-C, 21-D, 23, 24, 25-C, 25-D, 26, 26-B, 26-C, 26-D, 27, 27-B, 28, 28-B, 29, 29-B, 29-C, 29-D, 29-E, 30, 31-A, 31-B, 32-A, 32-B, 33, 34, 34-B, 34-C, 35, 36-A, 36-B, 36-C, 37, 39, 40, 41, 43-A, 43-C, 43-D, 43-E, 44, 45-A, 46, 50 & 51 FOR FISCAL YEAR 2016/2017 AND SETTING DATE FOR PUBLIC HEARING**

**D. WRITTEN COMMUNICATIONS**

D-1      Consideration of a Request from Pastor Roger Leach for a Resolution in Support of the "In God We Trust" Motto for the Council Chambers

Pastor Roger Leach stated he appreciated the Council listening to all the wonderful projects in this town and it really means a lot for each and every one.

Pastor Leach congratulated Council Member Foley Gallegos on her election.

Pastor Leach stated he wanted to bring this to their attention because he feels that sometimes they're at a time in our country where they need a little extra and there's a motto they have in the United States called "In God We Trust". Pastor Leach stated he wanted to briefly give the Council some history and then go right into it. He stated he would go fast over all of the material that he's given the Council.

Pastor Leach stated the phrase actually started to happen during the Star Spangled Banner during the War of 1812. It came about during the time of the fourth stanza in that wonderful song that they all sing at the beginning of baseball games and all political campaigns. Pastor Leach stated it also has some history that goes back into the time when our country was involved in a Civil War back in the 1860s whenever we started really working with trying to bring healing for our community and to our country.

Pastor Leach stated that in the Star Spangled Banner, the fourth stanza talks about: O thus be it ever when freemen shall stand between our loved home and the war's desolation. Blessed be are blest with victory and peace. May the heaven rescued land praise the power that hath made and preserved us a nation. Then conquer we must, when our cause is just and this be our motto "In God is our trust" and the star spangled banner in triumph shall wave o'er the land of the free and the home of the brave.

Pastor Leach stated that each year that he goes to Washington, DC he is amazed whenever he stands before the flag that is displayed during the time of that war and he sees the size of it. It is about the size of this room and they start to see the impact that was made in our country.

Pastor Leach stated there is actually a descendent of Francis Scott Key that lives in their community; his name is Martin Key and he's like a great nephew or great nephew of Francis Scott Key. Pastor Leach stated it's kind of unique to have that within their community.

Pastor Leach stated that on April 22, 1864, Congress passed legislation to start to put "In God We Trust" on all our coins. Another act of Congress was in 1865 where the mint started putting it on other types of coins and gold coins. Pastor Leach stated he's trying to establish an understanding that their motto is "In God We Trust" in the United States. Pastor Leach stated it has been interrupted at certain times with the five cent piece; the old buffalo nickel did not have it on but following that the Jefferson nickel did and then all our different coinage all the way through our time period has had "In God We Trust". Pastor Leach stated the motto has been in continuous use on the one cent coin since 1909; it's been on most of our coins since that time.

Pastor Leach stated it's really important that on July 30, 1956 President Eisenhower on the 84<sup>th</sup> Congress approved a joint resolution with the entire Congress declaring that "In God We Trust" was the national motto that we would have in our country.

Pastor Leach stated that from that particular time on, the coinage started to go into even printed dollars and then they started to see, that was the silver standard, which it probably should still be on.

Pastor Leach stated that starting in 1964, they actually started to produce the motto "In God We Trust" on the Federal Reserve Notes and then in 2002 and 2011, the U.S. House of Representatives voted to reaffirm the national motto that was already done and in this particular resolution, it encouraged the public to display this motto on all public buildings including schools and government institutions. Pastor Leach stated it's kind of unique that it was.

Pastor Leach stated there was a federal lawsuit that happened in 2003. It went through the courts for two years. Davidson County won in Federal District Court in Greensboro, North Carolina. The case also went to court of appeals. The case was also appealed all the way to Supreme Court and was referred back to the appellate court that upheld that decision.

Pastor Leach stated the man that was in charge of the U.S. Motto Committee went through and said some wonderful things. The Council can read that, but it was in response to establishing the motto on a lot of the buildings in Washington, DC and across the country. Pastor Leach stated that the man made a comment that now this really is a case law and that they haven't had a challenge since that time.

Pastor Leach stated that to provide a motto in this public meeting room, the financing could not come from the Council or the City or from the government; they would have to raise that publicly and he would love to spearhead that particular type of project to do that. Pastor Leach stated he would work with the Council

and anybody the Council has so they could do this. Pastor Leach stated local businesses, churches and individuals would love to help.

Pastor Leach stated there is a non-profit organization called In God We Trust America which is based out of Bakersfield and last year at this time they said they had about 531 cities and counties through the United States that had approved the motto. Some of the newest cities were Laguna Niguel down in the area of southern California and the City of Orange. Pastor Leach stated that in 2015, there were 107 cities and counties in California that have adopted this resolution in addition to 83 other legislative bodies in Arkansas, Colorado, Florida and Georgia.

Pastor Leach stated that along with this there is a seal or a phrase in Latin “e pluribus unum” which means “Out of Many, One” along with “In God We Trust” is actually sometimes put together as one type of display in public buildings and he has no problem with that.

Pastor Leach stated that in the State of Florida, its motto is “In God We Trust” and in about a week and a half on July 30, 2016 it will be the 60<sup>th</sup> anniversary that the U.S. motto has been adopted.

Pastor Leach asked that the Council talk about the resolution declaring the motto “In God We Trust” to be displayed in a public meeting room. Pastor Leach again stated that he would be glad to help out in any way that he could.

Pastor Leach stated that the last couple of slides indicate that U.S. Congress Resolution 13 in the 112<sup>th</sup> Congress in 2011 reaffirmed “In God We Trust” as the official motto of the United States. Pastor Leach stated that it passed the House 396 to 9. They incredible that big of a margin of our Congress working together under one type of a bill; it’s great.

Pastor Leach stated that the next couple of slides have the Congressional Districts in California. California is considered a pretty liberal state, but of all the districts in California 48 said yea, 3 of districts said no and 2 did not vote. Pastor Leach stated whenever they talk about the large display of public support it came from our own congressional people.

Pastor Leach directed the Council to notice the first page of all of the ones that voted. Dennis Cardoza Congressional District 18 Democrat voted yes; Jeff Denham of the 19<sup>th</sup> Congressional District voted yes; Jim Costa whose representative was just there voted yes, Devin Nunes voted yes and Kevin McCarthy also voted yes of these central California districts.

Pastor Leach stated he would just like to conclude his presentation; he would be glad to work with anybody that the Council has, work with Council as far as the resolution, work with Council in providing funds, work with Council in any way. Pastor Leach stated that he really feels like this is an opportunity for their community to get behind something and say this is a great type of thing.

Pastor Leach stated they might have people that ask why they say In God We Trust. Pastor Leach stated the three major religions that they have represented in this town are Christian/Judeo-Christian, Jewish and Muslim and each one of them have a direct descendant to a person by the name of Abraham and Abraham had faith in God so all three of those major religions can go back to the source of who got his. Pastor Leach asked if the Council had any questions.

Mayor Poythress thanked Pastor Leach and asked if anyone had questions for Pastor Leach.

Mayor Poythress stated that he just pulled up the website of the In God We Trust organization that was started by Jackie Sullivan. She is a Council Member in Bakersfield and right now in California there are 125 cities and counties, mainly cities that have adopted the resolution to go with the “In God We Trust” motto or designation within City Hall and it looks like it’s from that organization in regards to the process and what they’ve done is passed all the legal tests and so forth.

Mayor Poythress stated that what they are looking for is comments, direction, bring it back for resolution to move forward.

Pastor Leach commented that if anybody really doesn't want to receive that motto he would be glad to take anything that comes out of their purse or pocket that would have that on their currency as far as a thing they'd like to divest themselves from that; money. Pastor Leach stated he would be glad to take that from them tonight and apply that to future good.

Council Member Medellin stated that as far as direction, he thinks they should absolutely move forward with that and do what they have to do to bring that resolution before the Council sooner rather than later.

Council Member Holley concurred stating it was a long time coming and he wondered when it was going to get here.

Mayor Poythress stated they had direction.

Mr. Richardson asked if Ms. Alvarez had noted the result of the discussion.

Mayor Poythress thanked Pastor Leach.

#### **E. ADMINISTRATIVE REPORTS**

- E-1 Consideration of a Resolution Approving the Purchase of an Easement Over Real Property, and Accepting Two Easement Deeds as Donations from Property Owners, on Behalf of the City of Madera, in Connection with the MAX Bus Shelters and Amenities Project (Report by Keith Helmuth)

Jose Aguilar, Deputy City Engineer stated he was there to present Item E-1 for approval and acceptance of right-of-way easement for the MAX Bus Shelters and amenities. Mr. Aguilar stated this project consists of 21 bus shelters with trash cans and benches. Mr. Aguilar stated 18 units of these bus shelters are within the City right-of-way and relocations require easements to accommodate the bus structures and provide sufficient accessibility with the four divisions in compliance with ADA [Americans with Disabilities Act] requirement.

Ivette Iraheta, Grants Administrator stated she brings good news to Council tonight. She is very pleased to make this presentation on the various enhancements that have been carried out in the City to improve their transit system. Ms. Iraheta read a recap of the Mission Statement: The City of Madera Transit Department seeks to provide transit customers in the City's transit services with public transportation to specified destinations in a professional, courteous and timely manner with equipment that is accessible, affordable and comfortable.

Ms. Iraheta stated they started off with the Dial-A-Ride services. This service started off in the 1970s. Senior citizens expressed their need for transit services and it was later made available to the general public, but for Dial-A-Ride, their first priority is to provide services in response to disabled Americans.

Ms. Iraheta stated they also operate Madera Area Express Service. This began in the late 1980s. They have two routes serving the City's shopping, medical and educational destinations and they are happy to say their services benefit the local economy which also reduce vehicle emissions.

Ms. Iraheta stated that in the 2010s an evaluation of their system bus shelters and amenities was conducted. Ms. Iraheta referred to a slide and stated that is what the bus shelters looked like back then and there was a general consensus that these shelters lacked functional and aesthetic features and did not promote their community's perception of public transportation therefore an effort to enhance the bus shelters and its amenities was initiated.

Ms. Iraheta stated it was a two phased project and it started off with an extensive search for the new shelter design. This was conducted in partnership with Madera RDA [Redevelopment Agency], Madera ADA Advisory Council, Madera Beautification Committee and the Heartland Opportunity Center. Ms. Iraheta stated there was a consensus to design a unique bus shelter to incorporate a preferred design features of accessibility, affordability and comfort.

Ms. Iraheta stated that an RFP [Request for Proposal] was first issued to design their first 40 bus shelters and the architect was retained to incorporate their ideas. Ms. Iraheta referred to the presentation slides which showed the potential designs. Ms. Iraheta stated they chose the basic model and accentuated that with a tile roof with this design. Ms. Iraheta stated they see this throughout the City.

Ms. Iraheta stated they installed 40 [bus shelters] in 2013. Ms. Iraheta showed Council slides depicting bus shelters on Yosemite Avenue, in front of Cottonwood Creek Apartments and in front of the Social Services building. Ms. Iraheta stated the 40 [bus shelters] were installed by the end of 2013.

Ms. Iraheta stated that after that, the public and various interested parties told them that there was a need to provide more convenient and accessible service in northeast Madera and in a new housing development in southeast Madera. They also wanted the frequency to be improved and reduced from 35 minutes to 30 minutes so they responded by installing seven new bus stops and this was completed in the winter of this year. Ms. Iraheta referred to another slide which showed those locations.

Ms. Iraheta stated they will now begin route service to these new bus stops on August 22, 2016. They are releasing bilingual press releases to announce new stops and they will also be posting signs at the bus stops and the actual buses.

Ms. Iraheta stated that they will begin design for 21 new bus shelters. The Engineering Department is working on the design and they [Grants Department] have started the RFP process to purchase these additional bus shelters. Ms. Iraheta stated they anticipate starting construction for the installation of these 21 bus shelters in the spring of 2017 and they will be going on at existing bus stops. Funding is being provided through Measure T – Transit Enhancement Fund, LCTOP, Prop 1B and Cal-OES. Ms. Iraheta stated that for the 21 bus shelters they do need right-of-way.

Mr. Aguilar stated Council was looking at [a slide of] the three locations where right-of-way easements are required. Mr. Aguilar stated that a letter of offer was sent to all three property owners of the land where easements are needed and they offered the minimum amount of \$500 based on the annual valuation for just compensation that is consistent with state and federal regulations. Mr. Aguilar stated that two property owners donated the affected portions of their property and one owner decided to accept the \$500 offered as a nominal fee for real property.

Mr. Aguilar stated Council was looking at [a slide of] all the 21 bus shelter various locations in the City of Madera. Mr. Aguilar apologized as the image is not as clear as they usually have as they were extracted from the plans. Mr. Aguilar recommended that Council approve the purchase of an easement and acceptance of two easement deeds as donations from the property owners. Mr. Aguilar stated that concluded their presentation and asked if the Council had any questions.

Mayor Poythress thanked them and asked if the Council had any questions, comments or thoughts.

Council Member Robinson stated that the bus shelter doesn't really offer that much shelter from the elements; other cities might have glass. Council Member Robinson stated that if they look at third world countries, they have bus shelters that are better.

Mayor Poythress stated that here in Madera versus some other places, they have at least the covering for the sun and actually it might be good that they don't have that back so they can get some wind through otherwise, if they get in there and they don't have wind and it's one of those hot days, they can bake in there.

Council Member Robinson stated he was looking at the shelter in the picture and the shade was on the other side.

Council Member Medellin stated that the shelters still look brand new today. He thinks they've been kept up very, very well. Council Member Medellin stated they've served their purpose and hopefully people are not under them for any length of time and he knows that travel routes have been reduced. Council Member Medellin stated that through MCTC [Madera County Transportation Commission] that was one of the concerns that people had as to how long do they have to wait for the next bus to come around and the City's reduced that and they continue to reduce that wait time.

Council Member Medellin stated it was a very nice presentation and thanked them.

Mayor Poythress stated that this particular action is to approve the purchase of the easement of real property and accept the easement deeds and donations.

**ON MOTION BY COUNCIL MEMBER HOLLEY, AND SECONDED BY COUNCIL MEMBER MEDELLIN, ITEM E-1 WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: MAYOR PRO TEM RIGBY.**

**RES. NO. 16-112      A RESOLUTION OF THE COUNCIL OF THE CITY OF MADERA APPROVING THE PURCHASE OF AN EASEMENT OVER REAL PROPERTY, AND ACCEPTING TWO EASEMENT DEEDS AS DONATIONS FROM PROPERTY OWNERS, ON BEHALF OF THE CITY OF MADERA, IN CONNECTION WITH THE MAX BUS SHELTERS AND AMENITIES PROJECT**

E-2      Consideration of a Request to Designate a Voting Delegate and Alternate for the League of California Cities Annual Conference (Report by Sonia Alvarez)

Sonia Alvarez, City Clerk stated that the League of Cities Annual Conference is scheduled for October 5<sup>th</sup>; she will double check the dates as she may have the wrong dates. Ms. Alvarez stated they are requesting that the Council designate the voting members for their annual business meeting where they vote on resolutions submitted to the League.

Ms. Alvarez stated that currently Mayor Pro Tem Rigby is scheduled to attend and Council Member Robinson will be registered soon.

Council Member Holley nominated Council Member Oliver to that position.

Mayor Poythress asked if Council Member Oliver was going to the conference as it has to be somebody who is going to the event so it should be Mayor Pro Tem Rigby or Council Member Robinson.

Council Member Oliver stated he definitely appreciated it but he has not registered. Council Member Oliver stated that if it was necessary, he would be happy to do so but as Councilman Robinson and Councilman Rigby are already going to be in attendance, he would nominate they serve as voting delegate and first alternate. If there is a third alternate, he would be happy to serve.

Mayor Poythress asked if they are looking at the nomination of Mayor Pro Tem as the primary alternate and then Council Member Robinson as the....

**ON MOTION BY COUNCIL MEMBER OLIVER, AND SECONDED BY COUNCIL MEMBER MEDELLIN, MAYOR PRO TEM RIGBY WAS DESIGNATED AS PRIMARY DELEGATE AND COUNCIL MEMBER ROBINSON WAS DESIGNATED AS ALTERNATE DELAGATE UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: MAYOR PRO TEM RIGBY.**

Mayor Poythress stated he thought David Tooley, City Administrator had a comment in regards to a potential Ad-Hoc Committee or at least.....

David Tooley, City Administrator stated there was no action to be taken that evening; he just needed some clarification by Council. Mr. Tooley stated that by email, he's let Council know that there's going to be a Neighborhood meeting that has to do with the River Trail. Mr. Tooley stated several Council Members have expressed an interest in attending and of course they are limited by the Brown Act to no more than three. Mr. Tooley stated that he simply needs some clarification this evening on who from the Council plans to attend and he'll coordinate the activity and make sure Council has support for it, but he needs to know which two or three Council Members are committed to that meeting.

Council Member Medellin stated that since it is District 1, Council Member Gallegos should be first on the list as part of that and he would like to attend as well.

Mayor Poythress stated they have two and Council Member Robinson. Mayor Poythress stated they have their three.

Mr. Tooley stated that if that reflects the will of the Council, that's where they'll go. Mr. Tooley thanked the Council.

Mayor Poythress thanked Mr. Tooley.

#### **F. COUNCIL REPORTS**

Council Member Holley thanked everybody and stated his wife was present and asked that they greet her. Council Member Holley stated he is trying to get her to attend more meetings so she can see how the Council acts and how they treat him.

Council Member Holley stated that just the other day he had a chance to visit across the street where they have a new County Fire Department office and he talked to Dave [Allen] and Mr. Allen would like to invite any Council Member to go over and look at it. Council Member Holley stated it is a new asset to the County as well as to the City.

Council Member Medellin stated he had the honor and pleasure of attending the Madera Association of Realtors luncheon today where their honorable Mayor spoke and got some great input. It was very interactive including dry erase pens and a board. Council Member Medellin stated he wouldn't steal Mayor Poythress' thunder and would let him speak about it, but it was great input and feedback and he certainly appreciated what Mayor Poythress did and to listen to everybody.

Council Member Medellin stated they have some difficult times around the nation in respect to police officers; the men and women who protect them every day and there are a couple of employees of a local print shop that decided to kind of take matters into their own hands. Council Member Medellin stated they want to on their own time purchase t-shirts, [like] the one he is wearing this evening, and they want to donate all the proceeds to our local law enforcement our Madera Police Department so what they did is they went around to some local businesses and asked if they wouldn't mind selling the shirts for them as they were going to donate proceeds. Council Member Medellin stated his shirt is literally the first shirt hot off the press. Council Member Medellin stated they've had dozens and he would almost say hundreds of people say they would purchase, they would buy to show their support for the men and women at Madera Police Department as well as Highway Patrol and Madera County Sheriff's Department; they want to show support.

Council Member Medellin stated they will be seeing this on social media and who knows where else. Council Member Medellin stated today was kind of the brain child and these are millennials that decided to pull a few extra dollars out of their own pocket to support as well as many other people that have stopped by the Police Department and shown support whether it be food, wall hangings, pictures or things like that.

Council Member Medellin stated that solidarity is what they need in Madera, it's what they need in California and it's what they need across their nation. Council Member Medellin just wanted to thank them for their efforts in trying to raise money to help Madera Police Department in their efforts whether it be the Kids' Camp that is [occurring] this summer or reading to third graders in the elementary schools or whatever other endeavors they may have; they want to help support the Police Department and support those efforts.

Mayor Poythress stated maybe something in November.

Council Member Medellin stated it was quite possible.

Mayor Poythress thanked Council Member Medellin.

Council Member Oliver advised Council Member Medellin to count him in as he'd be happy to support that as it is certainly needed in the community and the nation.

Council Member Oliver stated he held a Constituent Mobile Office Hour last week at Starbuck's. Council Member Oliver stated that when he does these he tries to do two back-to-back. Council Member Oliver stated there was a lot of great interaction and engagement from members of their community. Council Member Oliver stated he appreciates staff for being very responsive; he often times walks out with a list of action items, concerns, complaints and ideas and then he gets on email and phone and talks to the City's experts in those fields on how to address those. Council Member Oliver stated there was a good turn out and he was definitely there on behalf of the entire City Council as Councilman Holley often emphasizes and it was a pretty good day.

Mayor Poythress thanked Council Member Oliver.

Council Member Robinson stated he had the honor of attending the Police Department's Oath of Office Ceremony; they welcomed in a few more police officers. Council Member Robinson stated it was a family affair and the food was great; he got seconds. Council Member Robinson stated it was on the 16<sup>th</sup>.

Mayor Poythress asked if Council Member Robinson had gotten invited to that event.

Council Member Robinson replied affirmatively.

Council Member Robinson stated that on the 19<sup>th</sup>, yesterday, he attended the Neighborhood Watch Program on Coolidge Street. Council Member Robinson stated there are only three or four Neighborhood [Watch Programs] in his district so he is trying to increase it.

Council Member Robinson stated he attended the new Bitwise 50,000 square foot building. Council Member Robinson stated it's a technology site that represents 107 businesses. Council Member Robinson stated they said it was vital to encompass rural communities.

Council Member Robinson stated they teach Hashtag and another company is Geekwise. Council Member Robinson stated it's a think tank. They want to train the community to code and write software and they want to establish businesses and jobs in order to attract people before the Light Rail they're building with private funds in Fresno.

Council Member Robinson stated they want to increase the skills, they want to get the grants and they want the population to be trained. Council Member Robinson stated the next class starts August 8<sup>th</sup>; it's a six weeks class.

Council Member Robinson stated they want to get the information to the community and Bitwise knows what the community needs; they already did the research.

Council Member Robinson stated that in a year and a half, they're going to have a 2.5 million square foot building with a charter school inside and they are saying they want to be the next Silicone Valley.

Council Member Robinson stated they are due to break ground on the Light Rail in 2018 and it will extend to Friant, Fireball, Del Rey, Bazonne and Fresno County. Council Member Robinson stated they expect that to be started in 18 months.

Council Member Robinson stated they want to have an at least 250,000 workforce by 2020 and they said 1.5 million jobs will be needed. Council Member Robinson stated the project based its CARTS Center for Advance Research and Technology in Clovis also. They are willing to come and have a meeting. Council Member Robinson stated he spoke to Linda Shaw for the Housing and she wanted to start a computer lab and they said they're willing to come and talk to her and also talk to the school district.

Mayor Poythress stated that's a big deal and thanked Council Member Robinson for helping make that connection.

Council Member Foley Gallegos stated she has great things to say.

Council Member Foley Gallegos stated she also got to attend the City of Madera Police Oath Ceremony with Councilman Robinson and it was amazing to see the unitedness that the City of Madera has with all their policemen and women. Council Member Foley Gallegos stated one thing there was a hoorah about is that four of the new officers are three born and raised Maderans and she was really pleased to see that children that have been born in Madera and have gone through the school system are now going to protect them in the City of Madera. Council Member Foley Gallegos stated there were a lot of promotions with Corporal, Lieutenants. Council Member Foley Gallegos stated it was great to meet the families of all the people that protect them and she thanked them on behalf of the Council for their services.

Council Member Foley Gallegos stated she also got to be with the Engineering Department in their staff meeting and that was very good knowledge for her and she hopes she wasn't too intruding on their time. Council Member Foley Gallegos indicated that Keith Helmuth, City Engineer stated his staff might be nervous and she advised him that she just wanted to get knowledge.

Council Member Foley Gallegos stated she went to meet with Chris Boyle, Planning Manager regarding one question and was in there for a couple of hours getting more knowledge.

Council Member Foley Gallegos stated that tomorrow she would be at Public Works.

Council Member Foley Gallegos stated she's trying to get all the areas.

Mayor Poythress stated great job.

Mayor Poythress stated he would tag on to what Council Member Medellin mentioned as far as the Madera Association of Realtors. Mayor Poythress stated there are a lot of folks in there that are on the ground, they're meeting with people and they're selling and buying homes, etc. Mayor Poythress stated he thought they would be a great organization to bring in more to the fold with the City and the next time the City has a Citizens Academy he thinks they'd be a great organization to really make a lot of invitations to. Mayor Poythress stated the City could probably get seven or eight people maybe more just from that organization to be involved because there is definitely a lot of interest. They are really ramping up operations and really wanting to get more involved.

Mayor Poythress stated that before they meet again as a Council they are going to experience National Night Out; the first Tuesday in August, August 2<sup>nd</sup>. Mayor Poythress stated it's a great event and he thinks they will have over 40 neighborhoods.....

One of the Councilmembers indicated it was 48 neighborhoods.

Mayor Poythress stated there is a great competition going around right now amongst the Council and so forth as far as.....

Council Member Holley stated that Council Member Medellin has the most.

Council Member Foley Gallegos stated so far.

Council Member Medellin stated that Council Member Foley Gallegos had just put down the gauntlet.

Mayor Poythress stated that was great.

Council Member Medellin stated that they are all City of Madera and competition aside if they have over 40 or 48 neighborhoods regardless of which district for example District 2 which has the most, regardless of that they are all Maderans and he thinks that is the effort of their [Neighborhood] Revitalization [Department] and they've done a fantastic job.

Mayor Poythress stated it was a big win for the entire City.

Mayor Poythress stated that anybody who can participate that hasn't found a way to participate yet, this would be a wonderful thing to do.

**G. CLOSED SESSION**

There are no items for this section.

**ADJOURNMENT**

The meeting was adjourned by Mayor Poythress at 8:22 p.m.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN**

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

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SONIA ALVAREZ, City Clerk

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ANDREW J. MEDELLIN, Mayor

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Prepared by:  
ZELDA LEÓN, Deputy City Clerk

City of Madera

Council Meeting Of March 15th, 2017  
Agenda Item No. B-2

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

From: Office of the Director of Finance

Subject: Listing of Warrants Issued

Date: 03/15/2017

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

February 22nd, 2017 to March 6th, 2017

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

General Warrant:	12307-12413	\$	652,953.88
Wire Transfer	Union Bank Payroll and Taxes	\$	627,486.16
Wire Transfer	SDI	\$	2,053.74
Wire Transfer	Cal Pers	\$	254,693.53

Respectfully submitted,



Tim Przybyla  
Financial Services Director

**CITY OF MADERA**  
**REGISTER OF AUDITED DEMANDS FOR BANK #1-UNION BANK GENERAL ACCOUNT**  
**March 6th, 2017**

CHECK	PAY DATE	ISSUED TO	DESCRIPTION	AMOUNT
12307	02/24/2017	ADMINISTRATIVE SOLUTIONS INC.	MONTHLY ADMINISTRATIVE FEE JANUARY 2017	4,515.00
12308	02/24/2017	AKEL ENGINEERING GROUP, INC.	ENGINEERING SERVICES RELATED T	1,967.50
12309	02/24/2017	ALL VALLEY ADMINISTRATORS	MEDICAL & CHILD CARE EXPENSE ACCT 2/24/2017 PAYROL	833.16
12310	02/24/2017	AMERICAN BUSINESS MACHINES	COPY MACHINE	429.92
12311	02/24/2017	REYES AG MGT INC	OVERPAYMENT REFUND ACCT #05021	176.15
12312	02/24/2017	ARNOLD, JOSIAH	PER DIEM - INTERNAL AFFAIRS TRAINING	206.50
12313	02/24/2017	AT&T	01/17 CALNET 3 SVS 9391031566	5,316.18
12314	02/24/2017	BRIAN'S HEATING & COOLING	REFUND REACTIVATION FEE PERMIT 20150908	55.00
12315	02/24/2017	CALIFORNIA DEPARTMENT OF JUSTICE	DOJ LIVE SCAN FOR EMPLOYEE BACKGROUND	2,500.98
12316	02/24/2017	CALIFORNIA DEPARTMENT OF TRANSPORTATION	SHARED COSTS	91.41
12317	02/24/2017	CANON FINANCIAL SERVICES	COPIER CHARGES	6,418.47
12318	02/24/2017	CBCINNOVIS, INC	ACCESS FEE	16.00
12319	02/24/2017	CITY OF MADERA	02/17 UTILITY SVS 322 W 6TH ST	152.94
12320	02/24/2017	COLONIAL LIFE & ACCIDENT INSURANCE CO	#E700482-3 FOR 2/24/17 PAYROLL	1,080.04
12321	02/24/2017	DOWNTOWN FORD SALES	Ford F250 with Scelzi Service	36,376.53
12322	02/24/2017	EBIX, INC.	COMPWATCH ANNUAL SVS	440.00
12323	02/24/2017	ESPINOZA SEWER SERVICE	PORTABLE TOILET SVS	50.00
12324	02/24/2017	EVERGREEN LAWN CARE & MAINTENANCE, INC.	GRP 1 DOWNTOWN MAINTENANCE JAN 2017	14,720.00
12325	02/24/2017	FRESNO BEE, THE	RECRUITMENT ADS	2,820.40
12326	02/24/2017	FRESNO COUNTY ECONOMIC OPPTY. COMMISSION	JANUARY 2017 ADC MEALS	822.21
12327	02/24/2017	FRESNO REPROGRAPHICS	SR25 @ THOMAS JEFFERSON PROJ: R-000051	427.60
12328	02/24/2017	GEIL ENTERPRISES, INC.	AUTOSCRUB THE BREEZEWAY	9,064.08
12329	02/24/2017	KER'S GAS & LUBE, INC.	PD CAR WASHES	286.13
12330	02/24/2017	LEAGUE OF CALIFORNIA CITIES	MEMBERSHIP DUES DIVISION LOCC	411.18
12331	02/24/2017	LEGACY K9 INC.	BI-MONTHLY MAINT TRAINING 2 CANINE 12/16-01/17	1,155.54
12332	02/24/2017	M A C E A	FEBRUARY 2017 MONTHLY DUES	24.00
12333	02/24/2017	M P O A	FEBRUARY 2017 MONTHLY DUES	7,288.88
12334	02/24/2017	M.C.E.A.	FEBRUARY 2017 MONTHLY DUES	400.00
12335	02/24/2017	MADERA CLEANERS AND LAUNDRY INC.	YOUTH CENTER FLOOR MAT SVS	32.30
12336	02/24/2017	MUNISERVICES, LLC	SUTA SALES & USED TAX 1QRT 16/17	23.17
12337	02/24/2017	N.P.C.-ORCHARD TRUST COMPANY	PLAN #340227-01 FOR 2/24/17 PAYROLL	7,847.31
12338	02/24/2017	N.P.C.-ORCHARD TRUST COMPANY	PLAN #340227-02 FOR 2/24/17 PAYROLL	2,477.30
12339	02/24/2017	OPERATING ENGINEERS, LOCAL #3	FEBRUARY 2017 MONTHLY DUES	352.50
12340	02/24/2017	P G AND E	01/17 SVS 5225647713-5	263.67
12341	02/24/2017	PACIFIC GAS & ELECTRIC	01/17 SVS 9920095153-3	26,357.46
12342	02/24/2017	AIO ACQUISITION INC	2017 LABOR LAW POSTER	22.06
12343	02/24/2017	POLYDYNE INC.	SLUDGE DEWATERING POLYMER FOR	4,113.90
12344	02/24/2017	RON'S TOWING & ROAD SERVICE	ACCIDENT TOW	170.00
12345	02/24/2017	SIMPLEXGRINNELL	FIRE ALARM REPAIR	558.00
12346	02/24/2017	SPARKLETTS	LAB & DRINKING WATER	97.13
12347	02/24/2017	TAMARACK PEST CONTROL	FEBRUARY 2017 PEST CONTROL SVS	510.00
12348	02/24/2017	TESEI PETROLEUM INC.	VEHICLE FUEL	940.62
12349	02/24/2017	TESEI PETROLEUM, INC.	FUEL	1,242.73
12350	02/24/2017	THRIVE FITNESS	FEBRUARY 2017 MONTHLY DUES	52.00
12351	02/24/2017	TRUKKI, MARK	PER DIEM - INTERNAL AFFAIRS TRAINING	206.50
12352	02/24/2017	VANTAGEPOINT TRANSFER AGENTS-457	PLAN #302351 CONTRIBS FOR 2/24/17 PAYROLL	22,445.53
12353	02/24/2017	VIDEO INSPECTION SPECIALISTS, INC.	CCTV SEWER LINES TV INSPECTION LAKE ST	1,500.00
12354	02/24/2017	WILLDAN FINANCIAL SERVICES	CFD 2005-01 ANNEXATION FEES	2,580.00
12355	03/03/2017	ADMINISTRATIVE SOLUTIONS INC.	CITY PAID RETIREE MEDICAL BILL FEBRUARY 1, 2017	46,413.87
12356	03/03/2017	AMERICAN BUSINESS MACHINES	COLOR PLOTTER REPAIR	288.02
12357	03/03/2017	AT&T	01/17 CALNET 3 SVS 9391026415	967.78
12358	03/03/2017	AT&T	01/17 CALNET 3 SVS 9391031580	3,021.33
12359	03/03/2017	BANK OF NEW YORK MELLON TRUST CO	IRS REBATE CALCULATION NO. 2006 1	1,500.00
12360	03/03/2017	SUNRUN	CANCEL PERMIT #20162032	171.00
12361	03/03/2017	BSK ASSOCIATES	WATER SAMPLES	1,855.00
12362	03/03/2017	BUSHONG, JASON	MILEAGE REIMBURSEMENT WWTP 2/05/17-2/06/17	29.58
12363	03/03/2017	CALACT	TRAINING	535.00
12364	03/03/2017	COMCAST	02/22- 03/21 SVS 8155500320322006	95.56
12365	03/03/2017	CONCENTRA MEDICAL CENTERS	ADC VOLUNTEER	113.50
12366	03/03/2017	D & D RESOURCES	NFPA 70E TRAINING	1,900.00
12367	03/03/2017	DIAMOND COMMUNICATIONS	SEWER ALARM MONITOR	115.00
12368	03/03/2017	MIKE MONTOYA	BOND RELEASE FOR ENCROACHMENT PERMIT 5031	500.00
12369	03/03/2017	ESTEVEZ, BRIAN	PER DIEM POST MGMT COURSE - BLOCK A	352.00
12370	03/03/2017	EVERGREEN LAWN CARE & MAINTENANCE, INC.	GROUP #1 DOWNTOWN MAINTENANCE 12/16	29,440.00
12371	03/03/2017	FEDERAL EXPRESS	PROJECT R-000051	7.54
12372	03/03/2017	FIRE SAFETY SOLUTIONS, LLC	FIRE PROTECTION ENG SVS 2/15/17-2/28/17	7,425.00

12373	03/03/2017	GOLDEN STATE OVERNIGHT	OVERNIGHT SHIPPING	141.50
12374	03/03/2017	HERC RENTALS	EQUIPMENT RENTAL	1,579.62
12375	03/03/2017	L.N. CURTIS & SONS	Previous PO 8451 in Mais - GXTREME PANT & JACKET	8,110.18
12376	03/03/2017	LIEBERT CASSIDY WHITMORE	LEGAL FEES	106.00
12377	03/03/2017	LINCOLN FINANCIAL	LIFE & LTD INSURANCE MARCH 2017	7,405.37
12378	03/03/2017	MADERA IRRIGATION DISTRICT	RWMG MEMBERSHIP DUES	1,200.00
12379	03/03/2017	MONDRAGON, JUAN	MILEAGE REIMBURSEMENT WWTP 2/10/17	41.48
12380	03/03/2017	PACIFIC GAS & ELECTRIC	02/17 SVS 1619119913-8	132.84
12381	03/03/2017	PETTY CASH - POLICE DEPT.	ADDITIONAL CASH REGISTERS	450.00
12382	03/03/2017	PIERCE CONSTRUCTION	REMOVE AND REPLACE DAMAGED ASP	24,511.10
12383	03/03/2017	PIERCE CONSTRUCTION	REMOVE AND REPLACE DAMAGED ASP	17,281.50
12384	03/03/2017	PRAXAIR DISTRIBUTION, INC.	CYLINDER DEMURRAGE RENTAL	486.30
12385	03/03/2017	PRINCIPAL LIFE INSURANCE COMPANY	MARCH 2017 DENTAL INSURANCE	17,252.34
12386	03/03/2017	PROVOST & PRITCHARD CONSULTING GROUP	PROFESSIONAL ENVIRONMENTAL PLA	3,532.68
12387	03/03/2017	REGENCE BLUECROSS BLUESHIELD OF UTAH	CITY PAID RETIREE MEDICAL BILL DAVID CHUMLEY 03/17	321.00
12388	03/03/2017	RESERVE ACCOUNT	PREPAID POSTAGE METER USAGE 08/16 - 02/17	1,200.00
12389	03/03/2017	RODRIGUEZ, FABELA	PER DIEM PC 832 ARREST, SEARCH & SEIZURE	320.00
12390	03/03/2017	SEON SYSTEMS SALES, INC.	REPLACEMENT CAMERA	272.61
12391	03/03/2017	SUNEDISON, LLC	ELECTRIC UTILITIES	12,141.85
12392	03/03/2017	SUPERIOR VISION INC.	VISION PLAN MARCH 2017	2,457.18
12393	03/03/2017	TESEI PETROLEUM INC.	FUEL CHARGES 01/01/17 - 01/10/17	14,937.72
12394	03/03/2017	ACEVEDO SEBASTINA	Utility Billing Credit Refund	206.29
12395	03/03/2017	BURSEY KEITH	Utility Billing Deposit Refund	71.35
12396	03/03/2017	CITY OF MADERA OR MERAZ FELIPE D AND MAR	Utility Billing Deposit Refund	223.13
12397	03/03/2017	DIAZ EDGAR OR CITY OF MADERA	Utility Billing Credit Refund	150.86
12398	03/03/2017	DUARTE ERIC	Utility Billing Credit Refund	155.22
12399	03/03/2017	GLEAVES LLOYD	Utility Billing Credit Refund	34.88
12400	03/03/2017	LENOX RICKY AND DEBORAH	Utility Billing Credit Refund	204.64
12401	03/03/2017	MARTINEZ JORGE AND ADELAIDA	Utility Billing Deposit Refund	33.70
12402	03/03/2017	MCMULLIN LILLIAN	Utility Billing Credit Refund	127.45
12403	03/03/2017	MUNDACA JOSE MARIANA OR CITY OF MADERA	Utility Billing Credit Refund	151.11
12404	03/03/2017	PESTORICH HOLDINGS LLC	Utility Billing Credit Refund	211.20
12405	03/03/2017	PRO REALTY	Utility Billing Deposit Refund	33.03
12406	03/03/2017	RAMIREZ AGUSTIN	Utility Billing Credit Refund	34.86
12407	03/03/2017	SMITH DAVID A	Utility Billing Credit Refund	161.82
12408	03/03/2017	VILLAREAL SANDRA OR CITY OF MADERA	Utility Billing Credit Refund	223.34
12409	03/03/2017	WHITE RAE L	Utility Billing Credit Refund	133.98
12410	03/03/2017	UNION BANK OF CALIFORNIA	SVS FOR PERIOD NOVEMBER 1 TO JANUARY 31, 2017	875.00
12411	03/03/2017	UNITED HEALTHCARE INSURANCE COMPANY	CITY PAID UNITED HEALTH CARE 02/17	252,379.44
12412	03/03/2017	UNITED RENTALS, INC	MISC. EQUIPMENT RENTAL	6,095.56
12413	03/03/2017	VERIZON WIRELESS	CITY CELL PHONE CHARGES JAN 11 - FEB 10	12,997.59
Bank # 1 - Union Bank General Account Total				652,953.88

# REPORT TO CITY COUNCIL

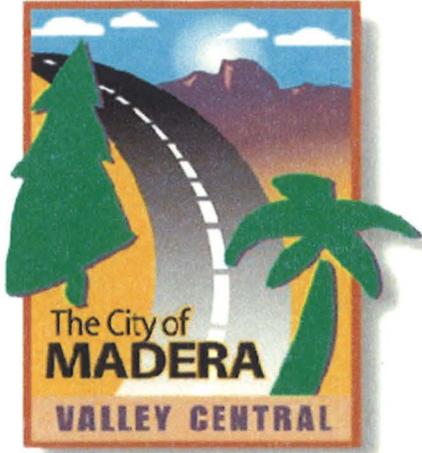
MEETING DATE: March 15, 2017

AGENDA ITEM NUMBER: B-3

Approved By:

  
PUBLIC WORKS DIRECTOR

  
CITY ADMINISTRATOR

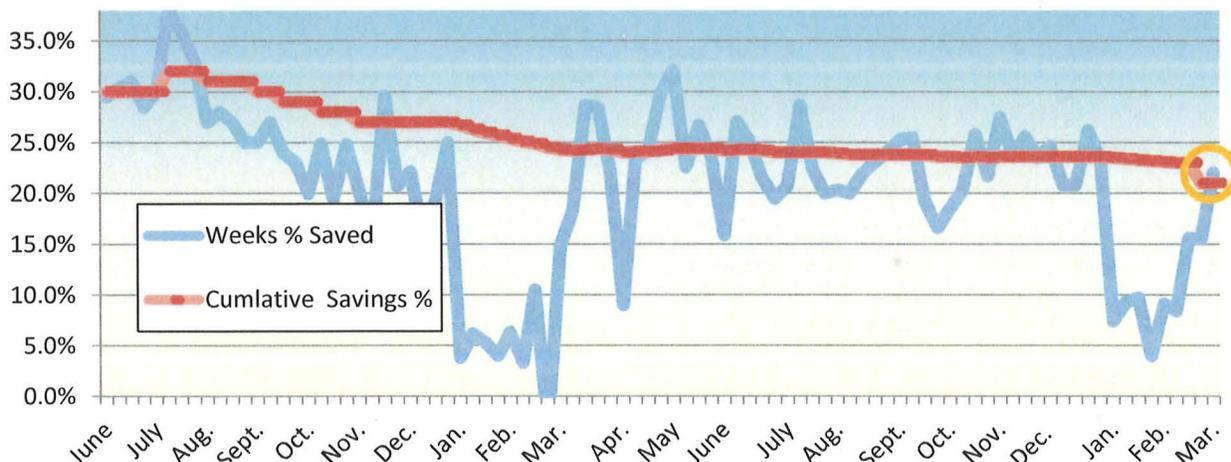
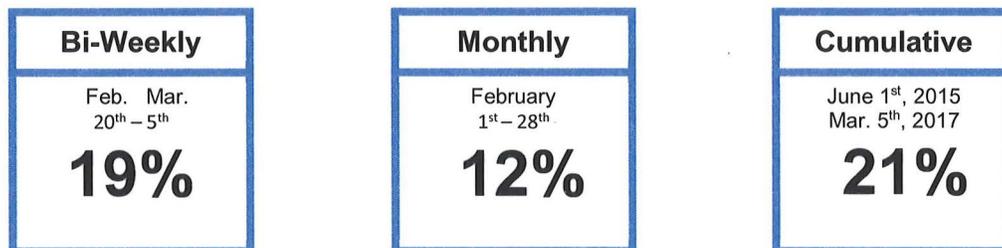


**SUBJECT:** Bi-Weekly Water Conservation Report for February 20<sup>th</sup> thru March 5<sup>th</sup>.

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

**BACKGROUND:** The State began mandating water conservation goals in June of 2015. The City's initial goal was set as a 32% reduction from water usage levels in 2013. Based on data and the City's particular circumstances, the City negotiated a reduction of the goal down to 28%. The State has since suspended its mandatory Goals, but kept in place various water wasting restrictions such as not watering with a hose without a control nozzle. The City continues to monitor its rate of water conservation on both an incremental and cumulative basis against the 2013 baseline usage amounts.

**SUMMARY/ DISCUSSION:** As illustrated below, the City's water conservation rate was up from 12% in the last bi-weekly reporting to 19% in this report. The monthly conservation rate for February is up from 4.2% in 2016 to 12% in 2017. Graffiti presentations were made at three local elementary schools in which education on water conservation was also a focus. Handouts were distributed to the kids and a total of 344 public contacts were made. Below is the most current water conservation data.



Enforcement			
<b>Public Contacts</b>	<b>344</b>	<b>1<sup>st</sup> offenses (\$75)</b>	<b>1</b>
<b>Verbal Warnings</b>	<b>0</b>	<b>2<sup>nd</sup> offenses (\$250)</b>	<b>0</b>
<b>Correction Notices</b>	<b>20</b>	<b>3<sup>rd</sup> or more offense (\$500)</b>	<b>1</b>

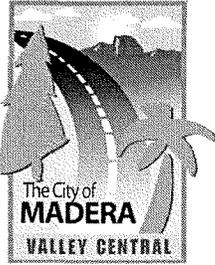
**FINANCIAL IMPACT:**

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

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

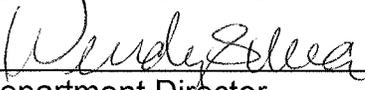
While the proposed actions are not specifically addressed as part of the Plan, they are not in conflict with it and are sympathetic of the underlying principles of the 2025 Plan.

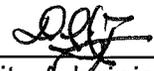
## Report to City Council



Council Meeting of March 15, 2017  
Agenda Item Number B-4

Approved by:

  
\_\_\_\_\_  
Department Director

  
\_\_\_\_\_  
City Administrator

### **Consideration of a Resolution Approving a Letter of Commitment as a Participating Jurisdiction in the Madera County Multi-Jurisdictional Local Hazard Mitigation Plan Update and Authorizing the Mayor to Sign the Letter of Commitment**

#### **RECOMMENDATION**

Staff recommends Council adopt the resolution approving the Letter of Commitment as a participating jurisdiction in the Madera County Multi-Jurisdictional Local Hazard Mitigation Plan Update project and authorizing the Mayor to sign the letter.

#### **HISTORY**

In October 2000, Congress passed the Disaster Mitigation Act of 2000. This new Act amended the existing Stafford Act, emphasizing the need for state, tribal, and local entities to closely coordinate mitigation planning and implementation efforts through local hazard mitigation plans. Federal regulations require local jurisdictions to prepare and adopt a local hazard mitigation plan approved by the Federal Emergency Management Agency (FEMA) to maintain eligibility for Section 404 grants of the Federal Stafford Act and for FEMA's Pre-Disaster Mitigation Program.

In 2008, the Madera County Office of Emergency Services (MC OES) applied for a California Office of Emergency Services Hazard Mitigation Planning Grant. The grant was approved in 2009 and provided MC OES funding to hire a consultant to facilitate a multi-jurisdictional local hazard mitigation grant for all interested local entities and tribal governments. The County of Madera, City of Madera, Madera County Office of Education, and the North Fork Rancheria of Mono Indians all agreed to participate in the multi-jurisdictional plan. The City of Chowchilla did not participate in the multi-jurisdictional plan at that time solely because of timing issues; they had a grant-funded project that required completion of a Local Hazard Mitigation Plan (LHMP) in advance of the proposed timeline for the multi-jurisdictional plan. The planning grant received for the multi-jurisdictional plan required matching funds that were achieved through tracking of staff time for all

entities working on the project. That multi-jurisdictional plan was finished and adopted by the involved agencies in 2011.

The multi-jurisdictional LHMP is meant to identify, analyze and provide potential mitigating solutions for hazards that can be mitigated to minimize loss in case of a natural disaster. An entity with a FEMA approved LHMP becomes eligible to apply for disaster mitigation grants. The LHMP need not identify every possible mitigation measure but a sampling to show that the local entity has engaged in the critical thought process. Specifically, if staff becomes aware of a potential mitigation solution that was not included in the LHMP, the City is not barred from seeking grant funds for the project. The existing LHMP was completed and approved in 2011. Once a plan receives FEMA approval, it must be updated at least once every five years for the agency to be eligible to continue to apply for disaster mitigation grants.

Staff brought an informational report to the City Council at its regular meeting on October 7, 2015 about the LHMP update project and the City's intent to participate once again in the multi-jurisdictional LHMP. At that time, Madera County had applied for the 2015 FEMA Pre-Disaster Mitigation Grant to fund the required 5-year update of the LHMP. The grant application was accepted and approved. The proposed project was estimated to cost \$150,000, with 75% coming from the federal government and 25% coming from the local entities that participate. The 25% is to be split equally between Madera County, the City of Madera, and the City of Chowchilla. The estimated monetary contribution from the City of Madera was \$12,500 towards the plan update at that time based on the projected cost. The cost of a shared plan is far less than the City attempting to complete an LHMP update on its own and Council provided concurrence at that time for staff to move forward with participation in the multi-jurisdictional LHMP update.

#### **SITUATION**

Since the initial report to Council in October 2015, staff has participated with Madera County and the City of Chowchilla to develop a Request for Proposals that was administered by Madera County. City staff participated in the evaluation and selection of a consultant to assist with the LHMP update project. The agreement with the Consultant has been approved by the County Board of Supervisors and we are now at the project kick-off stage. The approved consultant is Foster Morrison Consulting, LLC, and the total project cost is \$108,665. The grant received by Madera County will pay for up to 75% of the project costs and the three local entities will split the remaining 25% equally, which will be approximately \$9,100 for the City of Madera, less than the original project estimate.

All jurisdictions wishing to participate are being asked to provide a formal letter of commitment. The project will only be successful with active participation from the affected jurisdictions. The proposed letter of commitment outlines the City's participation requirements and staff sees no issues with the commitment requirements. The project will most heavily impact the following City departments: Human Resources, Planning, Engineering, Public Works, Fire and Police.

**FISCAL IMPACT**

Staff is proposing to utilize funds currently contained in the Insurance Reserve Fund adopted budget to pay for the City's approximately \$9,100 contribution to participate in the LHMP update. Participation will also include staff time as necessary to complete the project. The original LHMP plan adopted in 2011 involved a total of approximately 35 hours of staff time for the development, review, and adoption of the plan. It is anticipated that the update will require no more time than the drafting of the original LHMP plan.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN**

Completion of a multi-jurisdictional local hazard mitigation plan is not contained in the Vision plan, nor is it in conflict with any aspect of the plan.

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA  
APPROVING A LETTER OF COMMITMENT AS A PARTICIPATING JURISDICTION IN THE MADERA  
COUNTY MULTI-JURISDICTIONAL LOCAL HAZARD MITIGATION PLAN UPDATE AND  
AUTHORIZING THE MAYOR TO SIGN THE LETTER OF COMMITMENT**

WHEREAS, the Disaster Mitigation Act of 2000 requires all jurisdictions to be covered by a pre-disaster all hazards mitigation plan to be eligible for Federal Emergency Management Agency (FEMA) pre- and post-disaster mitigation funds; and

WHEREAS, the City of Madera recognizes that no community is immune from natural hazards, and recognizes the importance of enhancing its ability to withstand natural hazards as well as the importance of reducing human suffering, property damage, interruption of public services, and economic losses caused by those hazards; and

WHEREAS, the City of Madera participated in the development of and adopted the Madera County Multi-Jurisdictional Local Hazard Mitigation Plan (LHMP) in 2011; and

WHEREAS, to remain eligible for disaster mitigation funds, the LHMP must be updated at regular intervals; and

WHEREAS, Madera County has secured grant funding and begun the process for updating the LHMP and invited other local jurisdictions, including the City of Madera, to participate in the plan update process; and

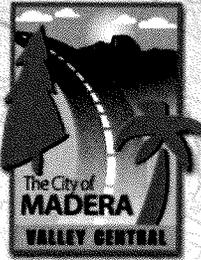
WHEREAS, the City of Madera desires to fully participated in the FEMA prescribed mitigation planning process to prepare The Madera County Multi-Jurisdictional LHMP update.

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

1. The City of Madera affirms its commitment to participate in the Madera County Multi-Jurisdictional Local Hazard Mitigation Plan (LHMP) update.
2. City staff is directed to participate in the FEMA prescribed mitigation planning process as applicable.
3. The City will submit a Letter of Commitment as a participating jurisdiction in the Madera County Multi-Jurisdictional Local Hazard Mitigation Plan Update project to the Madera County Office of Emergency Services, on file with the Office of the City Clerk and referred to for more particulars.

4. The Mayor is authorized to sign the Letter of Commitment on behalf of the City.
5. This resolution is effective immediately upon adoption.

\* \* \* \* \*



March 15, 2017

Joseph Wilder  
Madera County Sheriff's Office  
2725 Falcon Drive  
Madera, CA 93637

**Re: Letter of Commitment as a Participating Jurisdiction in the Madera County Multi-Jurisdictional Local Hazard Mitigation Planning Project**

Dear Sergeant Wilder:

As the Federal Emergency Management Agency's (FEMA) Local Hazard Mitigation Plan (LHMP) requirements under 44 CFR §201.6 specifically identify criteria that allow for multi-jurisdictional mitigation plans and many issues are better resolved by evaluating hazards more comprehensively by coordinating at the county, regional, or watershed level, the City of Madera is submitting this letter of commitment to confirm that we have agreed to participate in the Madera County Multi-Jurisdictional Local Hazard Mitigation Planning Project.

Further, as a condition to participating in the 2017 Madera County LHMP Update; the City of Madera agrees to meet the requirements for mitigation plans identified in 44 CFR §201.6 and to provide such cooperation as is necessary and in a timely manner to the Madera County Sheriff's Office to complete the plan in conformance with FEMA requirements.

The City of Madera understands that it must engage in the following planning process, as more fully described in FEMA's Local Multi-Hazard Mitigation Planning Guidance dated March 2013, including, but not limited to:

- Identification of hazards unique to the jurisdiction and not addressed in the master planning document;
- The conduct of a vulnerability analysis and an identification of risks, where they differ from the general planning area;

**Human Resources**

205 W. Fourth Street • Madera, CA 93637 • TEL (559) 661-5400 Opt. 8 • FAX (559) 673-1655

**[www.cityofmadera.ca.gov](http://www.cityofmadera.ca.gov)**

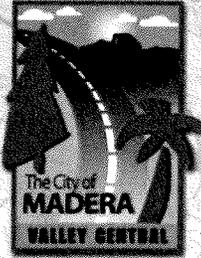
- The formulation of mitigation goals responsive to public input and development of mitigation actions complementary to those goals. A range of actions must be identified specific for each jurisdiction;
- Demonstration that there has been proactively offered an opportunity for participation in the planning process by all community stakeholders (examples of participation include relevant involvement in any planning process, attending meetings, contributing research, data, or other information, commenting on drafts of the plan, etc.); and
- Documentation of an effective process to maintain and implement the plan; and,
- Formal adoption of the LHMP by the jurisdiction's governing body (each participating jurisdiction must officially adopt the plan).

Therefore, with a full understanding of the obligations incurred by participating in the FEMA local hazard mitigation planning process as a participant in a multi-jurisdictional plan, I, Mayor Andrew Medellin, commit the City of Madera to the Madera County 2017 LHMP Update effort. The City of Madera's designated main point of contact for the project will be Wendy Silva, Director of Human Resources.

Executed in Madera, California, on March \_\_\_\_, 2017.

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Andrew J. Medellin  
Mayor, City of Madera



## REPORT TO CITY COUNCIL

COUNCIL MEETING OF March 15, 2017  
AGENDA ITEM NUMBER B-5

APPROVED BY:

A handwritten signature in black ink, appearing to be "Tommy Smith", written over a horizontal line.

DEPARTMENT DIRECTOR

A handwritten signature in black ink, appearing to be "D. J. Smith", written over a horizontal line.

CITY ADMINISTRATOR

**SUBJECT: CONSIDERATION OF A RESOLUTION APPROVING AGREEMENT FOR OUTSIDE OF CITY WATER SERVICE FOR PROPERTY LOCATED AT 27722 AVENUE 16, APPROVING COVENANT TO ANNEX, AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND COVENANT ON BEHALF OF THE CITY AND DIRECTING STAFF TO RECORD THE AGREEMENT AND COVENANT**

### RECOMMENDATION:

That the City Council approves Resolution No. 17-\_\_\_:

1. Approving the request by Reginaldo Medina and Aurora Medina for connection to the City's water system.
2. Authorizing the Mayor to execute the agreement and Covenant on behalf of the City.
3. Directing staff to record the agreement and covenant.

### Engineering

205 W. Fourth Street • Madera, CA 93637 • TEL (559) 661-5418 • FAX (559) 675-6605

[www.cityofmadera.ca.gov](http://www.cityofmadera.ca.gov)

## **BACKGROUND:**

The City has a policy wherein properties located outside the City Limits and adjacent to the City water system, may under certain conditions, apply for and receive City water service.

## **SITUATION:**

The property owners, Reginaldo Medina and Aurora Medina, have two existing single family residences on a single parcel located on the south side of Avenue 16 (Kennedy Street), and west of Chapin Street. Owner has requested they be allowed to connect to an existing 12-inch City water main on Avenue 16, and has declared their request as an urgent matter as the property has no current source of water. The property owner has stated the property had taken access to a well on an adjacent property, which is no longer available nor permissible.

Prior to water connection, owner agrees to sign the attached "**COVENANT TO ANNEX TO THE CITY OF MADERA AND WAIVE THE RIGHT TO PROTEST THERETO**".

The Local Agency Formation Commission (LAFCO) has approved the connection to City water service outside the current City limits.

## **FISCAL IMPACT:**

Approving this request for outside of city water service imposes no additional expense to the City or the General Fund.

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

The installation of an outside the City Limits water service connection to the site is not specifically addressed in the vision or action plans.

**RESOLUTION NO. 17-\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING THE AGREEMENT WITH REGINALDO MEDINA AND AURORA MEDINA FOR OUTSIDE OF CITY WATER SERVICE FOR 27722 AVENUE 16, APPROVING THE COVENANT TO ANNEX, AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND COVENANT ON BEHALF OF THE CITY AND DIRECTING STAFF TO RECORD THE AGREEMENT AND COVENANT

**WHEREAS**, Owner desires to connect the property located at 27722 Avenue 16 to the City water system; and

**WHEREAS**, the property is located in the unincorporated territory of the County of Madera; and

**WHEREAS**, the City Council is willing to authorize said connection to the City's water system, subject to certain conditions.

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

1. The above recitals are true and correct.
2. That certain agreement for water system connection by and between the City and Reginaldo Medina and Aurora Medina, owner of the property located on the south side of Avenue 16 (Kennedy Street), and west of Chapin Street, known as 27722 Avenue 16, a copy of which is on file in the Office of the City Clerk and which reference is hereby made for full particulars as to terms and conditions thereof, is approved.
3. The Covenant to Annex to the City of Madera and Waive the Right to Protest Thereof, a copy of which is on file in the Office of the City Clerk and which reference is hereby made for full particulars as to terms and conditions thereof, is approved.
4. The Mayor is authorized and directed to execute said Agreement and Covenant on behalf of the City.
5. Staff is hereby directed to record the Agreement and Covenant
6. This resolution is effective immediately upon adoption.

\* \* \* \* \*

Recording Requested By:  
City of Madera  
When Recorded Return To:  
City of Madera, City Clerk  
205 W. 4th Street  
Madera, CA 93637

---

Fee Waived Per Section 27383 of the Government Code

No Doc. Tax Due

**AGREEMENT FOR OUTSIDE CITY LIMITS  
WATER CONNECTION FOR 27722 AVENUE 16**

AGREEMENT MADE AND ENTERED INTO this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the CITY OF MADERA, a municipal corporation of the State of California, hereinafter called "CITY" and REGINALDO MEDINA AND AURORA MEDINA, hereinafter called "APPLICANT".

**W I T N E S S E T H**

**WHEREAS**, APPLICANT is the owner of that certain property consisting of 0.45 acres, more or less, located on the south side of Avenue 16, west of Chapin Street, known as 27722 Avenue 16, in the unincorporated territory of Madera County; and

**WHEREAS**, APPLICANT desires a water connection to serve APPLICANT'S property at said address; and

**WHEREAS**, CITY is willing to authorize said water connection subject to conditions agreeable to APPLICANT;

**NOW, THEREFORE**, the parties hereto agree as follows:

1. Subject to and in accordance with all of the conditions set forth in this agreement, CITY hereby authorizes APPLICANT to connect to existing water main in Avenue 16 to serve APPLICANT'S property located on the south side of Avenue 16, west of Chapin Street, which property is more particularly described as follows:

The land referred to is situated in the unincorporated area of the County of Madera, State of California, and is described as follows:

BEGINNING AT THE Northwest corner of Lot 1 of William B. Meikle Tract according to the Map entitled, "William B. Meikle Tract", filed and recorded in Book 4 of Maps, at Page 58, Madera County Records; thence East 72.5 feet; thence South 301 feet; thence West 72.5 feet; thence North along the West line of said Lot 1, a distance of 301 feet to the point of beginning.

APN: 037-133-001

2. Prior to any such installations, APPLICANT shall pay to CITY water impact fees which total \$1,690.00. Impact fees are based on two single family residences on a single parcel. Any additional development on site will be subject to additional CITY impact fees. APPLICANT shall also pay to City connection, permit, inspection or other fees as required, and 50% of the cost to install the 8-inch component of the 12-inch water main located in Avenue 16, in the amount of \$906.00. On and after connection of APPLICANT'S property to the CITY water system, APPLICANT shall pay to CITY the appropriate monthly water service charges.

3. APPLICANT agrees that connection at this time is for the purpose of providing domestic water service to property located on the south side of Avenue 16, west of Chapin Street. Any future water connection for property development purposes is subject to approval of CITY.

4. APPLICANT hereby agrees, prior to receipt of CITY water service, to install a water meter and a reduced pressure back flow prevention device at property line in accordance with City Standard Specifications and destroy any existing wells in accordance with the Madera County and California Department of Health Standards.

5. APPLICANT hereby agrees to the annexation to the CITY of all of APPLICANT'S property described herein and agrees to pay any and all fees and charges associated therewith and hereby irrevocably consents to the annexation of said real property as soon as the Subject Property meets the standards for annexation as determined by the City and waives any right to protest such annexation.

6. APPLICANT agrees that water connection shall be subject to all City water regulations and fines as may be contained in City of Madera Municipal Code.

7. CITY reserves the right to terminate water service provided herein in the event of breach by APPLICANT of any of the terms of the agreement, including but not necessarily limited to the non-payment of monthly service charges. In no event shall APPLICANT'S consent to annexation, however, be considered revocable as a result of the terms of this paragraph.

8. This agreement shall be recorded and is considered a covenant running with the land and is binding upon APPLICANT, APPLICANT'S heirs, executors, administrators, assigns and successors in interest.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year hereinabove first written.

CITY OF MADERA

CITY OF MADERA

Accepted by:

By: \_\_\_\_\_

By: \_\_\_\_\_

Andrew J. Medellin, Mayor

Keith B. Helmuth

City Engineer

ATTEST:

OWNERS/APPLICANTS

Reginaldo Medina and Aurora Medina,  
husband and wife as joint tenants

By: \_\_\_\_\_

Sonia Alvarez, City Clerk

Reginaldo Medina  
Reginaldo Medina

APPROVAL AS TO FORM:

Aurora Medina  
Aurora Medina

By: \_\_\_\_\_

Brent Richardson, City Attorney

ATTACH NOTARY

ACKNOWLEDGEMENTS

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

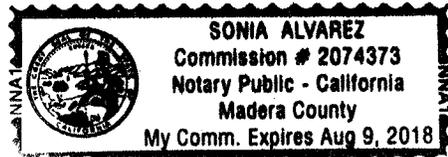
State of California )
County of Madera )

On 3/8/17 before me, Sonia Alvarez, Notary Public, personally appeared Reginaldo Medina and Aurora Medina, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sonia Alvarez (Seal)



DESCRIPTION OF ATTACHED DOCUMENT (OPTIONAL)

Title or Type of Document: Agreement for Outside City Limits Water Connection

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name: Signer's Name:

Title: Title:

Recording Requested By:  
City of Madera  
When Recorded Return To:  
City of Madera, City Clerk  
205 W. 4th Street  
Madera, CA 93637

Fee Waived

Per Section 27383 of the Government Code

No Doc. Tax Due

**COVENANT TO ANNEX TO THE CITY OF MADERA  
AND WAIVE THE RIGHT TO PROTEST THERETO**

**RECITALS**

WHEREAS, the undersigned, Covenantors, hereby represent and warrant that they are the record owner of the real property (the "Subject Property") commonly known as 27722 Avenue 16 (APN 037-133-001), situated in the County of Madera, State of California, and more particularly described as:

The land referred to is situated in the unincorporated area of the County of Madera, State of California, and is described as follows:

BEGINNING AT THE Northwest corner of Lot 1 of William B. Meikle Tract according to the Map entitled, "William B. Meikle Tract", filed and recorded in Book 4 of Maps, at Page 58, Madera County Records; thence East 72.5 feet; thence South 301 feet; thence West 72.5 feet; thence North along the West line of said Lot 1, a distance of 301 feet to the point of beginning.

APN: 037-133-001

WHEREAS, the Covenantors hereby warrant that any and all parties having record title interest in the Subject Property which may ripen into a fee have subordinated to this instrument; and

WHEREAS, all such instruments of Subordination, if any are attached hereto and made a part of this instrument; and

WHEREAS, Covenantor's property currently is located in unincorporated portion of Madera County and they are seeking permission from the City to connect to the City water system located adjacent to Covenantor's property.

### **COVENANTS**

NOW, THEREFORE, the Covenantors hereby covenant, promise and agree with the City of Madera, for the benefit of said City its public property and the Subject Property, as follows:

1. The Covenantors hereby agree to willingly participate in the annexation of the Subject Property to the City of Madera, including filing an application for annexation and paying all applicable fees related thereto as soon as the Subject Property meets the standards for annexation as determined by the City.
2. The Covenantors hereby agree to the annexation of the Subject Property and waive any right to protest the annexation thereof.
3. Whenever the context hereof requires, the neuter shall include the masculine or feminine, or both, the singular shall include the plural. It is the intention hereof that this document shall constitute a covenant running with the Subject Property owned by the Covenantors, jointly and severally binding upon the undersigned and each of their heirs, representatives, successors and assigns.
4. The Covenant shall be released and of no further effect upon a written determination by the City Engineer of the City of Madera that its continued existence and enforcement are no longer necessary.

CITY OF MADERA

Accepted by:

By: \_\_\_\_\_

Keith B. Helmuth

City Engineer

CITY OF MADERA

By: \_\_\_\_\_

Andrew J. Medellin, Mayor

COVENANTORS

ATTEST:

Reginaldo Medina and Aurora Medina,  
husband and wife as joint tenants

By: \_\_\_\_\_

Sonia Alvarez, City Clerk

Reginaldo Medina

Reginaldo Medina

APPROVAL AS TO FORM:

Aurora Medina

Aurora Medina

By: \_\_\_\_\_

Brent Richardson, City Attorney

ATTACH NOTARY

ACKNOWLEDGEMENTS

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

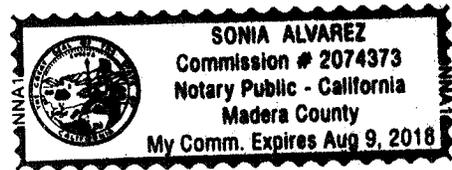
State of California )
County of Madera )

On 3/8/17 before me, Sonia Alvarez, Notary Public, personally appeared Reginaldo Medina and Aurora Medina, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sonia Alvarez (Seal)



DESCRIPTION OF ATTACHED DOCUMENT (OPTIONAL)

Title or Type of Document: Covenant to Annex

Document Date:

Number of Pages:

Signer(s) Other Than Named Above:

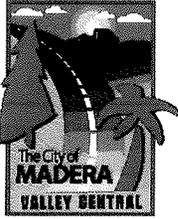
CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name:

Signer's Name:

Title:

Title:



## REPORT TO THE CITY COUNCIL

COUNCIL MEETING OF: March 15, 2017

AGENDA ITEM NUMBER: B-6

APPROVED BY:

  
\_\_\_\_\_  
GRANTS ADMINISTRATOR

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

**SUBJECT: Consideration of a Resolution Approving the Submission of a Grant Application to the Housing Related Parks Program 2016 and Authorizing the City Administrator to Execute All Required Grant Documents**

### RECOMMENDATION:

Staff recommends that Council approve a resolution authorizing the submission of a Housing Related Parks Program application on behalf of the City of Madera.

### DISCUSSION:

On November 16, 2016, the California Department of Housing and Community Development Department released the Housing Related Parks Program (HRPP) application for the 2016 funding round. The HRPP is an innovative Program designed to reward local governments that create housing units for lower-income households and are in compliance with State housing element law.

Successful recipients receive grants funds that can be used towards the creation or rehabilitation of parks and/or recreational facilities. Grant awards range from a minimum of \$75,000 with no maximum and do not require a match of local funds. The State estimates that approximately \$35 million is available for the 2016 funding round, which is anticipated to be the final HRPP funding cycle. Both the Knox Park and Centennial's Inclusive Playground projects were largely funded with two previous HRPP grants received by Madera's Parks & Community Services Department totaling \$826,250.

Staff determined that the City meets the minimum requirements to submit an HRPP application and believes that our park system would benefit from such an award. Because projects in the applications that fall within identified census tracts are favored, the Parks Department identified a potential project as the creation of a new park in the Northeast section of the City, where there is a significant shortage of park space. Should grant funds be received, they will be programmed into the capital improvement program (CIP). All CIP projects are ultimately subject to Council approval.

**FISCAL IMPACT:**

Submission of a grant application to the HRP Program for FY 2016-2017 will not impact the General Fund as all costs associated with a successful application will be borne by grant resources. Any further impacts will be brought to Council for further action.

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

Submission of a grant application to the HRPP Program supports the objectives of Strategy 115 by seeking sufficient economic resources to provide adequate City services and prepare for future growth.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,  
CALIFORNIA, AUTHORIZING APPLICATION FOR HOUSING RELATED  
PARKS GRANT**

**WHEREAS:**

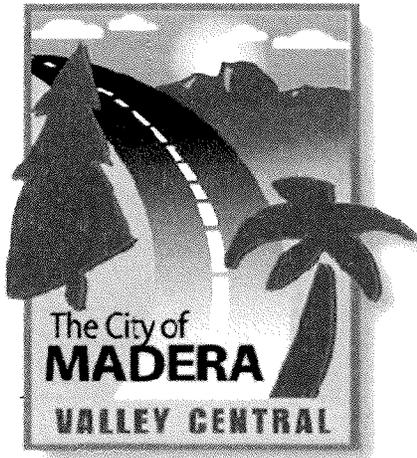
- A. The State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated November 16, 2016 (NOFA), under its Housing-Related Parks (HRP) Program.
- B. The City of Madera (Applicant) desires to apply for a HRP Program grant and submit the 2016 Designated Program Year Application Package released by the Department for the HRP Program.
- C. The Department is authorized to approve funding allocations for the HRP Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement.

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

- 1. The above recitals are true and correct.
- 2. Applicant is hereby authorized and directed to apply for and submit to the Department the HRP Program Application Package released November 2016 for the 2016 Designated Program Year in an amount not to exceed \$550,000. If the application is approved, the Applicant is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in an amount not to exceed \$550,000, and any and all other documents required or deemed necessary or appropriate to secure the HRP Program Grant from the Department, and all amendments thereto (collectively, the "HRP Grant Documents").
- 3. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in **Exhibit A** of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

4. The City Administrator, or his/her designee, is/are authorized to execute in the name of Applicant the HRP Program Application Package and the HRP Grant Documents as required by the Department for participation in the HRP Program.
5. This resolution is effective immediately upon adoption.

\*\*\*\*\*



## PUBLIC WORKS DEPARTMENT REPORT TO CITY COUNCIL

MEETING DATE: March 15, 2017

AGENDA ITEM NUMBER: C-1

Approved By:

  
PUBLIC WORKS DIRECTOR

  
CITY ADMINISTRATOR

### SUBJECT:

Second Reading and Consideration of Adoption of an Ordinance Amending the City Municipal Code Relating to Organic Waste Recycling.

### RECOMMENDATION:

Staff recommends that the Council conduct a second reading and adopt the proposed ordinance regarding organic waste recycling.

### SUMMARY:

The Council is being asked to implement new organic waste recycling regulations needed to implement the requirements of State Bill AB1826. It would require businesses that generate organic waste to comply with the State Statutes by utilizing organic waste recycling/disposal services offered by the City. The ordinance was introduced at a public hearing during the last Council meeting; this is the last step to adoption.

### DISCUSSION:

New organic waste services are necessary to implement the mandates passed by the State in AB1826, which requires businesses to recycle their organic waste on and after April 1, 2016. Organic waste includes food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste. The legislation initially targeted businesses that generate 8 cubic yards of organic waste per week. However, the mandatory threshold for participation has decreased from the initial 8 cubic yards per week to 4 cubic yards per week as of January 1, 2017; and in 2019 will further decrease the participation level to any generator of 4 cubic yards or more of solid waste.

It is estimated that initially there will be less than 100 business that will be subject to this new requirement and an estimated additional 100-150 businesses may be impacted as the requirement threshold falls to 2 cubic yards per week. The City's waste hauler contractor, Mid Valley Disposal, will provide the collection services and processing of the organic waste. City staff will provide the required outreach of educational material for impacted businesses and sign them up for the new services. City Staff will also provide the annual progress reports to Cal Recycle.

The proposed amendment to the Municipal Ordinance, shown below, will implement the State's requirements by making organic waste services mandatory based on the volumes of organic waste generated. The amendment does provide the ability for staff to issue warnings and violations in the event waste generating businesses are continually uncooperative in complying with the requirements. The attached implementation policy makes it abundantly clear that education and encouragement are anticipated to be the main tools for gaining compliance with the State's requirements, that citations would only be used as a last resort.

**PROPOSED AMENDMENT:**

**§ 5-3.02 CHARGES FOR REFUSE COLLECTION AND RECYCLING SERVICES**

- (A) All occupied premises within the city shall have refuse and recycling collection services for the collection, removal, and disposal of refuse and recycling of recyclable materials produced upon the premises for which services a charge shall be collected. [All commercial business that generates food waste shall maintain organic waste recycling collection service required by the State of California as provided through the City and shall segregate all organic food waste being disposed of from other waste as defined in sections 42649.8 et seq. of the Public Resources Code.] The charges for such services shall be based upon the average volume of refuse and recycling of materials presented for disposal and from the services necessary in order to facilitate recycling collection and refuse disposal as determined by the City Administrator or his/her designee. All charges for these services shall be established by resolution of the Council pursuant to the provisions of this chapter, which resolution shall provide for additional charges for special services over and above those contemplated in this chapter. If any customer is delinquent in payment for services for 90 days or more, the city may remove any or all waste containers.

**FINANCIAL IMPACT:**

These expenses occur solely within the Solid Waste Fund. No negative financial impacts are anticipated, as the organic waste hauling fees are designed to generate revenues equal to all the costs of providing the services.

**MADERA VISION 2025:**

The proposed actions are specifically consistent with the Madera Vision Plan, Action Item 437, Recycling Programs: Promote recycling through multiple programs.

**ORDINANCE NO. \_\_\_\_\_**  
**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MADERA**  
**AMENDING CHAPTER 3 OF TITLE V OF THE MADERA MUNICIPAL CODE**  
**RELATING TO COLLECTION OF REFUSE & RECYLING**

**WHEREAS**, it is necessary for the City to further refine regulations relating to the collection of refuse & recycling within the City.

**WHEREAS**, the City has considered the totality of the Municipal ordinance pertaining to the collection of refuse & recycling and has determined that certain provisions are needed for the effective implementation and protection of the City's health.

**THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA,**  
**DOES ORDAIN AS FOLLOWS:**

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Subsection (A) of Section 02, of Chapter 3, of Title V, of the Madera Municipal Code is hereby amended to read as follows:

**§ 5-3.02 CHARGES FOR REFUSE COLLECTION AND RECYCLING SERVICES**

(A) All occupied premises within the city shall have refuse and recycling collection services for the collection, removal, and disposal of refuse and recycling of recyclable materials produced upon the premises for which services a charge shall be collected. [All commercial business that generates food waste shall maintain organic waste recycling collection service required by the State of California as provided through the City and shall segregate all organic food waste being disposed of from other waste as defined in sections 42649.8 et seq. of the Public Resources Code.] The charges for such services shall be based upon the average volume of refuse and recycling of materials presented for disposal and from the services necessary in order to facilitate recycling collection and refuse disposal as determined by the City Administrator or his/her designee. All charges for these services shall be established by resolution of the Council pursuant to the provisions of this chapter, which resolution shall provide for additional charges for special services over and above those contemplated in this chapter. If any customer is delinquent in payment for services for 90 days or more, the city may remove any or all waste containers.

Section 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or void for any other reason.

Section 4. Effective Date. This ordinance shall be effective and of full force and effect at 12:01 a.m. on the 31<sup>st</sup> day after its passage.

\* \* \* \* \*

## **City of Madera - Public Works Department**

### **Organic Waste Recycling Program – Education & Enforcement Policies**

Purpose: These provisions are being described to provide informal administrative direction to City staff to enable consistent and reasonable implementation and/or enforcement of the provisions regarding organic waste recycling, as called for in the Madera Municipal Code §5-3.02(A).

#### Directive 1:

While violation of the provisions requiring segregation of organic waste from other waste streams and requirements for City organic recycling services based on the volume of waste generated is punishable as an infraction per §1.9.06(B), **the primary tool for gaining compliance shall be education and encouragement.** Only after these means fail are the following measures to be documented and further action taken to gain compliance. City staff and the City's waste hauler shall focus on providing customers informational material and onsite explanations and guidance for segregation of organic waste.

#### Directive 2:

Upon City staff learning of a customer that may exceed the thresholds of organic waste generation quantities, as designated by the State, staff shall contact the waste generator and provide them with information on the requirements, the means of determining that they are subject or exempt from the requirements and means to comply with the organic waste program. The approach shall endeavor to focus on being a facilitator for the customer to gain compliance while being considerate that the customer may be unfamiliar with the provisions and these may not be a priority for their business operations. Only if documented, repeated attempts to assist the customer to come into compliance fail should staff proceed to the steps in Directive 5 to mandate compliance.

#### Directive 3:

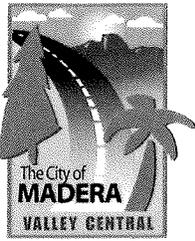
Failure to segregate waste or contamination of organic waste with non-organic material shall not be considered to occur unless, by a reasonable visual estimate, it is apparent that more than 10% of the refuse in a waste collection container is incorrect material.

#### Directive 4:

Upon being notified by the waste hauler or others that organic waste is not being properly segregated, City staff shall contact the customer and provide them information on what the concern is and what is needed to correct the issue. Staff may monitor the user and coach them, if needed, to help them properly segregate the material. Staff may enlist the hauler's collection crews to tag containers with contaminated organic waste and distribute information on identification of appropriate organic waste material.

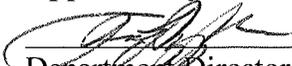
#### Directive 5:

If repeated contact and coaching fails to change the situation, staff shall issue a Notice of Correction that calls for the situation to be corrected (within 10 days minimum). The notice shall include clear information on what must be done to correct the situation and contact information for City staff to assist them with compliance. Also it shall have a clear warning that failure to resolve the issue within the specified time will result in a fine, and subsequent violations could result in increasing fines and penalties. Unpaid fines and penalties could lead to collection mechanisms including a lien being placed on the property. Staff shall document all contacts and attempts to assist with compliance and endeavors to fully disclose the customer's options, the enforcement process, appeal procedures and the City's preference to assist them in finding a solution to their situation rather than levying fines.



## REPORT TO CITY COUNCIL

Approved by:

  
\_\_\_\_\_  
Department Director

  
\_\_\_\_\_  
City Administrator

Council Meeting of: March 15, 2017

Agenda Number: E-1

**SUBJECT:** Acceptance of the Audited Financial Statements and Single Audit Report (Federal Grants) for the Fiscal Year ended June 30, 2016

**RECOMMENDATION:** Acceptance of Audited Financial Statements and Single Audit Report for Fiscal Year ended June 30, 2016.

**SUMMARY:** The City of Madera's (City's) Financial Statements for Fiscal Year ended June 30, 2016 have been audited by an independent accounting firm and an Unqualified Opinion (clean opinion) has been issued.

**DISCUSSION:** In accordance with the Single Audit Act of 1984 and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, the City is required to have an independent firm audit their Financial Statements whenever \$500,000 in Federal grants are received for any Fiscal Year. The audit must follow Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants and comply with the standards for financial audits set forth in the U.S. General Accounting Office's Governments Auditing Standards (1994). The audit completed for Fiscal Year ending June 30, 2016 complies with all the provisions and standards previously stated and the City's Financial Statements have been found to be in conformity with Generally Accepted Accounting Principles.

Copies of the most recent Audited Financial Statements and Single Audit Reports will be posted on the City's website. Fausto Hinojosa, Managing Partner of Price Page & Company will present the Financial Statements and Single Audit Report and discuss their results with the City Council, this evening.

For the upcoming audit of the City's 2016/2017 financial statements, staff has established the goal of issuing comprehensive annual financial report (CAFR), which include more components than the audited financial statements, take more staff and auditors' time to prepare and when done right can result in CAFR awards from the California Society of Municipal Finance Officers (CSMFO) and/or the Government Finance Officers Association (GFOA). The differences between the two types of financial statements or reports will be discussed in slightly more detail during this presentation.

**FINANCIAL IMPACT:** No financial impact to the City.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:** Acceptance of the audited Financial Statements and Single Audit Report is not addressed in the vision or action plans; the submitted item is also not in conflict with any of the actions or goals contained in that plan.



February 28, 2017

To the Honorable Mayor and Members of the City Council of the  
City of Madera, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Madera, California (the City) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 9, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 18 to the financial statements, the City changed accounting policies related to Fair Value Measurement by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 72, Fair Value Measurement and Application, in 2016. Accordingly, the cumulative effect of the accounting change is reported in the notes to the financial statements (see Note 2). We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

677 Scott Avenue  
Clovis, CA 93612  
tel 559.299.9540  
fax 559.299.2344

Management's estimate of the allowance for doubtful accounts is based on historical revenues and analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Other post-employment benefit obligation is determined using terms of various health care plans offered, together with relevant actuarial assumptions and health care cost trend rates, projected annual rates and discount rate. We evaluated the key factors and assumptions used to develop the other post-retirement benefit obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

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

The financial statement disclosures are neutral, consistent and clear.

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The material misstatements (see attached schedule) detected as a result of audit procedures were corrected by the management.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 28, 2017.

*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 the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City'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 management's discussion and analysis, budgetary comparison information and schedules of funding progress listed in the table of contents be presented to supplement the basic financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

*Price Pange & Company*

**City of Madera  
Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit
AJE01	Adjusting	06/30/16			
		2-40845-0501-9519	Due to Developers	470,339.88	
		2-40845-0000-9999	Prior Period Adjustments		470,339.88
		2-40846-0505-9519	Due to Developers	1,109,472.12	
		2-40846-0000-9999	Prior Period Adjustments		1,109,472.12
		2-40952-0544-9519	Due to Developers	362,367.17	
		2-40952-0000-9999	Prior Period Adjustments		362,367.17
		2-45100-6445-9519	Due to Developers	215,429.23	
		2-45100-0000-9999	Prior Period Adjustments		215,429.23
		2-45156-0564-9519	Due to Developers	63,250.00	
		2-45156-0000-9999	Prior Period Adjustments		63,250.00
		2-45220-6835-9519	Due to Developers	676,603.20	
		2-45220-0000-9999	Prior Peirod Adjustments		676,603.20
		2-45262-0657-9519	Due to Developers	186,974.76	
		2-45262-0000-9999	Prior Period Adjustments		186,974.76
			To remove 6/30/15 balance in due to developers account and record prior period adjustment.		
AJE02	Adjusting	06/30/16			
		2-40845-0501-9519	Due to Developers		360,160.37
		2-40845-0501-3800	Developer Reimbursement	360,160.37	
		2-40846-0505-9519	Due to Developers		392,654.45
		2-40846-0505-3800	Developer Reimbursement	392,654.45	
		2-45100-6445-9519	Due to Developers		42,948.20
		2-45100-6445-3800	Developer Reimbursement	42,948.20	
		2-45220-6835-9519	Due to Developers		325,440.28
		2-45220-6835-3800	Developer Reimbursement	325,440.28	
			To adjust current year reimbursements to developers from due to developers account to developer reimbursement expense.		
AJE03	Adjusting	06/30/16			
		2-40948-0524-9519	Due to Developers	204,425.00	
		2-40948-0524-9710	Fund Balance - Unappropriated		204,425.00
			To reverse Journal 01088 Due to Developer: Road 28 Sewer Reimb.		
AJE04	Adjusting	06/30/16			
		5-20400-3070-9510	Accounts Payable - Rd. 28 Sewer -	115,113.00	
		5-20400-0000-9999	Prior Period Adjustments		115,113.00
			To remove \$115,113 A/P balance in sewer fund and record prior period adjustment.		

**City of Madera  
Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit
AJE05	Adjusting	06/30/16			
		1-10200-1615-5002	Expenditures - Capital Lease	261,257.48	
		1-10200-1795-5002	Expenditures - Capital Lease	231,987.82	
		1-10200-1060-8448	Other Financing Sources		261,257.48
		1-10200-1060-8448	Other Financing Sources		231,987.82
		To adjust other financing sources and capital outlay related to ERP & Fire Truck lease to the correct amounts.			
AJE06	Adjusting	06/30/16			
		1-10200-1615-3017	Software Costs		71,470.30
		1-10200-8900-3017	Software Costs		1,072.78
		1-10200-1615-8348	Interfund Charges - Admin. Overh		17,606.14
		1-10200-1615-6002	Lease Payment	78,797.09	
		1-10200-1615-6000	Interest Expense	11,352.13	
		To adjust principal & interest payments from software costs to lease payment and record charges for services to funds.			
AJE07	Adjusting	06/30/16			
		5-20300-2632-9215	Amortized Issuance Cost-2015 Bon		13,896.37
		5-20300-2632-3501	Amortization Expense - 2015 MPF		356.32
		5-20300-2632-6002	Bonds Issuance Costs	14,252.69	
		5-20400-4227-9215	Amortized Issuance Costs-2015 Bo		198,720.41
		5-20400-4227-3501	Amortization Expense - 2015 MPF		5,095.40
		5-20400-4227-6002	Bonds Issuance Costs	203,815.81	
		To reclassify bonds issuance costs related to 2015 refunding bonds from unamortized issuance costs to expense.			
AJE08	Adjusting	06/30/16			
		1-10200-1615-5002	Expenditures - Capital Lease	22,775.14	
		1-10200-1060-9513	Accounts Payable - Manual Setups		22,775.14
		To accrue ERP invoices related to FY16. (Journal C-12209)			

**City of Madera  
Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit
AJE09	Adjusting	06/30/16			
		5-20300-2770-0005	Infrastructure		123,671.73
		5-20300-2770-0005	Infrastructure	46,725.00	
		5-20300-2785-8320	Capital Contribution	76,946.73	
		5-20300-2770-0006	Accum Dep - Infrastructure	1,648.96	
		5-20300-2770-0006	Accum Dep - Infrastructure		623.00
		5-20300-2785-3500	Depreciation / Replacement		1,025.96
		5-20400-3460-0005	Infrastructure		199,095.84
		5-20400-3460-0005	Infrastructure	61,200.00	
		5-20400-3085-8320	Capital Contribution	137,895.84	
		5-20400-3460-0006	Accum Dep - Infrastructure	2,654.61	
		5-20400-3460-0006	Accum Dep - Infrastructure		816.00
		5-20400-3085-3500	Depreciation / Replacement		1,838.61
		5-45000-6130-0005	Infrastructure		234,054.36
		5-45000-6130-0005	Infrastructure	109,104.00	
		5-45000-6130-0005	Infrastructure		251,500.00
		5-45000-6130-0005	Infrastructure	179,068.00	
		5-45000-6429-8320	Capital Contribution	197,382.36	
		5-45000-6130-0006	Accum Dep - Infrastructure	3,120.72	
		5-45000-6130-0006	Accum Dep - Infrastructure		1,454.72
		5-45000-6130-0006	Accum Dep - Infrastructure	3,353.33	
		5-45000-6130-0006	Accum Dep - Infrastructure		2,387.57
		5-45000-6429-3500	Depreciation / Replacement		2,631.76
			To correct infrastructure costs, accumulated dep. & depreciation exp related to developer contribution.		
AJE10	Adjusting	06/30/16			
		2-43800-6065-9110	Accounts Receivable	34,050.50	
		2-43800-6065-8765	Periodic Payment/Loan Pay		34,050.50
			To record interest income that was originally recorded as a reduction of an outstanding loan balance.		

**CITY OF MADERA  
CALIFORNIA**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2016**

**CITY OF MADERA  
CALIFORNIA  
SINGLE AUDIT REPORT  
JUNE 30, 2016**

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

To the Honorable Mayor and Members of the City Council of the  
City of Madera  
Madera, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Madera, California (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 28, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2016-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

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

## **City of Madera's Response to Finding**

The City's response to the finding identified in our audit is described in the management's response following schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

*Price Pange & Company*

Clovis, California  
February 28, 2017

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

To the Honorable Mayor and Members of the City Council of the  
City of Madera  
Madera, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Madera, California's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Madera, California complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 28, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

*Price Pange & Company*

Clovis, California  
February 28, 2017

**CITY OF MADERA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<b>Direct Award:</b>			
<b>Bureau of Justice Assistance</b>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0225	\$ 35,478
			<u>35,478</u>
<b>Direct Award:</b>			
<b>Community Oriented Policing Services</b>			
COP Hiring Program 2013	16.710	2013UMWX0034	83,333
COP Hiring Program 2014	16.710	2014UMWX0010	155,343
			<u>238,676</u>
<b>Total U.S. Department of Justice</b>			<u>274,154</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<b>Direct Award:</b>			
<b>Office of Community Planning and Development</b>			
<b>CDBG - Entitlement Grants Cluster</b>			
Community Development Block Grant/Entitlement Grants	14.218	B-01MC-06-0053	700,000
Community Development Block Grant/Entitlement Grants	14.218	B-14MC-06-0053	244,930
Community Development Block Grant/Entitlement Grants	14.218	B-15MC-06-0053	789,158
<b>Total CDBG - Entitlement Grants Cluster</b>			<u>1,734,088</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,734,088</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<b>Direct Award:</b>			
<b>Federal Transit Administration</b>			
<b>Federal Transit Cluster</b>			
Federal Transit Formula Grants	20.507	CA-90-Z193-02	731,688
<b>Total Federal Transit Cluster</b>			<u>731,688</u>
<b>Direct Award:</b>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program	20.106	3-06-0144-25-2013	15,000
			<u>15,000</u>
<b>Pass-through California Department of Transportation</b>			
<b>Highway Planning and Construction Cluster</b>			
Highway Planning and Construction	20.205	BPMP-5157(096)	2,251
Highway Planning and Construction	20.205	CML-5157(079)	28,227
Highway Planning and Construction	20.205	CML-5157(085)	173,472
Highway Planning and Construction	20.205	CML-5157(094)	1,132
Highway Planning and Construction	20.205	CML-5157(095)	7,697
Highway Planning and Construction	20.205	HSIPL-5157(084)	248,699
Highway Planning and Construction	20.205	STPLR-7500(208)	227,384
Highway Planning and Construction	20.205	CML-5157(097)	382,275
<b>Total Highway Planning and Construction Cluster</b>			<u>1,071,137</u>
<b>Total U.S. Department of Transportation</b>			<u>1,817,825</u>

The accompanying notes are an integral part of this statement.

**CITY OF MADERA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<b>Pass-through Fresno-Madera Area Agency on Aging</b>			
<b>  Aging Cluster</b>			
Special Programs for the Aging - Title III -			
Title IIIB Grants for Supportive Services	93.044	16-0143	33,368
Title IIIB Grants for Supportive Services	93.044	16-0144	10,195
Title IIIC 1 Grants for Congregate Nutrition	93.045	16-0147	<u>28,000</u>
<b>Total Aging Cluster</b>			<u>71,563</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>71,563</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,897,630</u>

The accompanying notes are an integral part of this statement.

**CITY OF MADERA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the City of Madera. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included in the schedule. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**BASIS OF ACCOUNTING**

The accompanying schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

**RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**INDIRECT COST RATE**

The City has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**LOAN AND LOAN GUARANTEE PROGRAMS**

The City was awarded two federal grants from the HOME Investment Program (HOME) administered through the State of California in a prior year. The proceeds of these grants were used to provide loans towards the construction of two multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years.

The balance of the loans receivable outstanding at June 30, 2016 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Pass Through Grantors Number</u>	<u>Outstanding Balance at June 30, 2016</u>
14.239	HOME Investment Partnership Program	08-HOME-4870	\$ 2,962,234
14.239	HOME Investment Partnership Program	11-HOME-6950	4,534,343

**CITY OF MADERA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u>  X  </u> yes	<u>      </u> no
Significant deficiencies identified - not considered to be material weaknesses?	<u>      </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

**FEDERAL AWARDS**

Internal control over major programs:		
Material weaknesses identified?	<u>      </u> yes	<u>  X  </u> no
Significant deficiencies identified - not considered to be material weaknesses?	<u>      </u> yes	<u>  X  </u> none reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>      </u> yes	<u>  X  </u> no

**IDENTIFICATION OF MAJOR PROGRAMS**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	<b>CDBG - Entitlement Grants Cluster</b> Community Development Block Grant/Entitlement Grants
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>      </u> yes <u>  X  </u> no

**CITY OF MADERA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**SECTION II – FINANCIAL STATEMENT FINDING**

**Finding 2016-001**

**Condition:** The City did not properly record all payables, expenses and revenues during the year-end closing process. During our audit we identified these errors and proposed the necessary accounting entries to correct the balances of these accounts. City management agreed with our adjustments and posted the entries.

**Criteria:** A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP.)

**Cause:** Financial closing adjustments to record year-end payables, expenses and revenues were not identified and posted to the City accounting records.

**Effect:** As a result of this condition, payables, expenses and revenues were initially materially misstated. Specifically, the misstatements were as follows:

- Deposit Payable - Overstated by \$2,074,302
- Accounts Payable - Overstated by \$115,113
- Infrastructure Costs - Overstated by \$412,225
- Revenues - Overstated by \$426,232
- Expenses - Understated by \$204,844

**Recommendation:** We recommend that the City enhance their year-end financial close procedures to include the additional steps, in detail, that should be undertaken at year-end to ensure proper reconciliation and reporting of all significant account balances.

**CITY OF MADERA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**SECTION III – FEDERAL AWARD FINDING**

None reported.

**CITY OF MADERA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

**FINANCIAL STATEMENT FINDING**

**Finding 2015-001**

**Condition:** The City did not properly record all payables, receivables and revenues during the year-end closing process. During our audit we identified these errors and proposed the necessary accounting entries to correct the balances of these accounts. City management agreed with our adjustments and posted the entries.

**Criteria:** A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP.)

**Cause:** Financial closing adjustments to record year-end payables, receivables and revenues were not identified and posted to the City accounting records.

**Effect:** As a result of this condition, payables, receivables and revenues were initially materially misstated. Specifically, the misstatements were as follows:

- Accounts Payable - Understated by \$33,207
- Interest Receivable - Overstated by \$140,767
- Accounts Receivable - Overstated by \$530,952
- Compensated Absences - Overstated by \$1,884,307
- Revenues - Understated by \$1,862,448

**Recommendation:** We recommend that the City create a year-end financial closing checklist which includes the necessary steps, in detail, that should be undertaken at year-end to ensure proper reconciliation and reporting of all significant account balances.

**Management's Response:**

The City concurs with the finding. Management will further enhance the year-end financial closing process to include the necessary steps to ensure proper reporting and reconciliation of all payable and receivable account balances.

**Status:** Not implemented

**CITY OF MADERA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2015-002**

**Condition:** The City did not file quarterly Federal Financial Reports (FFR) for its Community Development Block Grants/Entitlement Grants Program. We found that the reports required to be filed during the year ended June 30, 2015 were not submitted timely. Federal Program: Community Development Block Grants/Entitlement Grants; Community Development Block Grant Program for Entitlement Communities (CDBG), CFDA #14.218, Federal Award Number/Year: B-13MC-06-0053/2013 & B-14MC-06-0053/2014, Federal Agency: U.S. Department of Housing and Urban Development (HUD).

**Criteria:** Federal audit guidelines for Community Development Block Grants/Entitlement Grants Program (24 CFR 85.41) require that timely and accurate financial reports be submitted to the federal granting agency.

**Cause:** The City does not have adequate internal control procedures to ensure that timely financial reports are prepared, reviewed and filed.

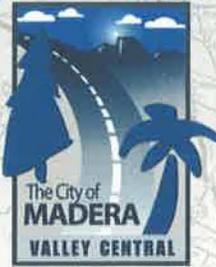
**Effect:** The federal financial reports filed with HUD were not filed timely and as a result the City was not in compliance with the grant requirements.

**Recommendation:** The City should establish an adequate system of internal control over financial reporting that includes preparation, review and timely submission of financial reports filed with federal granting agencies. A management level employee should review the report for accuracy prior to submission.

**Management's Response:**

The City concurs with the finding. Management will create a system to ensure that all Federal reports that are required to be filed are generated and submitted in a timely manner.

**Status:** Implemented



February 28, 2017

In the City of Madera Schedule of Findings and Questioned Costs for the Year Ended June 30, 2016, the following recommendation was made:

***Recommendation:*** *We recommend that the City enhance their year-end financial close procedures to include the additional steps, in detail, that should be undertaken at year-end to ensure proper reconciliation and reporting of all significant account balances.*

Staff from the City of Madera Finance Department agrees with the auditors' recommendation, and we will strive to enhance our year-end financial close procedures to include the additional steps, in detail, that should be undertaken at year-end to ensure proper reconciliation and reporting of all significant account balances.

Tim L. Przybyla  
Director of Financial Services

**CITY OF MADERA  
CALIFORNIA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2016**

**CITY OF MADERA  
CALIFORNIA**

**JUNE 30, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council of the  
City of Madera  
Madera, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-17, budgetary comparison information on pages 90-92, the schedules of changes in net pension liability and related ratios on page 94, schedule of contributions on pages 95 and 97, schedule of the City's proportionate share of the net pension liability on page 96, and schedule of funding progress – other postemployment benefits plan on page 98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### *Implementation of New Accounting Standards*

As disclosed in Note 18 to the financial statements, the City of Madera implemented GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 82, *Pension Issues*, during fiscal year 2016. Our opinion is not modified with respect to this matter.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2017, on our consideration of the City of Madera, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Price Pange & Company*

Clovis, California  
February 28, 2017

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

This discussion and analysis of the City of Madera's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

**Financial Highlights**

- The City's government-wide total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of the fiscal year by \$274.2 million. Of this amount, \$5.9 million is in unrestricted net position and available to meet the City's ongoing commitments to citizens and creditors. In addition, the City's restricted net position totals \$32.2 million and is dedicated to specific purposes. Lastly, net position of \$236.1 million is the City's net investment in capital assets.
- The City's total net position decreased by \$376,122 or 0.1% during 2015-2016 to \$274.2 million from \$274.6 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$46.7 million, a decrease of \$1,177,161 or 2.5% in comparison with the prior year. Approximately 27% of this amount (\$12.7 million) is available for spending at the City's discretion (unassigned fund balance).
- The City's General Fund, including Code Enforcement, Insurance Reserve, Payroll Clearing, Community Development and LEA Tire Grants, ended the year with a fund balance of \$14.4 million, which represents a net increase of approximately \$467,537 from the previous year. The unassigned balance of \$12.8 million is available for carryover to fund future general fund expenditures.
- Net pension liability increased by \$3.0 million or 10.3% during 2015-2016 to \$31.9 million from \$28.9 million. Deferred outflows of resources related to pensions increased by \$610,794 or 17%, deferred inflows of resources related to pensions decreased by \$3.4 million or 52.9%. The changes were mainly due to a net loss of \$1.0 between projected and actual investment earnings on plan assets, and an increase of \$2.0 million to the total pension liability resulting from changes of consumptions and differences between expected and actual experience.
- During the year, 14% - 20% rate increases were implemented for water and sewer services. Incremental rate increases over the next five years were approved by Council during the second quarter of calendar year 2015. Those rate increases will take effect in fiscal year 2016 and are projected to increase water revenues by 30% and sewer revenues by 9%. The water rate increases are projected to further increase water revenues by 30% in fiscal year 2017, 20% in 2018, 10% in 2019, and 3% in fiscal year 2020. Sewer rate increases are projected to further increase sewer revenues by 9% in fiscal year 2017, 9% in 2019, and 10% in fiscal year 2020.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements include all activities of the City of Madera, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Reporting the City as a Whole**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid out.

The *statement of net position* presents information on all the City's assets, liabilities, and deferred outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements of the City are divided as follows:

**Governmental Activities:** Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation and general government. These services are primarily financed by property and sales taxes and federal and state grants.

**Business-type Activities:** The City charges fees to customers to cover the costs of services provided. The City's utilities, water, sewer, community sanitation (refuse and street cleaning), golf course, and airport, as well as public transit services are included here.

The government-wide financial statements can be found on pages 21-23 of this report.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a governments near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations between governmental funds and governmental activities. This reconciliation explains the relationship (or differences) between the fund statements and the government-wide statements.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

The City of Madera maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, General Development Impact Fee Fund, and Special Gas Tax Fund all of which are considered to be major funds. Data from the other sixteen funds are combined into a single aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

**Proprietary funds.** The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for those activities that are supported primarily by user charges to external users, and includes community sanitation, sewer disposal, water and transit. Internal service funds are used to account for activities that are supported by user charges primarily to the City's other programs and activities and include fleet management, facility maintenance, and computer replacement. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Solid Waste, and Drainage Operations funds since they are all major funds. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All of the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-35 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefits of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use these funds to finance its operations.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the basic financial statements can be found on pages 38-88 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees, and budgetary comparison schedules. Required supplementary information can be found on pages 90-93 of this report.

**Individual Fund Statements.** Individual fund statements in connection with non-major governmental and enterprise funds are presented immediately the required supplementary information, which can be found on pages 100-109 of this report.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Government-wide Financial Analysis**

Below is a table showing the City's net position for the fiscal year ended June 30, 2016, with comparative data for the fiscal year ended June 30, 2015.

**City of Madera's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Current and other assets	\$ 54,159,131	\$ 54,948,060	\$ 28,242,979	\$ 27,315,807	\$ 82,402,110	\$ 82,263,867
Capital assets	<u>184,266,904</u>	<u>187,136,655</u>	<u>105,558,379</u>	<u>108,017,716</u>	<u>289,825,283</u>	<u>295,154,371</u>
Total assets	<u>238,426,035</u>	<u>242,084,715</u>	<u>133,801,358</u>	<u>135,333,523</u>	<u>372,227,393</u>	<u>377,418,238</u>
<b>Deferred outflows of resources:</b>						
Contributions to pension plan in current fiscal year	3,695,181	3,095,002	498,955	488,340	4,194,136	3,583,342
Pension deferrals	<u>992,871</u>	<u>246,830</u>	<u>-</u>	<u>-</u>	<u>992,871</u>	<u>246,830</u>
Total deferred outflows of resources	<u>4,688,052</u>	<u>3,341,832</u>	<u>498,955</u>	<u>488,340</u>	<u>5,187,007</u>	<u>3,830,172</u>
<b>Liabilities:</b>						
Current and other liabilities	3,595,660	5,680,828	3,266,981	3,594,289	6,862,641	9,275,117
Long-term liabilities	<u>37,321,820</u>	<u>33,556,847</u>	<u>55,386,782</u>	<u>57,152,726</u>	<u>92,708,602</u>	<u>90,709,573</u>
Total liabilities	<u>40,917,480</u>	<u>39,237,675</u>	<u>58,653,763</u>	<u>60,747,015</u>	<u>99,571,243</u>	<u>99,984,690</u>
<b>Deferred inflows of resources:</b>						
Pension deferrals	2,726,958	5,549,900	316,780	905,957	3,043,738	6,455,857
Deferred service concession agreement receipts	-	-	130,000	170,000	130,000	170,000
Gain on refunding of debt	<u>-</u>	<u>-</u>	<u>407,678</u>	<u>-</u>	<u>407,678</u>	<u>-</u>
Total deferred inflows of resources	<u>2,726,958</u>	<u>5,549,900</u>	<u>854,458</u>	<u>1,075,957</u>	<u>3,581,416</u>	<u>6,625,857</u>
<b>Net position:</b>						
Net investment in capital assets	178,483,617	182,403,676	57,639,498	58,455,927	236,123,115	240,859,603
Restricted	32,193,071	32,671,232	-	-	32,193,071	32,671,232
Unrestricted	<u>(11,207,039)</u>	<u>(14,435,936)</u>	<u>17,152,594</u>	<u>15,542,964</u>	<u>5,945,555</u>	<u>1,107,028</u>
Total net position	<u>\$ 199,469,649</u>	<u>\$ 200,638,972</u>	<u>\$ 74,792,092</u>	<u>\$ 73,998,891</u>	<u>\$ 274,261,741</u>	<u>\$ 274,637,863</u>

As of June 30, 2016, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$274.2 million. Governmental activities finished the year with a positive net position balance of \$199.4 million, a decrease of \$1.2 million, or 1% compared to 2015. Business-type activities finished the year with a positive balance of \$74.7 million, an increase of \$8 million or 1% compared to 2015. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. Of the total net position, \$236.1 million or 86% is the City's net investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and the road network) less any related debt used to acquire those assets that is still outstanding.

The City's net investment in capital assets decreased by \$4.7 million, restricted net position decreased by \$478,161 and unrestricted net position increased by \$4.8 million, accounting for the decrease in total net position of \$376,122. The decrease in net investment in capital assets is primarily due to the depreciation expense of \$12.4 million offset by additions to capital assets of \$6.5 million. The decrease to restricted net position represents the change in resource that are subject to external restrictions on their use. Net position restricted for community development decrease by \$1.7 million and net position restricted for public works and transportation increased by \$1.1 million compared to prior year. The increase to unrestricted net position is due to a change in resources available to fund City programs for citizen and debt obligations to creditors.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

All of the City's long-term liabilities relate to the acquisition of capital assets. Some of those assets include the City's Youth Center, police facility, and sewer and water infrastructure including the water and wastewater treatment plant, a sewer truck and a municipal golf course facility. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents \$32 million or 12% of the total. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds are set forth by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position represents \$5.9 million or 2% of the total net position, which is an increase of 4.8 million or 437% from the previous year. Governmental activities account for a negative \$11.2 million of the total unrestricted net position and increased by \$3.2 million or 22% compared to last year. Business-type activities account for \$17.1 million of the total unrestricted net position and increased by \$1.6 million or 10% compared to last year.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Governmental activities.** Governmental activities account for \$199.4 million or 73% of the total government-wide net position. This is a decrease of \$1 million or 1% compared to June 30, 2015.

The following table indicates the changes in net position for governmental and business-type activities:

**City of Madera's Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,939,456	\$ 4,857,124	\$ 21,723,941	\$ 19,085,229	\$ 26,663,397	\$ 23,942,353
Operating grants and contributions	15,439,777	16,113,269	1,334,299	1,741,775	16,774,076	17,855,044
Capital grants and contributions	1,330,746	550,328	1,833,671	279,462	3,164,417	829,790
General revenues:						
Property taxes	3,571,669	2,837,432	58,333	70,353	3,630,002	2,907,785
Sales and use taxes	6,506,004	5,638,847	-	-	6,506,004	5,638,847
Franchise taxes	678,438	612,474	-	-	678,438	612,474
Other taxes	2,172,574	2,035,238	-	-	2,172,574	2,035,238
Investment earnings	603,795	309,988	210,257	262,948	814,052	572,936
Gain (loss) on sale of capital assets	16,304	26,983	4,250	14,476	20,554	41,459
Miscellaneous	580,398	577,213	34,976	28,170	615,374	605,383
Total revenues	<u>35,839,161</u>	<u>33,558,896</u>	<u>25,199,727</u>	<u>21,482,413</u>	<u>61,038,888</u>	<u>55,041,309</u>
<b>Expenses</b>						
General government	8,890,092	9,947,352	-	-	8,890,092	9,947,352
Public safety	14,722,091	13,710,629	-	-	14,722,091	13,710,629
Public ways and facilities	6,852,731	3,400,472	-	-	6,852,731	3,400,472
Social services	182,286	331,774	-	-	182,286	331,774
Culture and recreation	4,451,155	4,149,317	-	-	4,451,155	4,149,317
Community development	5,249,438	5,089,014	-	-	5,249,438	5,089,014
Interest on long-term debt	280,037	258,764	-	-	280,037	258,764
Local transit	-	-	2,051,814	1,996,563	2,051,814	1,996,563
Water	-	-	5,590,810	5,664,873	5,590,810	5,664,873
Sewer	-	-	8,476,744	7,573,475	8,476,744	7,573,475
Golf course	-	-	74,596	122,102	74,596	122,102
Airport	-	-	852,560	871,796	852,560	871,796
Solid waste	-	-	4,936,291	4,675,782	4,936,291	4,675,782
Drainage operations	-	-	1,024,498	900,903	1,024,498	900,903
Total expenses	<u>40,627,830</u>	<u>36,887,322</u>	<u>23,007,313</u>	<u>21,805,494</u>	<u>63,635,143</u>	<u>58,692,816</u>
Increase (decrease) in net position before transfers	(4,788,669)	(3,328,426)	2,192,414	(323,081)	(2,596,255)	(3,651,507)
Transfers	1,718,751	1,065,193	(1,718,751)	(1,065,193)	-	-
Increase (decrease) in net position	<u>(3,069,918)</u>	<u>(2,263,233)</u>	<u>473,663</u>	<u>(1,388,274)</u>	<u>(2,596,255)</u>	<u>(3,651,507)</u>
Net position - beginning	200,638,972	230,391,419	73,998,891	79,795,960	274,637,863	310,187,379
Prior period adjustments	1,900,595	(57,334)	319,538	81,394	2,220,133	24,060
Change in accounting principle	-	(27,431,880)	-	(4,490,189)	-	(31,922,069)
Net position - beginning, as restated	<u>202,539,567</u>	<u>202,902,205</u>	<u>74,318,429</u>	<u>75,387,165</u>	<u>276,857,996</u>	<u>278,289,370</u>
Net position - ending	<u>\$ 199,469,649</u>	<u>\$ 200,638,972</u>	<u>\$ 74,792,092</u>	<u>\$ 73,998,891</u>	<u>\$ 274,261,741</u>	<u>\$ 274,637,863</u>

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

Total governmental revenues for the year were \$35.8 million, which is \$2.2 million or 7% more than in 2015.

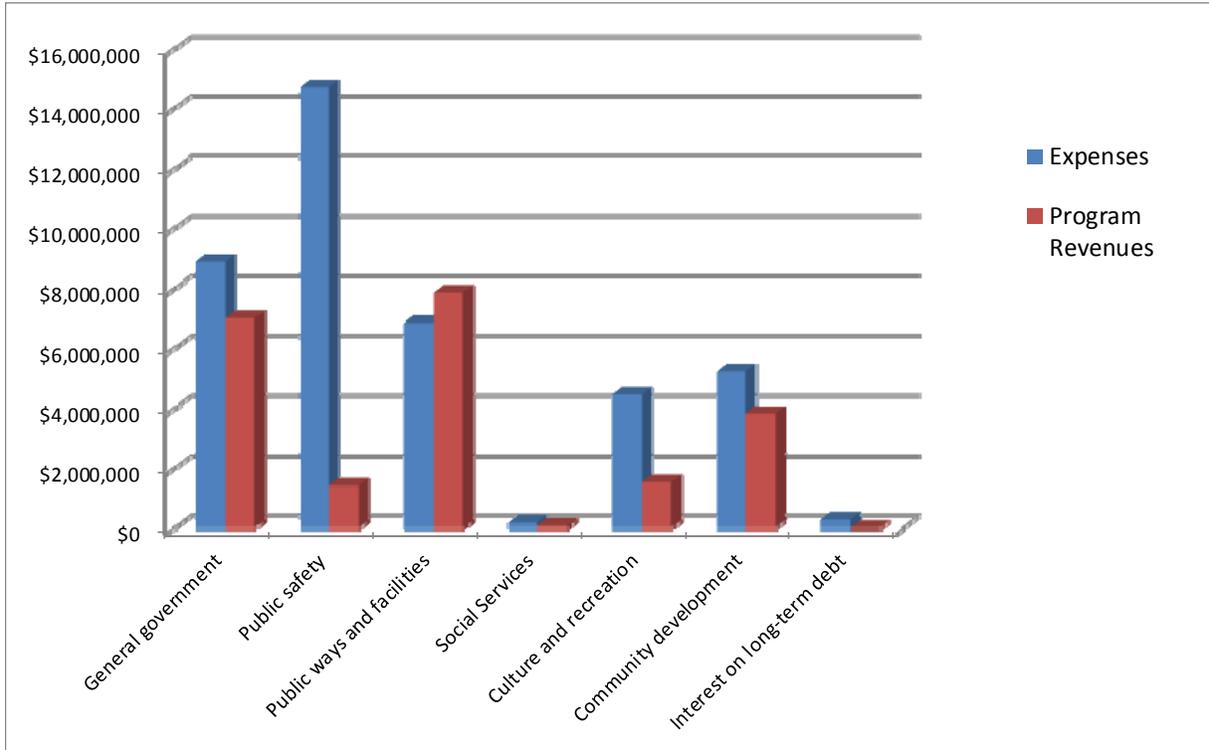
- Operating grants and contributions decreased by \$673,492 or 4% from the previous year. This is due to a decrease of activities in Community Development and an increase of activities for Capital Improvements.
- Capital grants and contributions increased by \$780,418 or 142% from the previous year, due mainly to CDBG Economic Development Grant for improvements to the Sewer system (\$700,000).
- Taxes, including property, sales, franchise, and other taxes account for approximately \$12.9 million or 36% of the City's governmental activities revenue. Total tax revenue increased \$1.8 million or 59% from the previous year primarily due to increases in property taxes, sales taxes, and property taxes in-lieu of vehicle license fees.
- Investment earnings increased by \$293,807 from the previous year due to rising interest rates.

Total governmental expenses for the year were \$40.6 million, which is \$3.7 million or 10% more than in 2015.

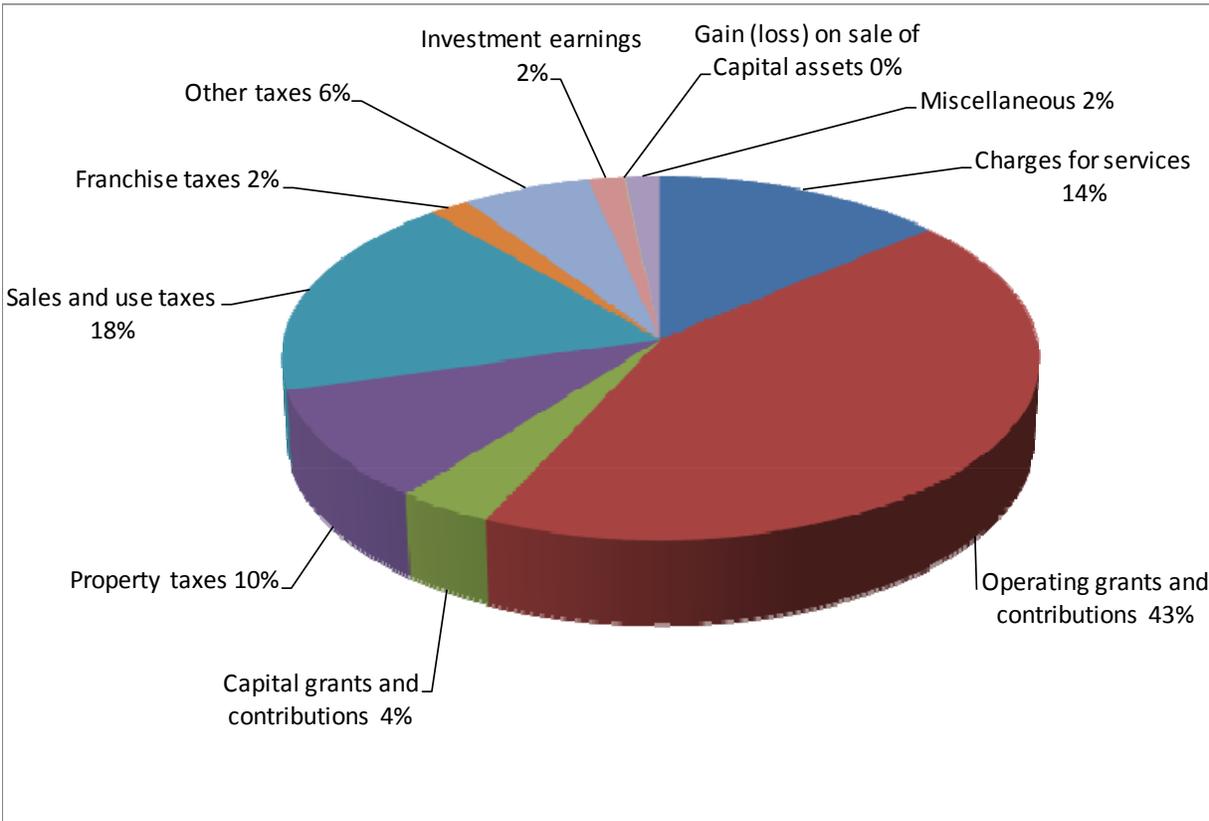
- General government decreased by \$1 million or 11% from the previous year because the City is no longer required to pay an insurance retrospective adjustment.
- Public safety increased by \$1 million or 7% from the previous year due to increases in salaries and benefits, which include hiring of new personnel for new programs.
- Public ways and facilities increased by \$3.4 million or 102% from the previous year due to increases in street and sewer improvement projects, developer reimbursement reclassification, and the construction of new transit public works facilities.
- Culture and recreation increased by \$301,838 or 7% from the previous year due to increases in salaries and benefits and an additional program for the landscape and maintenance district which was under public ways and facilities in the prior year.
- Community development increased by \$160,424 or 3% from the previous year due to increases in salaries and benefits and the hiring of a Grant Director.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

Program revenues that include charges for services and grants specific to certain programs account for \$21.7 million or 61% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up of "general" revenues such as taxes, interest, and grants and contributions.

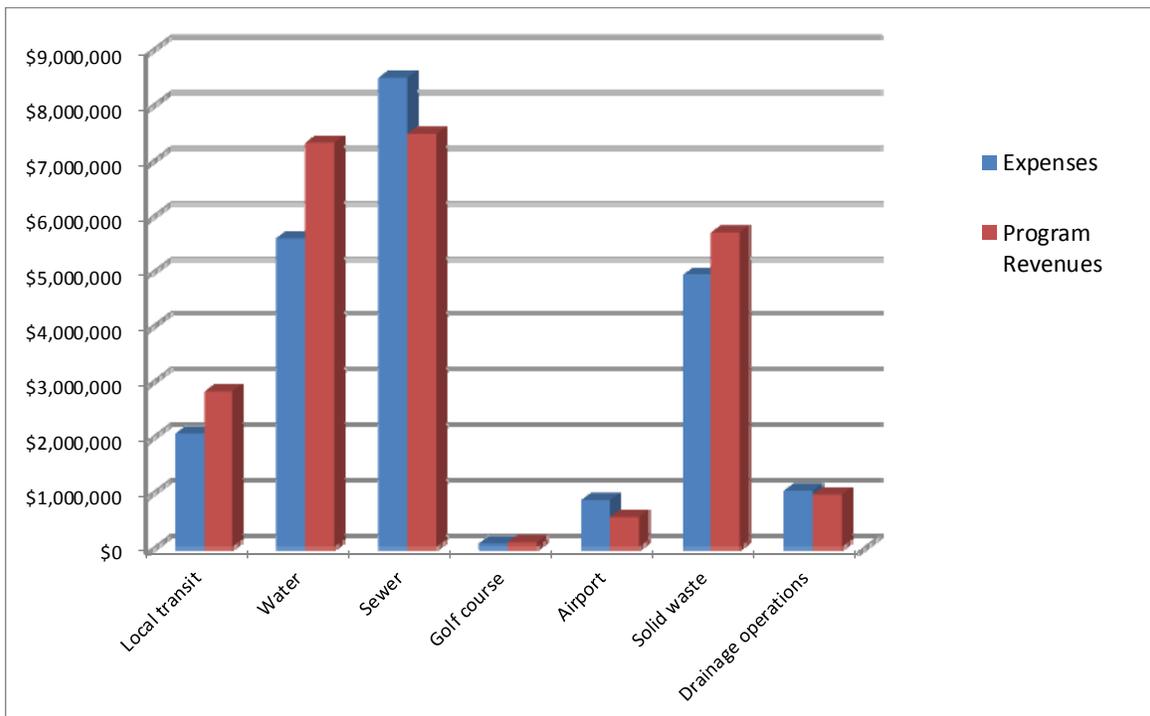
**Business-type Activities.** Business-type activities account for \$74.7 million or 27% of the total government-wide net position. This is an increase of \$793,201 from the prior year. Net investment in capital assets accounts for \$57.6 million or 77% of the total net position and is a decrease of \$816,429 from 2015. Unrestricted net position of \$15.5 million, or 23% of total net position, represents an increase of \$1.1 million from 2015.

Total business-type revenue for the year was \$25.1 million, which is \$3.7 million or 17% more than in 2015.

Charges for services increased by \$2.6 million or 22% from the prior year primarily due to a rate increase that took effect July 1, 2015, and newly created water violation penalties. Additional water meters were installed where there were previously no meters. This change resulted in moving some customers from flat rates to metered rates, which typically are more expensive. These changes were due in part by mandates to reduce water consumption because of extreme drought conditions.

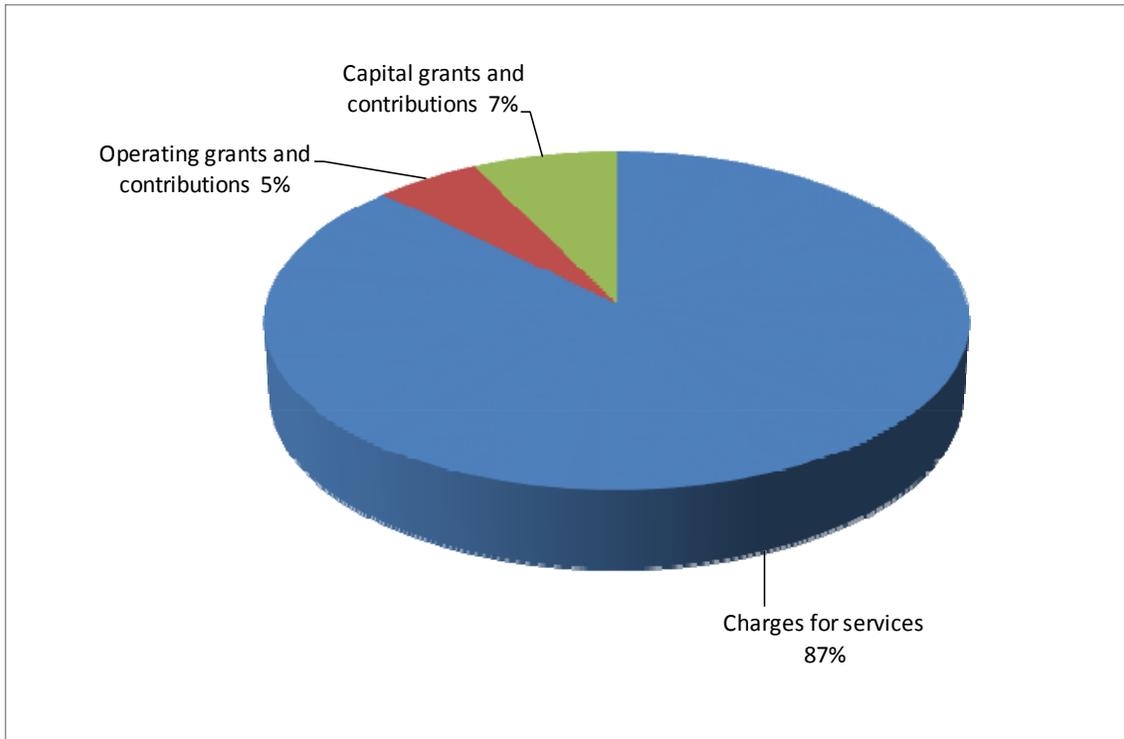
- Operating grants and contributions decreased by \$407,476 or 23% from the prior year primarily due to the near completion of the water meter project.
- Capital grants and contributions increased by \$1.5 million or 556% from the prior year.

**Expenses and Program Revenues-Business-Type Activities**



**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Revenues by Source - Business-Type Activities**



Included in charges for services are user fees relating to the water, sewer, solid waste, drainage, transit, golf course, and airport operations.

Total business-type expenses for the year were \$23.0 million, which is \$1.2 million or 6% more than in 2015.

Sewer increased by \$903,269 or 14% primarily due to increases in parts and supplies/interfund charges; interest expense and bond issuance cost.

Solid waste increased by \$260,590 or 6% primarily due to increases in parts and supplies/interfund charges. Drainage increased by \$123,595 or 14% primarily due to increases in personnel costs and interfund charges.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** Fund balance is defined in five categories: non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balances cannot be spent because they are not in spendable form. Restricted fund balances have limitations imposed externally by creditors, granters, contributors, or laws and regulations of other governments. Committed fund balances have self-imposed limitations set in place prior to the end of the period. Assigned fund balances are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Unassigned fund balances are the amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

All of the City's Governmental Funds ended the year with positive fund balances. The ending fund balance for all funds amounted to \$46.7 million; \$1.1 million less than the previous year. The decrease is primarily related to personnel costs as a result of a compensation study, a 3% cost of living increase from 07/01/15 through 06/30/16, and the settlement of a lawsuit. There was also an increase in unassigned fund balances of \$615,272, with included a \$553,298 increase in the General Fund and a \$10,764 increase in non-major governmental funds.

Of the total fund balance, \$12.7 million or 27% is unassigned which, within the limitations of the fund's purpose, is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is not in spendable form, legally required to be maintained intact, restricted for particular purposes, committed for particular purposes, or assigned for particular purposes. The details of the remainder are as follows:

Nonspendable:	
Inventory	\$ 50,760
Prepaid items	136,192
Long-term interfund advances	183,602
Restricted:	
Community development	1,477,187
Park development	67,349
Parking improvements	184,092
Public works and transportation	8,912,499
Special assessment project	1,542,286
Law enforcement	113,915
Capital projects and improvements	11,422,919
Debt service	254,627
Assigned:	
Golf course capital	20,000
OPEB liability	97,339
Insurance	1,082,179
Unassigned	12,647,670

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2016, the total fund balance (including all categories) of the general fund was \$14.4 million, up \$489,541 from June 30, 2015. The total fund balance of \$14.4 million includes non-spendable balances of \$368,959, assigned balances of \$1,199,518, and an unassigned balance of \$12.8 million.

The *restricted fund* balance decreased by \$646,823 from in 2015. The *assigned* fund balance increased by \$472,359.

The *unassigned* fund balance increased \$0.5 million when compared to June 30, 2015. The \$12.8 million unassigned portion represents the amount carried over to offset the impact of any revenue shortfall that may occur in the next year due to economic uncertainty. As a measurement of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 45% of total General Fund expenditures, while total fund balance represents approximately 50% of that same amount.

Other Major Funds

The General Development Impact Fee Special Revenue Fund, a major fund, had a \$279,331 decrease in fund balance during the current fiscal year. This decrease in fund balance is primarily due to a prior year adjustment and the completion of some projects. The ending fund balance of \$11.4 million is restricted for capital projects and improvements.

The Special Gas Tax Special Revenue Fund, a major fund, has a \$543,689 increase in fund balance during the current fiscal year. This increase in fund balance is due to a delay in projects that have not yet started in fiscal year 2015-16. The ending fund balance of \$8.8 million is restricted for public works and transportation.

**Proprietary Funds.** As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's enterprise funds and internal service funds ended the year with unrestricted net position as follows:

Water Fund	\$7,219,638
Sewer Fund	6,728,986
Solid Waste Fund	3,207,243
Drainage Operations Fund	(105,076)
Nonmajor Enterprise Funds	545,685
Internal Service Fund	(627,582)

As noted earlier in the discussion of business-type activities and revenues for water and sewer services increased by 22% in the current year. Incremental rate increases over the next five years were approved by the City Council during the second quarter of calendar year 2015.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**General Fund Budgetary Highlights**

The general fund ended fiscal year 2016 with \$207,203 in savings compared to the budget. This variance was primarily the result of stronger revenues than anticipated and savings on the OPEB Obligation and software costs. Although they are reflected as savings to the current year budget, they may be reserved for expenditures in the subsequent fiscal year.

- Actual expenditures for General Government came in \$143,540 under budget due to OPEB obligation, property/liability/fidelity insurance, conference/training, and software cost.
- Actual expenditures for Public Protection came in at \$147,738 over budget due to increases in personnel costs and additional program expenditures.
- Public Ways and Facilities were \$212,306 under budget due to savings in supplies and materials and personnel costs
- Actual expenditures for Community Development came in at \$212,412 under budget due to stronger revenues than anticipated and a delay in hiring.
- Actual expenditures for Culture and Recreation came in at \$104,690 under budget due to savings in the personnel cost category
- Actual expenditures for Capital Outlay were \$284,434 over budget due to a change of method in recording ERP system lease payments.

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amount to \$289.8 million (net of depreciation), a decrease of \$5.3 million less compared to 2015. This decrease is primarily due the depreciation expense of \$12.4 million offset by additions to capital assets of \$6.5 million.

Major capital asset additions this year include the following:

- Road network improvements - \$4 million
  - Developer Donations (sidewalk, pavement, pipelines, and others) - \$625,000
  - Pine and Pecan streets widening project - \$1.44 million
  - Various other street improvement projects - \$410,000
  - Various parks improvement projections - \$1 million
  - Various traffic signal improvement projects - \$540,000
- Transit and Public Works Facility - \$1 million
- Equipment purchases (transit busses, vehicles, and equipment) - \$900,000

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

During the year the City made improvements to various streets, parks, sewer mains, and received developer-donated infrastructure. Capital projects constructed by the City include:

- Bike lanes improvement: Laurel Street to the Fresno River Trail
- Landscaping improvement: 4<sup>th</sup> Street
- Parks improvements: Knox Park and Centennial Park
- Sewer mains replacement: various locations
- Street improvements: Pine Street and Pecan Avenue
- Trunk sewer system rehabilitation: Schnoor Avenue

Developer constructed infrastructure was constructed in conjunction with the partial list of projects shown below:

- Jack in the Box – Howard Road
- Napa Auto – 509 S Gateway
- Will Grill Freedom Industrial Park – Pine Street and Pecan Avenue

**City of Madera's Capital Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 7,573,520	\$ 7,573,520	\$ 9,026,517	\$ 9,026,517	\$ 16,600,037	\$ 16,600,037
Construction in progress	7,777,065	4,512,868	1,350,095	793,056	9,127,160	5,305,924
Buildings and improvements	15,153,811	15,580,094	30,370,674	31,498,792	45,524,485	47,078,886
Equipment	3,381,125	2,940,250	1,612,431	1,983,199	4,993,556	4,923,449
Infrastructure	150,381,383	156,529,923	63,198,662	64,716,152	213,580,045	221,246,075
	<u>\$ 184,266,904</u>	<u>\$ 187,136,655</u>	<u>\$ 105,558,379</u>	<u>\$ 108,017,716</u>	<u>\$ 289,825,283</u>	<u>\$ 295,154,371</u>

**Long-term Debt.** The City's long-term debt as of June 30, 2016 was \$56.7 million with governmental activities accounting for \$5.7 million or 10%, and business-type activities accounting for \$50.9 million or 90%. The total debt decreased by \$1.1 million during the current fiscal year. The reason for the decrease was due to principal payment made in current fiscal year.

**City of Madera's Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Capital Leases	\$ 3,002,145	\$ 1,874,496	\$ -	\$ 14,356	\$ 3,002,145	\$ 1,888,852
Loans Payable	98,022	661,052	8,097,151	8,402,993	8,195,173	9,064,045
Bonds Payable	2,683,119	2,722,525	42,850,707	44,173,418	45,533,826	46,895,943
	<u>\$ 5,783,286</u>	<u>\$ 5,258,073</u>	<u>\$ 50,947,858</u>	<u>\$ 52,590,767</u>	<u>\$ 56,731,144</u>	<u>\$ 57,848,840</u>

General obligation debts are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval, and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Madera's debt limit is \$1.1 billion. Detailed information on the City's long-term debt activity can be found in Note 7 on pages 56-64.

**CITY OF MADERA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Economic Factors and Next Year's Budgets and Rates**

California tends to be last in and last out of a recession; the Central Valley, including Madera, has a tendency to be last in and last out within the State of California. As a result, economic recovery has been late in coming to Madera. The first signs of a full recovery are now in full play.

The region as a whole lost 17,200 jobs from 2007 until 2009. Those jobs have been replaced and an additional 5,000 jobs added. This trend is reflected in a 14.8% increase in local sales tax over the previous 12-month period. The greatest increases are taking place in business-to-business sales and new auto sales. The pent up demand for purchases in these sectors is finally turning into sales. Additionally, there is a clear increase in restaurant sales demonstrating individuals have disposable income and are spending it.

Economic development activity has dramatically increased over the previous twelve months. The industrial vacancy rate has slipped from a high of 14% to under 1%. In response, the City began a joint venture with a local company to develop a 100-acre industrial park. Construction has begun on site improvements and when complete the park will be "plug and play" ready with full infrastructure and rail access. A design build agreement has been executed with a first tenant, representing 100 new jobs, and negotiations are taking place with a second tenant at this time. The intersection and Avenue 17 and Highway 99 remains a primary focus of the City's economic development efforts. A prospect has executed an escrow agreement for a site at this location and is projected to employ 75 to 100 individuals; project completion is approximately 18 months out.

Finally, residential housing starts have grown over the last 24-month period to approximately 160 units and an added valuation of \$19 million per year. While less than the 1,000 units per year housing during the boom years, the City sees this trend as a new beginning.

The City optimism remains guarded due to the ongoing historic drought that grips California. Water is and will remain the key element in regional economy. The City is taking an active role in regional groundwater management efforts and is planning the next stages of improvements to address long-term water service for current residents and future development. Incremental rate increases over the next five years were approved by Council during the second quarter of calendar year 2015. Engineering costs for capital improvements are anticipated to be paid on a pay-as-you-go basis. Bond financing is the most probable source of funds for the actual improvements.

In all respects the City is going to continue with a prudent, conservative financial planning model.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Madera's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Financial Services Director, City of Madera, 205 W. 4th Street, Madera, CA 93637.

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## BASIC FINANCIAL STATEMENTS

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**CITY OF MADERA  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	Governmental Activities	Business-Type Activities	Total	Component Unit Housing Authority of the City of Madera
<b>ASSETS</b>				
Cash and investments	\$ 37,986,442	\$ 23,638,764	\$ 61,625,206	\$ 3,925,520
Receivables:				
Accounts, net	6,007,717	1,491,119	7,498,836	356,536
Interest	98,900	2,137	101,037	127,451
Prepaid items	146,916	36,919	183,835	40,168
Inventories	50,760	-	50,760	70,472
Internal balances	1,068,207	(1,068,207)	-	-
Restricted assets:				
Cash and investments with fiscal agents	254,627	4,142,247	4,396,874	1,593,983
Notes receivable	7,605,562	-	7,605,562	4,489,768
Land held for resale	940,000	-	940,000	-
Capital assets, not being depreciated	15,350,585	10,376,612	25,727,197	785,827
Capital assets, net of accumulated depreciation	168,916,319	95,181,767	264,098,086	8,422,152
<b>Total assets</b>	<b>238,426,035</b>	<b>133,801,358</b>	<b>372,227,393</b>	<b>19,811,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan in current fiscal year	3,695,181	498,955	4,194,136	-
Deferred outflows of resources related to pensions	992,871	-	992,871	419,419
<b>Total deferred outflows of resources</b>	<b>4,688,052</b>	<b>498,955</b>	<b>5,187,007</b>	<b>419,419</b>
<b>LIABILITIES</b>				
Accounts payable	1,769,629	1,094,862	2,864,491	106,639
Accrued liabilities	-	-	-	70,876
Salaries payable	407,977	85,221	493,198	-
Accrued interest payable	58,216	636,790	695,006	-
Unearned revenue	313,681	38,090	351,771	8,587
Deposits payable	1,046,157	1,412,018	2,458,175	190,911
Noncurrent liabilities:				
Due within one year	1,996,282	2,150,146	4,146,428	131,302
Due in more than one year	35,325,538	53,236,636	88,562,174	5,913,634
<b>Total liabilities</b>	<b>40,917,480</b>	<b>58,653,763</b>	<b>99,571,243</b>	<b>6,421,949</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	2,726,958	316,780	3,043,738	161,193
Deferred service concession agreement receipts	-	130,000	130,000	-
Gain on refunding of debt	-	407,678	407,678	-
<b>Total deferred inflows of resources</b>	<b>2,726,958</b>	<b>854,458</b>	<b>3,581,416</b>	<b>161,193</b>
<b>NET POSITION</b>				
Net investment in capital assets	178,483,617	57,639,498	236,123,115	5,751,098
Restricted for:				
Community development	9,950,011	-	9,950,011	-
Park development	67,349	-	67,349	-
Parking improvements	184,092	-	184,092	-
Public works and transportation	8,912,499	-	8,912,499	-
Special assessment project	1,542,286	-	1,542,286	-
Law enforcement	113,915	-	113,915	-
Capital projects and improvements	11,422,919	-	11,422,919	-
Housing services	-	-	-	1,472,296
Unrestricted	(11,207,039)	17,152,594	5,945,555	6,424,760
<b>Total net position</b>	<b>\$ 199,469,649</b>	<b>\$ 74,792,092</b>	<b>\$ 274,261,741</b>	<b>\$ 13,648,154</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs:</b>				
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 8,890,092	\$ 114,346	\$ 6,882,412	\$ -
Public safety	14,722,091	769,831	644,959	-
Public ways and facilities	6,852,731	1,325,310	5,209,181	1,330,746
Social services	182,286	845	68,469	-
Culture and recreation	4,451,155	562,687	967,312	-
Community development	5,249,438	2,166,437	1,667,444	-
Interest on long-term debt	280,037	-	-	-
	<u>40,627,830</u>	<u>4,939,456</u>	<u>15,439,777</u>	<u>1,330,746</u>
<b>Business-type activities:</b>				
Local transit	2,051,814	124,231	1,263,534	1,424,075
Water	5,590,810	7,265,789	-	46,725
Sewer	8,476,744	7,407,967	-	61,200
Golf course	74,596	96,542	-	-
Airport	852,560	517,506	20,000	13,499
Solid waste	4,936,291	5,644,476	50,765	-
Drainage operations	1,024,498	667,430	-	288,172
	<u>23,007,313</u>	<u>21,723,941</u>	<u>1,334,299</u>	<u>1,833,671</u>
<b>Total primary government</b>	<u>\$ 63,635,143</u>	<u>\$ 26,663,397</u>	<u>\$ 16,774,076</u>	<u>\$ 3,164,417</u>
<b>Component units:</b>				
Housing Authority of the City of Madera	\$ 8,892,060	\$ 1,611,757	\$ 6,319,277	\$ 364,184
<b>Total component units</b>	<u>\$ 8,892,060</u>	<u>\$ 1,611,757</u>	<u>\$ 6,319,277</u>	<u>\$ 364,184</u>

General revenues:  
Property taxes  
Sales and use taxes  
Franchise taxes  
Other taxes  
Investment earnings  
Gain (loss) on sale of capital assets  
Miscellaneous  
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning (restated)

Net position - ending

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(Continued)

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit Housing Authority of the City of Madera
\$ (1,893,334)	\$ -	\$ (1,893,334)	\$ -
(13,307,301)	-	(13,307,301)	-
1,012,506	-	1,012,506	-
(112,972)	-	(112,972)	-
(2,921,156)	-	(2,921,156)	-
(1,415,557)	-	(1,415,557)	-
(280,037)	-	(280,037)	-
<u>(18,917,851)</u>	<u>-</u>	<u>(18,917,851)</u>	<u>-</u>
-	760,026	760,026	-
-	1,721,704	1,721,704	-
-	(1,007,577)	(1,007,577)	-
-	21,946	21,946	-
-	(301,555)	(301,555)	-
-	758,950	758,950	-
-	(68,896)	(68,896)	-
<u>-</u>	<u>1,884,598</u>	<u>1,884,598</u>	<u>-</u>
<u>(18,917,851)</u>	<u>1,884,598</u>	<u>(17,033,253)</u>	<u>-</u>
			<u>(596,842)</u>
			<u>(596,842)</u>
3,571,669	58,333	3,630,002	-
6,506,004	-	6,506,004	-
678,438	-	678,438	-
2,172,574	-	2,172,574	-
603,795	210,257	814,052	28,845
16,304	4,250	20,554	-
580,398	34,976	615,374	783,952
<u>1,718,751</u>	<u>(1,718,751)</u>	<u>-</u>	<u>-</u>
<u>15,847,933</u>	<u>(1,410,935)</u>	<u>14,436,998</u>	<u>812,797</u>
(3,069,918)	473,663	(2,596,255)	215,955
<u>202,539,567</u>	<u>74,318,429</u>	<u>276,857,996</u>	<u>13,432,199</u>
<u>\$ 199,469,649</u>	<u>\$ 74,792,092</u>	<u>\$ 274,261,741</u>	<u>\$ 13,648,154</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	Special Revenue				
	General	Development Impact Fee Fund	Special Gas Tax Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 11,627,761	\$ 12,616,626	\$ 8,737,357	\$ 3,747,678	\$ 36,729,422
Receivables:					
Accounts, net	4,188,988	-	520,439	1,293,453	6,002,880
Interest	98,351	-	-	549	98,900
Notes	-	-	-	7,605,562	7,605,562
Prepaid items	134,597	-	-	1,595	136,192
Inventories	50,760	-	-	-	50,760
Due from other funds	918,517	-	-	26,680	945,197
Advances to other funds	183,602	-	-	-	183,602
Land held for resale	-	-	-	940,000	940,000
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	254,627	254,627
 Total assets	 <u>\$ 17,202,576</u>	 <u>\$ 12,616,626</u>	 <u>\$ 9,257,796</u>	 <u>\$ 13,870,144</u>	 <u>\$ 52,947,142</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,075,900	\$ 183,573	\$ 216,863	\$ 74,762	\$ 1,551,098
Salaries payable	372,059	-	-	4,885	376,944
Due to other funds	-	-	-	504,474	504,474
Unearned revenue	-	-	-	313,681	313,681
Deposit payable	30,949	1,010,134	-	5,074	1,046,157
 Total liabilities	 <u>1,478,908</u>	 <u>1,193,707</u>	 <u>216,863</u>	 <u>902,876</u>	 <u>3,792,354</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	1,275,718	-	155,899	984,993	2,416,610
 Total deferred inflows of resources	 <u>1,275,718</u>	 <u>-</u>	 <u>155,899</u>	 <u>984,993</u>	 <u>2,416,610</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Inventory	50,760	-	-	-	50,760
Prepaid items	134,597	-	-	1,595	136,192
Notes receivable	-	-	-	7,605,562	7,605,562
Long-term interfund advances	183,602	-	-	-	183,602
Land held for resale	-	-	-	940,000	940,000
Restricted:					
Community development	-	-	-	1,477,187	1,477,187
Park development	-	-	-	67,349	67,349
Parking improvements	-	-	-	184,092	184,092
Public works and transportation	-	-	8,885,034	27,465	8,912,499
Special assessment project	-	-	-	1,542,286	1,542,286
Law enforcement	-	-	-	113,915	113,915
Capital projects and improvements	-	11,422,919	-	-	11,422,919
Debt service	-	-	-	254,627	254,627
Assigned:					
Golf course capital	20,000	-	-	-	20,000
OPEB liability	97,339	-	-	-	97,339
Insurance	1,082,179	-	-	-	1,082,179
Unassigned	12,879,473	-	-	(231,803)	12,647,670
 Total fund balances (deficits)	 <u>14,447,950</u>	 <u>11,422,919</u>	 <u>8,885,034</u>	 <u>11,982,275</u>	 <u>46,738,178</u>
 Total liabilities, deferred inflows of resources, and fund balances (deficits)	 <u>\$ 17,202,576</u>	 <u>\$ 12,616,626</u>	 <u>\$ 9,257,796</u>	 <u>\$ 13,870,144</u>	 <u>\$ 52,947,142</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

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

Total fund balances - governmental funds	\$	46,738,178
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:</p>		
Land		7,573,520
Construction in progress		7,642,289
Buildings and improvements		21,345,585
Equipment		7,565,638
Infrastructure		289,547,145
Accumulated depreciation		<u>(151,531,059)</u>
Total capital assets		182,143,118
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
		2,416,610
<p>Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is generally not accrued as a liability in the balance sheet of governmental funds.</p>		
		(58,216)
<p>Pension related deferrals:</p>		
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the statement of net position.		3,494,905
Deferred outflow of resources		992,871
Deferred inflows of resources		<u>(2,599,804)</u>
Total pension related deferrals		1,887,972
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:</p>		
Bonds payable		(2,683,119)
Capital leases		(3,002,145)
Compensated absences		(1,272,015)
Net other postemployment benefit obligation		(1,986,328)
Net pension liability		<u>(26,556,471)</u>
Total long-term liabilities		(35,500,078)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		<u>1,842,065</u>
Net position of governmental activities	\$	<u><u>199,469,649</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue				
	General	General Development Impact Fee Fund	Special Gas Tax	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property taxes	\$ 3,115,740	\$ -	\$ -	\$ -	\$ 3,115,740
Sales and use taxes	6,506,004	-	-	-	6,506,004
Other taxes	1,231,995	-	-	909,438	2,141,433
Use of money and property	551,138	121,262	25,156	70,222	767,778
Franchise taxes	678,438	-	-	-	678,438
Licenses and permits	646,800	-	-	-	646,800
Fines	912,398	-	-	22,960	935,358
Aid from other governmental agencies:					
Federal	100,298	-	-	1,522,041	1,622,339
State	7,253,592	-	1,301,489	2,599,117	11,154,198
Other	318,306	-	3,215,791	16,207	3,550,304
Charges for current services	1,155,445	1,953,482	-	131,525	3,240,452
Miscellaneous	336,475	-	-	100,830	437,305
<b>Total revenues</b>	<b>22,806,629</b>	<b>2,074,744</b>	<b>4,542,436</b>	<b>5,372,340</b>	<b>34,796,149</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	2,959,739	-	-	-	2,959,739
Public protection	14,549,630	-	-	71,841	14,621,471
Social services	-	-	-	357,699	357,699
Public ways and facilities	2,229,821	1,121,203	-	483,884	3,834,908
Community development	3,795,507	-	-	1,424,070	5,219,577
Culture and recreation	3,392,870	-	-	-	3,392,870
Capital outlay	1,417,918	1,969,332	869,343	2,816,526	7,073,119
Debt service:					
Principal	222,577	-	-	754,935	977,512
Interest	78,223	-	-	188,208	266,431
<b>Total expenditures</b>	<b>28,646,285</b>	<b>3,090,535</b>	<b>869,343</b>	<b>6,097,163</b>	<b>38,703,326</b>
Excess (deficiency) of revenues over (under) expenditures	(5,839,656)	(1,015,791)	3,673,093	(724,823)	(3,907,177)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	6,371,060	-	174,462	744,433	7,289,955
Transfers out	(1,613,901)	(574,755)	(2,662,152)	(1,259,165)	(6,109,973)
Sales of capital assets	9,969	-	-	-	9,969
Capital lease	1,540,065	-	-	-	1,540,065
<b>Total other financing sources (uses)</b>	<b>6,307,193</b>	<b>(574,755)</b>	<b>(2,487,690)</b>	<b>(514,732)</b>	<b>2,730,016</b>
<b>Net change in fund balances</b>	<b>467,537</b>	<b>(1,590,546)</b>	<b>1,185,403</b>	<b>(1,239,555)</b>	<b>(1,177,161)</b>
Fund balances - beginning (restated)	13,980,413	13,013,465	7,699,631	13,221,830	47,915,339
<b>Fund balances - ending</b>	<b>\$ 14,447,950</b>	<b>\$ 11,422,919</b>	<b>\$ 8,885,034</b>	<b>\$ 11,982,275</b>	<b>\$ 46,738,178</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

Net change in fund balances - total governmental funds		\$ (1,177,161)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:</p>		
Capital outlay	4,357,548	
Depreciation expense	<u>(8,075,677)</u>	
Excess of depreciation expense over capital outlay		(3,718,129)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		689,039
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.		3,494,905
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.		242,010
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(563,147)
Some items reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Net decrease in accrued interest	(13,606)	
Decrease in compensated absences	782	
Decrease in net other postemployment benefit obligation	(98,316)	
Pension expense	<u>(2,570,717)</u>	
Total additional expenditures		(2,681,857)
The internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>644,422</u>
Change in net position of governmental activities		<u>\$ (3,069,918)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 9,175,114	\$ 9,233,008	\$ 3,818,628	\$ 352,195
Accounts receivable, net	650,330	156,675	118,027	4,700
Interest receivable	1,719	-	-	-
Prepaid expenses	10,257	8,806	4,702	2,737
Total current assets	<u>9,837,420</u>	<u>9,398,489</u>	<u>3,941,357</u>	<u>359,632</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments	3,829,683	7,616	-	-
Capital assets, not depreciated	253,834	1,804,201	-	3,645,601
Capital assets, net of accumulated depreciation	23,109,299	45,217,557	14,564	15,885,766
Total noncurrent assets	<u>27,192,816</u>	<u>47,029,374</u>	<u>14,564</u>	<u>19,531,367</u>
Total assets	<u>37,030,236</u>	<u>56,427,863</u>	<u>3,955,921</u>	<u>19,890,999</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan in current fiscal year	154,878	201,405	38,209	51,972
Deferred outflows of resources related to pensions	-	-	-	-
Total deferred outflows of resources	<u>154,878</u>	<u>201,405</u>	<u>38,209</u>	<u>51,972</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	446,295	123,512	317,604	6,888
Salaries payable	26,943	24,550	16,194	8,519
Accrued interest payable	184,751	445,419	-	-
Due to other funds	-	-	-	19,000
Advances from other funds	-	-	-	-
Deposits payable	1,411,818	-	-	200
Unearned revenue	-	-	38,090	-
Compensated absences, due within one year	71,559	90,109	30,160	21,920
Long-term debt, due within one year	370,000	1,264,860	-	-
Total current liabilities	<u>2,511,366</u>	<u>1,948,450</u>	<u>402,048</u>	<u>56,527</u>
Noncurrent liabilities:				
Compensated absences, due in more than one year	-	-	-	-
Other post employment benefits obligation	108,133	128,590	50,413	25,085
Net pension liability	1,198,191	1,558,143	295,602	402,072
Long-term debt, due in more than one year	11,995,707	34,716,190	-	-
Total noncurrent liabilities	<u>13,302,031</u>	<u>36,402,923</u>	<u>346,015</u>	<u>427,157</u>
Total liabilities	<u>15,813,397</u>	<u>38,351,373</u>	<u>748,063</u>	<u>483,684</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	98,330	127,869	24,260	32,996
Deferred service concession arrangement receipts	-	-	-	-
Gain on refunding of debt	27,346	380,332	-	-
Total deferred inflows of resources	<u>125,676</u>	<u>508,201</u>	<u>24,260</u>	<u>32,996</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,026,403	11,040,708	14,564	19,531,367
Unrestricted	7,219,638	6,728,986	3,207,243	(105,076)
Total net position	<u>\$ 21,246,041</u>	<u>\$ 17,769,694</u>	<u>\$ 3,221,807</u>	<u>\$ 19,426,291</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

Net position of business-type activities

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016  
(Continued)**

Business-Type Activities		Governmental Activities
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
\$ 1,059,819	\$ 23,638,764	\$ 1,257,018
561,388	1,491,120	4,838
418	2,137	-
10,417	36,919	10,724
<u>1,632,042</u>	<u>25,168,940</u>	<u>1,272,580</u>
304,948	4,142,247	-
4,672,976	10,376,612	134,776
10,954,581	95,181,767	1,989,010
<u>15,932,505</u>	<u>109,700,626</u>	<u>2,123,786</u>
<u>17,564,547</u>	<u>134,869,566</u>	<u>3,396,366</u>
<u>52,491</u>	<u>498,955</u>	<u>200,277</u>
-	-	-
<u>52,491</u>	<u>498,955</u>	<u>200,277</u>
200,563	1,094,862	218,531
9,015	85,221	31,033
6,620	636,790	-
421,723	440,723	-
183,602	183,602	-
-	1,412,018	-
-	38,090	-
21,002	234,750	64,954
280,536	1,915,396	37,934
<u>1,123,061</u>	<u>6,041,452</u>	<u>352,452</u>
4,336	4,336	-
27,520	339,741	109,351
406,089	3,860,097	1,549,416
2,320,565	49,032,462	60,088
<u>2,758,510</u>	<u>53,236,636</u>	<u>1,718,855</u>
<u>3,881,571</u>	<u>59,278,088</u>	<u>2,071,307</u>
33,326	316,781	127,154
130,000	130,000	-
-	407,678	-
<u>163,326</u>	<u>854,459</u>	<u>127,154</u>
13,026,456	57,639,498	2,025,764
545,685	17,596,476	(627,582)
<u>\$ 13,572,141</u>	<u>75,235,974</u>	<u>\$ 1,398,182</u>
	<u>(443,882)</u>	
	<u>\$ 74,792,092</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
Operating revenues:				
Charges for services	\$ 7,265,789	\$ 7,407,966	\$ 5,644,476	\$ 667,430
Other	-	-	-	-
<b>Total operating revenues</b>	<b>7,265,789</b>	<b>7,407,966</b>	<b>5,644,476</b>	<b>667,430</b>
Operating expenses:				
Salaries and benefits	1,154,599	1,238,016	372,383	366,259
General and administrative	1,331,933	1,493,659	4,174,035	159,130
Supplies and miscellaneous	191,190	335,555	193,426	64,546
Parts and supplies	423,026	625,444	149,866	-
Utilities	1,069,613	696,869	12,405	46,477
Amortization	4,384	(9,416)	-	-
Depreciation	857,006	2,239,355	6,189	368,979
<b>Total operating expenses</b>	<b>5,031,751</b>	<b>6,619,482</b>	<b>4,908,304</b>	<b>1,005,391</b>
<b>Operating income (loss)</b>	<b>2,234,038</b>	<b>788,484</b>	<b>736,172</b>	<b>(337,961)</b>
Nonoperating revenues (expenses):				
Interest income	94,924	66,759	36,812	3,447
Property taxes	-	-	-	-
Operating grants	-	-	50,765	-
Capital grants	-	-	-	-
Other revenue	13,630	-	-	-
Gain (loss) on disposal of property	4,250	-	-	-
Interest expense	(593,654)	(1,717,566)	(192)	-
Bond issuance costs	(14,253)	(203,816)	-	-
Other nonoperating expense	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(495,103)</b>	<b>(1,854,623)</b>	<b>87,385</b>	<b>3,447</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>1,738,935</b>	<b>(1,066,139)</b>	<b>823,557</b>	<b>(334,514)</b>
Capital contributions	46,725	61,200	-	288,172
Transfers in	-	225,000	57,501	21,983
Transfers out	(744,429)	(444,347)	(828,315)	(72,163)
<b>Change in net position</b>	<b>1,041,231</b>	<b>(1,224,286)</b>	<b>52,743</b>	<b>(96,522)</b>
Net position - beginning (restated)	20,204,810	18,993,980	3,169,064	19,522,813
<b>Net position - ending</b>	<b>\$ 21,246,041</b>	<b>\$ 17,769,694</b>	<b>\$ 3,221,807</b>	<b>\$ 19,426,291</b>

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

Change in net position of business-type activities

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(Continued)

Business-Type Activities		Governmental Activities
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
\$ 738,281	\$ 21,723,942	\$ 3,375,752
<u>225</u>	<u>225</u>	<u>-</u>
<u>738,506</u>	<u>21,724,167</u>	<u>3,375,752</u>
431,980	3,563,237	1,439,294
1,575,024	8,733,781	444,059
236,326	1,021,043	674,580
34,898	1,233,234	78,088
25,751	1,851,115	394,956
-	(5,032)	-
<u>628,574</u>	<u>4,100,103</u>	<u>317,853</u>
<u>2,932,553</u>	<u>20,497,481</u>	<u>3,348,830</u>
<u>(2,194,047)</u>	<u>1,226,686</u>	<u>26,922</u>
12,180	214,122	2,317
58,333	58,333	-
1,283,534	1,334,299	-
378,761	378,761	100,000
17,257	30,887	14,676
-	4,250	-
(9,523)	(2,320,935)	-
-	(218,069)	-
<u>(9,091)</u>	<u>(9,091)</u>	<u>-</u>
<u>1,731,451</u>	<u>(527,443)</u>	<u>116,993</u>
<u>(462,596)</u>	<u>699,243</u>	<u>143,915</u>
1,058,813	1,454,910	-
191,583	496,067	571,967
<u>(71,201)</u>	<u>(2,160,455)</u>	<u>(87,561)</u>
716,599	489,765	628,321
<u>12,855,542</u>		<u>769,861</u>
<u>\$ 13,572,141</u>		<u>\$ 1,398,182</u>
	<u>(16,102)</u>	
	<u>\$ 473,663</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 6,933,323	\$ 7,444,320	\$ 5,699,529	\$ 673,086
Receipts from other funds	-	204,425	-	-
Payments to suppliers	(2,782,770)	(3,221,888)	(4,836,644)	(277,238)
Payments to employees	(1,303,195)	(1,463,713)	(709,729)	(347,168)
Net cash provided (used) by operating activities	<u>2,847,358</u>	<u>2,963,144</u>	<u>153,156</u>	<u>48,680</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from (to) other funds	(744,429)	(197,364)	(770,814)	(72,164)
Other nonoperating revenues	13,630	-	-	-
Property taxes	-	-	-	-
Operating grants	-	-	34,507	-
Net cash provided (used) by noncapital financing activities	<u>(730,799)</u>	<u>(197,364)</u>	<u>(736,307)</u>	<u>(72,164)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(42,285)	(46,861)	-	-
Capital grants	-	-	-	-
Proceeds from issuance of bonds	2,025,000	28,115,000	-	-
Principal paid on capital leases	-	(14,356)	-	-
Principal paid on notes	-	(286,244)	-	-
Principal paid on bonds	(2,340,000)	(28,460,000)	-	-
Interest paid	(618,250)	(2,014,853)	(192)	-
Net cash provided (used) by capital and related financing activities	<u>(975,535)</u>	<u>(2,707,314)</u>	<u>(192)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest received	<u>94,551</u>	<u>66,759</u>	<u>36,812</u>	<u>3,447</u>
Net cash provided (used) by investing activities	<u>94,551</u>	<u>66,759</u>	<u>36,812</u>	<u>3,447</u>
Net increase (decrease) in cash and cash equivalents	1,235,575	125,225	(546,531)	(20,037)
Cash and cash equivalents - July 1, 2015	<u>11,769,222</u>	<u>9,115,399</u>	<u>4,365,159</u>	<u>372,232</u>
Cash and cash equivalents - June 30, 2016	<u>\$ 13,004,797</u>	<u>\$ 9,240,624</u>	<u>\$ 3,818,628</u>	<u>\$ 352,195</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016  
(Continued)**

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 882,208	\$ 21,632,466	\$ 3,370,914
Receipts from other funds	-	204,425	-
Payments to suppliers	(1,935,308)	(13,053,848)	(1,505,213)
Payments to employees	(428,403)	(4,252,208)	(1,527,771)
Net cash provided (used) by operating activities	<u>(1,461,703)</u>	<u>4,550,635</u>	<u>337,930</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from (to) other funds	120,382	(1,664,389)	484,405
Other nonoperating revenues	17,257	30,887	14,676
Property taxes	58,333	58,333	-
Operating grants	<u>1,283,534</u>	<u>1,318,041</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>1,479,506</u>	<u>(257,128)</u>	<u>499,081</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(96,710)	(185,856)	(924,222)
Capital grants	378,761	378,761	100,000
Proceeds from issuance of bonds	-	30,140,000	-
Principal paid on capital leases	-	(14,356)	-
Principal paid on notes	(19,598)	(305,842)	(37,933)
Principal paid on bonds	(250,000)	(31,050,000)	-
Interest paid	<u>(19,701)</u>	<u>(2,652,996)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(7,248)</u>	<u>(3,690,289)</u>	<u>(862,155)</u>
<b>Cash flows from investing activities:</b>			
Interest received	<u>12,090</u>	<u>213,659</u>	<u>2,317</u>
Net cash provided (used) by investing activities	<u>12,090</u>	<u>213,659</u>	<u>2,317</u>
Net increase (decrease) in cash and cash equivalents	22,645	816,877	(22,827)
Cash and cash equivalents - July 1, 2015	<u>1,342,122</u>	<u>26,964,134</u>	<u>1,279,845</u>
Cash and cash equivalents - June 30, 2016	<u>\$ 1,364,767</u>	<u>\$ 27,781,011</u>	<u>\$ 1,257,018</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016  
(Continued)**

	Business-Type Activities			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 2,234,038	\$ 788,484	\$ 736,172	\$ (337,961)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	857,006	2,239,355	6,189	368,979
Amortization	4,384	(9,416)	-	-
(Gain) loss on disposal of capital assets	4,250	-	-	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable	(391,228)	36,354	55,053	5,656
(Increase) decrease in due from other funds	-	204,425	-	-
(Increase) decrease in prepaid expense	(10,185)	(8,733)	(4,702)	(2,737)
(Increase) decrease in deferred outflows of resources from pensions	(10,551)	(13,582)	32,966	(10,453)
Increase (decrease) in accounts payable	238,927	(61,628)	(302,210)	(4,348)
Increase (decrease) in salaries payable	10,247	7,826	9,428	3,725
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in advances from other funds	-	-	-	-
Increase (decrease) in deposits payable	58,762	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-
Increase (decrease) in deferred inflows of resources from pensions	(169,422)	(220,576)	(107,782)	(44,029)
Increase (decrease) in net pension liability	13,501	16,424	(288,629)	61,271
Increase (decrease) in compensated absences	5,271	(15,278)	5,519	5,664
Increase (decrease) in other postemployment benefit obligations	2,358	(511)	11,152	2,913
Net cash provided (used) by operating activities	<u>\$ 2,847,358</u>	<u>\$ 2,963,144</u>	<u>\$ 153,156</u>	<u>\$ 48,680</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>				
Cash and investments - unrestricted	\$ 9,175,114	\$ 9,233,008	\$ 3,818,628	\$ 352,195
Cash and investments - restricted	<u>3,829,683</u>	<u>7,616</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>\$ 13,004,797</u>	<u>\$ 9,240,624</u>	<u>\$ 3,818,628</u>	<u>\$ 352,195</u>
<b>Noncash investing, capital, and financing activities:</b>				
Developer and other capital contributions	<u>\$ 46,725</u>	<u>\$ 61,200</u>	<u>\$ -</u>	<u>\$ 310,156</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016  
(Continued)**

	Business-Type Activities		Governmental Activities
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (2,194,047)	\$ 1,226,686	\$ 26,922
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	628,574	4,100,103	317,853
Amortization	-	(5,032)	-
(Gain) loss on disposal of capital assets	-	4,250	-
Changes in assets, deferred outflows of resource, liabilities and deferred inflows of resources:			
(Increase) decrease in accounts receivable	183,704	(110,461)	(4,838)
(Increase) decrease in due from other funds	-	204,425	-
(Increase) decrease in prepaid expense	(8,917)	(35,274)	(10,724)
(Increase) decrease in deferred outflows of resources from pensions	(8,995)	(10,615)	(24,316)
Increase (decrease) in accounts payable	(54,392)	(183,651)	97,194
Increase (decrease) in salaries payable	2,629	33,855	14,270
Increase (decrease) in due to other funds	44,280	44,280	-
Increase (decrease) in advances from other funds	(24,480)	(24,480)	-
Increase (decrease) in deposits payable	-	58,762	-
Increase (decrease) in unearned revenue	(2)	(2)	-
Increase (decrease) in deferred inflows of resources from pensions	(87,367)	(629,176)	(199,284)
Increase (decrease) in net pension liability	49,059	(148,374)	105,068
Increase (decrease) in compensated absences	4,750	5,926	7,591
Increase (decrease) in other postemployment benefit obligations	3,501	19,413	8,194
	<u>3,501</u>	<u>19,413</u>	<u>8,194</u>
Net cash provided (used) by operating activities	<u>\$ (1,461,703)</u>	<u>\$ 4,550,635</u>	<u>\$ 337,930</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>			
Cash and Investments - unrestricted	\$ 1,059,819	\$ 23,638,764	\$ 1,257,018
Cash and Investments - restricted	304,948	4,142,247	-
Total cash and investments	<u>\$ 1,364,767</u>	<u>\$ 27,781,011</u>	<u>\$ 1,257,018</u>
<b>Noncash investing, capital, and financing activities:</b>			
Developer and other capital contributions	<u>\$ 1,058,813</u>	<u>\$ 1,476,894</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

	Successor Agency Private Purpose Trust Fund	Agency Fund
	<u>Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and investments	\$ 7,536,388	\$ 1,120,655
Receivables:		
Accounts, net	27,002	10,970
Interest	13,595	-
Prepaid items	1,430	235,949
Land held for resale	409,457	-
Restricted assets:		
Cash and investments with fiscal agents	3,043,861	-
Capital assets, not depreciated	389,566	-
Capital assets, net of accumulated depreciation	<u>2,259,737</u>	<u>-</u>
 Total assets	 <u>13,681,036</u>	 <u>1,367,574</u>
<b>LIABILITIES</b>		
Accounts payable	150,723	30,767
Accrued liabilities	-	524,957
Salaries and accrued liabilities	136,437	-
Accrued interest	785,595	-
Deposit payable	-	31,913
Other liabilities	4,070	-
Due to other governments	-	779,937
Long-term debt, due within one year	1,248,608	-
Long-term debt, due in more than one year	<u>44,982,821</u>	<u>-</u>
 Total liabilities	 <u>47,308,254</u>	 <u>\$ 1,367,574</u>
<b>NET POSITION</b>		
Net position held in trust for redevelopment dissolution and other purposes	<u>\$ (33,627,218)</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
STATEMENT OF CHANGES FIDUCIARY IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Successor Agency Private Purpose Trust Fund</u>
<b>ADDITIONS</b>	
Property taxes	\$ 1,951,305
Interest income	50,083
Other payment received	<u>1,200</u>
Total additions	<u>2,002,588</u>
<b>DEDUCTIONS</b>	
General and administrative	305,949
Project expenses	1,214,922
Amortization	31,516
Depreciation	164,871
Loss on sale of land	75,447
Interest on debts	<u>2,364,947</u>
Total deductions	<u>4,157,652</u>
Change in net position	(2,155,064)
Net position - beginning	<u>(31,472,154)</u>
Net position - ending	<u>\$ (33,627,218)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Madera, California (the “City”) was incorporated in 1907 under the general laws of the State of California. The City operates under an elected Council/City Manager form of government.

The City has defined its reporting entity in accordance with generally accepted accounting principles (“GAAP”) in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. Based upon the application of these criteria, the following is a brief description of each component unit included within the City’s reporting entity. All such component units have been “blended” as though they are part of the primary government because the component unit’s governing body is substantially the same as the City’s primary government and there is a financial benefit or burden relationship between the City and the component unit. Management of the City has operational responsibilities for the component unit, and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

**Blended component unit.** The Madera Public Financing Authority (Financing Authority) was created in 1989. The Financing Authority is a joint exercise of joint powers. The City Council serves as directors of the Financing Authority. The purpose of the Financing Authority is to act as a financing/lending type of entity only. No separate annual financial statements are prepared for the Financing Authority.

Since the City Council previously served as the government board for this component unit, the City’s component unit was considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from this unit was reported with the data of the primary government.

**Discretely presented component unit.** The Housing Authority of the City of Madera (Housing Authority) is a governmental entity authorized in accordance with state law to engage in the development, acquisition, leasing, and administration of low-rent housing programs. The Housing Authority is governed by a Board of Commissioners, which is comprised of members of the City Council. Management of the Housing Authority is appointed and held accountable to the Governing Board. The annual financial statements for the Housing Authority can be obtained at the Housing Authority’s administrative office.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental audits. The Governmental Accounting Standards Board is the accepted standard setting body for governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation**

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Government-Wide Financial Statements**

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

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *General Fund* accounts for all the general revenues of the City not specifically levied or collected for by other City funds and for expenditures related to the rendering of general services by the City.

The *General Development Impact Fee Fund* accounts for and reports the proceeds of the AB1600 development impact fee monies that are restricted or committed to expenditures for the intended purposes.

The *Special Gas Tax Fund* accounts for and reports the proceeds of the City's share of state gasoline taxes, which are restricted or committed to expenditures for the street construction and street maintenance projects.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The City reports the following major enterprise funds:

The *Water Fund* accounts for revenues and expenses of the operations of the City's water utility. All activities necessary to provide this service are accounted for in this fund, including administration, operations, maintenance, billing and collection and depreciation.

The *Sewer Fund* accounts for the revenues and expenses for the maintenance, repair and depreciation of the sewers within the City.

The *Solid Waste Fund* accounts for revenues and expenses of the solid waste removal and street cleaning activities.

The *Drainage Operations Fund* accounts for the activities related to drainage.

Additionally, the City reports the following fund types:

*Internal Service Funds* account for the financing of goods and services provided by one department of the City to other departments on a cost-reimbursement basis. The City has Internal Service Funds for Fleet Management and Replacement, Facility Maintenance, and Computer Replacement.

The *Successor Agency Private Purpose Trust Fund* accounts for the assets and liabilities of the former Redevelopment Agency and its allocated revenue to pay estimated installment payments of the enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

The *Agency Fund* is used to account for assets held by the City as an agent for individuals or private organizations and other governmental units. These include developer deposits, collections from the State of California, Federal, and Madera police department for assets forfeited, utility deposits, collections of payroll and related taxes and various restricted donations. Agency funds are custodial in nature (assets equals liabilities) and do not involve the measurement or results of operations. The City's Agency Fund accounts for assets held for other governments and various deposits held for individuals or private organizations.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirement, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenues items are considered to be measurable and available only when cash is received by the City.

The City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following private sector standards issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. Governments have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private sector guidance.

The proprietary and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Cash and Cash Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**E. Cash and Investments**

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). In accordance with the state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 and promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximately fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value. Accordingly, the City reports its investments at fair value in the balance sheet. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year.

**F. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditure/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

**G. Land Held for Resale**

Land held for resale is recorded as an asset at the lower of historical cost or estimated net realizable value.

**H. Capital Assets**

Capital assets, which include public domain (infrastructure) capital assets consisting of certain improvements, including streets (pavements, medians, curbs/gutters, sidewalks, traffic signals, monument signs and bridges), storm drains and water/sewer systems and improvements, are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Generally, capital asset acquisitions in excess of \$5,000 (general capital assets) and \$25,000 (infrastructure) are capitalized if they have an expected useful life of one year or more. Acquisitions of capital assets (including infrastructure) are recorded at historical cost at the time of purchase. Donated capital assets are recorded at their fair value at the date of donation.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets (Continued)**

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25-30 years
Improvements	5-50 years
Equipment	4-15 years
Infrastructure	10-50 years

**I. Compensated Absences**

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**J. Unearned Revenue**

Unearned revenue is that for which recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

**K. Unavailable Revenue**

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations. Typical transactions for which unavailable revenue is recorded are grants when funding requirements have been met, but the related funding is not yet available.

**L. Pension**

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

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Net Position**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is classified in the following categories:

- ***Net investment in capital assets*** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- ***Restricted net position*** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted Net Position*** – This category represents net amounts that do not meet the criteria for “restricted” or “net investment in capital assets”.

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

**N. Fund Balances**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the Finance Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned:** This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Fund Balances (Continued)**

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

This policy delegates to the Finance Director the authority to assign unassigned fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

**O. Property Taxes**

Property taxes are assessed, collected and allocated by County of Madera throughout the fiscal year according to the following property tax calendar:

	<u>Secured</u>	<u>Unsecured</u>
Levy Dates	July 1	July 1
Lien Dates	January 1	January 1
Due Dates	November 1 and February 1	August 1
Delinquent After	December 10 and April 10	August 31

**P. Use of Estimates**

A number of estimates and assumptions relating to the reporting of revenues, expenditures/expenses, assets, deferred outflows of resources, liabilities and deferred inflows of resources, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments at June 30, 2016 are classified in the accompanying financial statements as follows:

	<u>Government-Wide Statement of Net Position</u>			<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	
Cash and investments	\$ 37,986,442	\$ 23,638,764	\$ 8,657,043	\$ 70,282,249
Restricted cash and investments with fiscal agents	<u>254,627</u>	<u>4,142,247</u>	<u>3,043,861</u>	<u>7,440,735</u>
Total	<u>\$ 38,241,069</u>	<u>\$ 27,781,011</u>	<u>\$ 11,700,904</u>	<u>\$ 77,722,984</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Cash and investments consist of the following as of June 30, 2016:

Cash and investments:	
Petty cash	\$ 7,295
Deposits with financial institutions	12,238,351
Investments	<u>65,477,338</u>
 Total cash and investments	 <u>\$ 77,722,984</u>

**Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provision of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Investments Authorized by the Debt Agreements**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

**Interest Rate Risk**

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

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

Investment Type	Amounts	Remaining Maturity (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
<b>Pooled Investments in the City:</b>					
Local Agency Investment Fund	\$ 3,810,547	\$ 3,810,547	\$ -	\$ -	\$ -
Certificates of Deposit	18,239,339	5,979,208	4,498,125	7,762,006	-
U.S. Treasury Notes	6,016,460	2,004,240	4,012,220	-	-
U.S. Government Securities:					
Federal Home Loan Banks	2,506,100	-	1,002,310	1,503,790	-
Federal Home Loan Mortgage Corporation	3,509,155	-	504,280	2,006,055	998,820
Federal National Mortgage Association	4,500,825	-	500,335	4,000,490	-
Federal Farm Credit Bank Loan	2,505,410	-	-	2,505,410	-
U.S. Corporate Bonds	7,989,592	6,224,123	1,004,890	760,579	-
Non-US Securities	2,042,695	-	501,865	1,540,830	-
Investments held by bond trustee:					
Money Market Funds	3,185,502	3,185,502	-	-	-
Federal Home Loan Mortgage Corporation	406,733	-	-	406,733	-
Federal National Mortgage Association	817,453	-	-	817,453	-
Total pooled investments in the City	<u>55,529,811</u>	<u>21,203,620</u>	<u>12,024,025</u>	<u>21,303,346</u>	<u>998,820</u>
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>					
Local Agency Investment Fund	6,890,693	6,890,693	-	-	-
Investments held by bond trustee:					
Money Market Funds	105,427	105,427	-	-	-
Certificates of Deposit	205,070	205,070	-	-	-
Federal Home Loan Mortgage Corporation	155,663	-	155,663	-	-
Federal National Mortgage Association	2,590,674	2,144,916	445,758	-	-
Total Investments in Successor Agency Private Purpose Trust Fund	<u>9,947,527</u>	<u>9,346,106</u>	<u>601,421</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 65,477,338</u>	<u>\$ 30,549,726</u>	<u>\$ 12,625,446</u>	<u>\$ 21,303,346</u>	<u>\$ 998,820</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amounts	Exempt From Disclosure	Rating as of Year-End						Not Rated	
			Aaa	Aa1	Aa2	Aa3	A2	A3		
<b>Pooled Investments in the City:</b>										
Local Agency Investment Fund	\$ 3,810,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,810,547
Certificates of Deposit	18,239,339	-	-	-	-	-	-	-	-	18,239,339
U.S. Treasury Notes	6,016,460	6,016,460	-	-	-	-	-	-	-	-
U.S. Government Securities:	-	-	-	-	-	-	-	-	-	-
Federal Home Loan Banks	2,506,100	-	2,506,100	-	-	-	-	-	-	-
Federal Home Loan Mortgage Corporation	3,509,155	-	3,509,155	-	-	-	-	-	-	-
Federal National Mortgage Association	4,500,825	-	4,500,825	-	-	-	-	-	-	-
Federal Farm Credit Bank Loan	2,505,410	-	2,505,410	-	-	-	-	-	-	-
U.S. Corporate Bonds	7,989,592	-	-	2,892,945	113,938	760,579	219,450	4,002,680	-	-
Non-US Securities	2,042,695	-	-	-	-	2,042,695	-	-	-	-
Investments held by bond trustee:	-	-	-	-	-	-	-	-	-	-
Money Market Funds	3,185,502	-	3,185,502	-	-	-	-	-	-	-
Federal Home Loan Mortgage Corporation	406,733	-	406,733	-	-	-	-	-	-	-
Federal National Mortgage Association	817,453	-	817,453	-	-	-	-	-	-	-
<b>Total pooled investments in the City</b>	<b>55,529,811</b>	<b>6,016,460</b>	<b>17,431,178</b>	<b>2,892,945</b>	<b>113,938</b>	<b>2,803,274</b>	<b>219,450</b>	<b>4,002,680</b>	<b>22,049,886</b>	
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>										
Local Agency Investment Fund	6,890,693	-	-	-	-	-	-	-	-	6,890,693
Investments held by bond trustee:	-	-	-	-	-	-	-	-	-	-
Money Market Funds	105,427	-	105,427	-	-	-	-	-	-	-
Certificates of Deposit	205,070	-	-	-	-	-	-	-	-	205,070
Federal Home Loan Mortgage Corporation	155,663	-	155,663	-	-	-	-	-	-	-
Federal National Mortgage Association	2,590,674	-	2,590,674	-	-	-	-	-	-	-
<b>Total Investments in Successor Agency Private Purpose Trust Fund</b>	<b>9,947,527</b>	<b>-</b>	<b>2,851,764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,095,763</b>	
<b>Total Investments</b>	<b>\$ 65,477,338</b>	<b>\$ 6,016,460</b>	<b>\$ 20,282,942</b>	<b>\$ 2,892,945</b>	<b>\$ 113,938</b>	<b>\$ 2,803,274</b>	<b>\$ 219,450</b>	<b>\$ 4,002,680</b>	<b>\$ 29,145,649</b>	

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments across the City's funds are as follows:

Issuer	Investment Type	Reported Amount
JP Morgan Chase Bank NA	U.S. Corporate Bonds	\$ 4,002,680

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The City had no uncollateralized cash at June 30, 2016. As of June 30, 2016, \$12,238,351 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in accounts collateralized in accordance with State law as described above. As of June 30, 2016, in accordance with the City's investment policy, none of the City's investments were held with a counterparty. All of the City's investments were held with an independent third party custodial bank.

**Local Agency Investment Fund**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight to the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The City's investments with LAIF at June 30, 2016 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

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

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

At June 30, 2016, the City's investments in LAIF were \$3,810,547 and the Successor Agency's investments in LAIF were \$6,890,693, which was reported at fair value.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Investment Valuation**

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Government Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2016:

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Price Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
<b>Pooled Investments in the City:</b>				
Certificates of Deposit	\$ 18,239,338	\$ -	\$ 18,239,338	\$ -
U.S. Treasury Notes	6,016,460	6,016,460	-	-
U.S. Government Securities:	-	-	-	-
Federal Home Loan Banks	2,506,100	-	2,506,100	-
Federal Home Loan Mortgage Corporation	3,509,155	-	3,509,155	-
Federal National Mortgage Association	4,500,825	-	4,500,825	-
Federal Farm Credit Bank Loan	2,505,410	-	2,505,410	-
U.S. Corporate Bonds	7,989,592	-	7,989,592	-
Non-US Securities	2,042,695	-	2,042,695	-
Investments Held by Bond Trustee:				
Federal Home Loan Mortgage Corporation	406,733	-	406,733	-
Federal National Mortgage Association	817,453	-	817,453	-
	<u>48,533,761</u>	<u>6,016,460</u>	<u>42,517,301</u>	<u>-</u>
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>				
Investments held by bond trustee:				
Certificates of Deposit	205,070	-	205,070	-
U.S. Government Securities:				
Federal Home Loan Mortgage Corporation	155,663	-	155,663	-
Federal National Mortgage Association	2,590,674	-	2,590,674	-
	<u>2,951,407</u>	<u>-</u>	<u>2,951,407</u>	<u>-</u>
	<u>51,485,168</u>	<u>6,016,460</u>	<u>45,468,708</u>	<u>-</u>
<b>Unclassified Investments</b>				
<b>Pooled Investments in the City:</b>				
Local Agency Investment Fund	3,810,547			
Investments Held by Bond Trustee:				
Money Market Funds	3,185,502			
<b>Investments in Successor Agency Private Purpose Trust Fund:</b>				
Local Agency Investment Fund	6,890,693			
Investments held by bond trustee:				
Money Market Funds	105,428			
<b>Total Investments</b>	<u>\$ 65,477,338</u>			

Securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Certificates of deposit categorized as Level 2 are valued based on the rates currently offered for deposits of similar remaining maturities. Government agency securities, corporate bonds, and non-US securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 – RECEIVABLES**

**Accounts Receivable**

At June 30, 2016, accounts receivable of the City's major individual funds and nonmajor funds including the applicable allowance for uncollectible accounts are as follows:

<u>Governmental Activities</u>	<u>General</u>	<u>Special Gas Tax Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>			
Accounts receivable	\$ 4,203,937	\$ 520,439	\$ 1,293,663	\$ 6,018,039			
Less: allowance for uncollectibles	(14,949)	-	(210)	(15,159)			
Total accounts receivable, net	<u>\$ 4,188,988</u>	<u>\$ 520,439</u>	<u>\$ 1,293,453</u>	<u>\$ 6,002,880</u>			
<u>Business-Type Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Drainage Operations Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
Accounts receivable	\$ 706,116	\$ 204,047	\$ 232,299	\$ 16,314	\$ 561,388	\$ 1,720,164	\$ 4,838
Less: allowance for uncollectibles	(55,786)	(47,372)	(114,272)	(11,614)	-	(229,044)	-
Total accounts receivable, net	<u>\$ 650,330</u>	<u>\$ 156,675</u>	<u>\$ 118,027</u>	<u>\$ 4,700</u>	<u>\$ 561,388</u>	<u>\$ 1,491,120</u>	<u>\$ 4,838</u>

The amount of the allowance for each fund is a management determination made by reviewing past collections received on each account. This analysis includes reviewing the aging of the receivable balance, past account write-offs and other known variables. The allowance is evaluated at the end of the year for adequacy.

**Notes Receivable**

**Residential Rehab Special Revenue Fund**

The City was awarded a \$3 million dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$3 million loan to Madera Pacific Associates (MPS) for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. MPS is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2016 is \$2,962,234, which is recorded as a note receivable in the Residential Rehab special revenue fund.

The City was awarded a \$5 million dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$5 million loan to 100 Stadium Rd., L.P. for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. 100 Stadium Rd., L.P. is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2016 is \$4,534,343, which is recorded as a note receivable in the Residential Rehab special revenue fund.

**Low and Moderate Income Housing Asset Special Revenue Fund**

The Low and Moderate Income Housing Asset special revenue fund reports \$108,985 of notes receivable. These were loans funded from the former Redevelopment Agency to developers for construction of affordable housing or rehabilitation within the boundaries of the Redevelopment Project Area. These low interest-bearing loans are secured by deeds of trust. Maturities vary according to terms and disposition of property.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 – RECEIVABLES (Continued)**

**Notes Receivable (Continued)**

Forgivable Loans

The City administers the first time homebuyer, housing rehabilitation, and small business loan programs funded with various grants (i.e. CDBG, HOME, CalHome, NSP, etc.). Under these programs, individuals with incomes below certain levels are eligible to receive low interest loans. These loans are secured by deeds of trust on the properties. Deferred payment loans receivable under these forgivable loans are not required to be paid back unless the participating homeowner sells, transfers title to the property, or discontinues residence in the dwelling at which time the full amount of the deferred loan is due. These deferred payment loans are “nonperforming loans” and are not recorded as loans receivable in the financial statements. Loans and related items as of June 30, 2016 are summarized as follows:

<u>Loan Type</u>	<u>Outstanding Loan Balance</u>	<u>Due</u>
First-time homebuyer	\$ 5,715,695	30 years
Housing rehabilitation	776,261	30 years
Small business	<u>552,279</u>	10 years
Total	<u>\$ 7,044,235</u>	

**NOTE 4 – INTERFUND ACTIVITY**

**Current Interfund Receivables/Payables**

Current interfund balances that arise in the normal course of business are expected to be repaid shortly after the end of the fiscal year. Due to other funds represents short-term borrowing resulting from a fund’s temporary need for additional cash. Primarily, these amounts have been recorded when funds overdraw their share of pooled cash. The following is a summary of current interfund balances as of June 30, 2016:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major funds:		
General fund	\$ 918,517	\$ -
Drainage operations enterprise fund	-	19,000
Nonmajor funds:		
Federal Aid Urban special revenue fund	-	364,056
Senior citizens services special revenue fund	-	44,242
Rehab residential special revenue fund	26,680	86,081
Low and moderate income housing asset special revenue fund	-	10,095
Local transit enterprise fund	-	222,013
Golf course enterprise fund	<u>-</u>	<u>199,710</u>
Total	<u>\$ 945,197</u>	<u>\$ 945,197</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 4 – INTERFUND ACTIVITY (Continued)**

**Long-term Interfund Receivables/Payables**

As of June 30, 2016, balances for interfund loans were as follows:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Major funds:		
General fund	\$ 183,602	\$ -
Nonmajor funds:		
Golf course enterprise fund	<u>-</u>	<u>183,602</u>
Total	<u>\$ 183,602</u>	<u>\$ 183,602</u>

The advance for \$183,602 from the General Fund to the Golf Course Enterprise Fund was made for funding facility construction.

**Transfers Between Funds**

With City council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund.

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
Major funds:		
General fund	\$ 6,371,060	\$ 1,613,901
General impact fee special revenue fund	-	574,755
Special gas tax special revenue fund	174,462	2,662,152
Water enterprise fund	-	744,429
Sewer enterprise fund	225,000	444,347
Solid waste enterprise fund	57,501	828,315
Drainage operations enterprise fund	21,983	72,163
Nonmajor funds:		
Parking district special revenue fund	-	8,248
Street construction special revenue fund	126,159	525,985
Senior citizens services special revenue fund	251,047	-
Senior citizens nutrition special revenue fund	-	51,512
Intermodal building special revenue fund	-	450
Community facilities district special revenue fund	172,970	672,970
Park facilities special revenue fund	194,257	-
Local transit enterprise fund	-	62,052
Golf course enterprise fund	191,583	-
Airport enterprise fund	-	9,149
Internal service fund	<u>571,967</u>	<u>87,561</u>
Total	<u>\$ 8,357,989</u>	<u>\$ 8,357,989</u>

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity of the governmental activities for the year ended June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 7,573,520	\$ -	\$ -	\$ -	\$ 7,573,520
Construction in progress	4,512,868	4,552,059	1,287,862	-	7,777,065
Total capital assets not being depreciated	12,086,388	4,552,059	1,287,862	-	15,350,585
Capital assets being depreciated:					
Buildings and improvements	21,345,585	-	-	-	21,345,585
Equipment	10,758,466	1,095,898	313,879	204,689	11,745,174
Infrastructure	288,395,627	1,162,161	10,643	-	289,547,145
Total capital assets being depreciated	320,499,678	2,258,059	324,522	204,689	322,637,904
Less accumulated depreciation for:					
Buildings and improvements	5,765,491	426,283	-	-	6,191,774
Equipment	7,818,216	655,023	313,879	204,689	8,364,049
Infrastructure	131,865,704	7,308,135	8,077	-	139,165,762
Total accumulated depreciation	145,449,411	8,389,441	321,956	204,689	153,721,585
Governmental activities capital assets, net	<u>\$ 187,136,655</u>	<u>\$ (1,579,323)</u>	<u>\$ 1,290,428</u>	<u>\$ -</u>	<u>\$ 184,266,904</u>

Capital assets activity of the business-type activities for the year ended June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 9,026,517	\$ -	\$ -	\$ -	\$ 9,026,517
Construction in progress	793,056	1,244,669	687,630	-	1,350,095
Total capital assets not being depreciated	9,819,573	1,244,669	687,630	-	10,376,612
Capital assets being depreciated:					
Buildings and improvements	56,871,887	641,923	-	-	57,513,810
Equipment	5,372,975	45,707	240,689	(204,689)	4,973,304
Infrastructure	95,121,390	396,097	-	-	95,517,487
Total capital assets being depreciated	157,366,252	1,083,727	240,689	(204,689)	158,004,601
Less accumulated depreciation for:					
Buildings and improvements	25,373,095	1,770,041	-	-	27,143,136
Equipment	3,389,776	416,475	240,689	(204,689)	3,360,873
Infrastructure	30,405,238	1,913,587	-	-	32,318,825
Total accumulated depreciation	59,168,109	4,100,103	240,689	(204,689)	62,822,834
Business-type activities capital assets, net	<u>\$ 108,017,716</u>	<u>\$ (1,771,707)</u>	<u>\$ 687,630</u>	<u>\$ -</u>	<u>\$ 105,558,379</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 5 – CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the functions/programs of the governmental activities and business-type activities of the primary government as follows:

**Governmental activities:**

General government	\$ 6,173,410
Public protection	192,355
Social services	13,554
Public ways and facilities	738,669
Community development	17,026
Culture and recreation	936,574
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	317,853

Total depreciation expense - governmental activities \$ 8,389,441

**Business-type activities:**

Water	\$ 857,006
Sewer	2,239,355
Solid waste	6,189
Drainage operations	368,979
Local transit	345,317
Airport	283,257

Total depreciation expense - business-type activities \$ 4,100,103

**NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in detail in Note 8.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category and they are *unavailable revenue*, *deferred service concession agreement receipts* and *pension deferrals*.

- Unavailable revenue arises only under modified accrual basis of accounting and is reported only in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	Special Gas Tax Fund	Park Development	Federal Aid Urban	Street Construction	Landscape Assessment	Law Enforcement	Intermodal Building	Residential Rehab	Facilities District	Total
Property taxes	\$ 455,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,929
Other taxes	10,992	-	-	-	-	3,701	-	-	-	16,447	31,140
Intergovernmental	720,359	155,899	15,658	427,037	113,985	-	90,101	716	317,348	-	1,841,103
Charges for services	88,438	-	-	-	-	-	-	-	-	-	88,438
<b>Total</b>	<u>\$ 1,275,718</u>	<u>\$ 155,899</u>	<u>\$ 15,658</u>	<u>\$ 427,037</u>	<u>\$ 113,985</u>	<u>\$ 3,701</u>	<u>\$ 90,101</u>	<u>\$ 716</u>	<u>\$ 317,348</u>	<u>\$ 16,447</u>	<u>\$ 2,416,610</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)**

- On October 7, 2009, the City entered into an operation and management lease agreement (agreement) with the Sierra Golf Management, Inc. (SGM), under which SMG will operate and collect user fees from the Madera Municipal Golf Course for the five years with an additional five years extension of the agreement. SGM will pay the City installment payment over the course of the arrangement; the present value of these installment payments is \$130,000. SGM will also pay a “per round” rate that establishes an initial rate of \$1.00 per round but increases in later years. SGM is required to operate and maintain the golf course in accordance with the agreement. The City reports the golf course and related equipment as capital assets with a carrying amount of \$2,028,861 at year-end, and reported a receivable and deferred inflow of resources in the amount of \$130,000 at year-end pursuant to the service concession arrangement.
- The City has a gain on refunding of debt reported in the government-wide statement of net position and the proprietary fund statement of net position. A gain on refunding of debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for gain on refunding of debt reported in the business-type activities of the government-wide statement of net position and the proprietary fund statement of net position are \$407,678.
- The City has pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in detail in Note 8.

**NOTE 7 – LONG-TERM LIABILITIES**

Changes in the City’s long-term liabilities for the year ended June 30, 2016 were as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
<b>Governmental Activities</b>					
Capital Leases:					
Police Facility	\$ 1,049,802	\$ -	\$ (77,729)	\$ 972,073	\$ 81,760
Madera Youth Center	688,710	-	(159,817)	528,893	167,807
Police In-car Camera lease	135,984	-	(30,023)	105,961	31,202
ERP System and Fire Truck	-	1,540,065	(144,847)	1,395,218	295,610
Total capital leases	1,874,496	1,540,065	(412,416)	3,002,145	576,379
Loans Payable:					
California Housing Finance Agency loan	525,096	-	(525,096)	-	-
PG&E Energy Efficiency Retrofit loan	135,956	-	(37,934)	98,022	37,934
Total loans payable	661,052	-	(563,030)	98,022	37,934
Bonds Payable:					
CFD 2006-1 Series Special Tax Bond	2,735,000	-	(40,000)	2,695,000	45,000
Less: unamortized bond discounts	(12,475)	-	594	(11,881)	-
Total bonds payable	2,722,525	-	(39,406)	2,683,119	45,000
Compensated absences	1,330,160	1,764,886	(1,758,077)	1,336,969	1,336,969
Net other postemployment benefit obligation	1,989,169	218,585	(112,075)	2,095,679	-
Net pension liability	24,979,444	3,297,795	(171,353)	28,105,886	-
Total	<u>\$ 33,556,846</u>	<u>\$ 6,821,331</u>	<u>\$ (3,056,357)</u>	<u>\$ 37,321,820</u>	<u>\$ 1,996,282</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
<b>Business-Type Activities</b>					
Capital leases:					
Jetrod Sewer Truck	\$ 14,356	-	\$ (14,356)	-	-
Total capital leases	14,356	-	(14,356)	-	-
Loans payable:					
CIEDB loan	8,217,294	-	(286,244)	7,931,050	294,860
Airport Hanger loan	185,699	-	(19,598)	166,101	20,536
Total loans payable	8,402,993	-	(305,842)	8,097,151	315,396
Bonds payable:					
Water and Wastewater Revenue Bonds, Series 2006	30,440,000	-	(30,440,000)	-	-
Add: unamortized bond premiums	418,134	-	(418,134)	-	-
Water Revenue Bonds, Series 2010	10,755,000	-	(290,000)	10,465,000	300,000
Less: unamortized bond discounts	(124,716)	-	5,423	(119,293)	-
1993 Variable Rate Demand Bonds (Madera Municipal Golf Course Refinancing Project)	2,685,000	-	(250,000)	2,435,000	260,000
Water and Wastewater Refunding Revenue Bonds, Series 2015	-	30,140,000	(70,000)	30,070,000	1,040,000
Total bonds payable	44,173,418	30,140,000	(31,462,711)	42,850,707	1,600,000
Compensated absences	233,161	333,338	(327,413)	239,086	234,750
Net other postemployment benefit obligation	320,327	39,842	(20,428)	339,741	-
Net pension liability	4,008,471	416,451	(564,825)	3,860,097	-
<b>Total</b>	<b>\$ 57,152,726</b>	<b>\$ 30,929,631</b>	<b>\$ (32,695,575)</b>	<b>\$ 55,386,782</b>	<b>\$ 2,150,146</b>

**Governmental Activities Long-Term Debt**

**Capital Leases**

*Police Facility*

In December 2005, the City entered into a capital lease agreement with La Salle Bank to lease a portion of the construction cost for the police facility. The entire purchase price of the police station was \$5,200,000. The leased portion of the police station was \$1,500,000 and is payable over a period of twenty years. Semi-annual payments on the contract are \$65,249. The effective interest rate on the contract is 5.120% per annum. At June 30, 2016, the outstanding balance of the police station capital lease was \$972,073.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 81,760	\$ 52,767	\$ 134,527
2018	86,000	48,737	134,737
2019	90,459	44,497	134,956
2020	95,150	40,038	135,188
2021	100,084	35,347	135,431
2022-2026	518,620	1,629	520,249
<b>Total</b>	<b>\$ 972,073</b>	<b>\$ 223,015</b>	<b>\$ 1,195,088</b>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**Capital Leases (Continued)**

*Madera Youth Center*

In May 2010, the City entered into a capital lease agreement with Municipal Finance Corporation to lease a portion of the construction of the Youth Center. The lease portion of the Youth Center was \$1,500,000 and is payable over a period of ten years. Semi-annual payments on the contract are \$194,257. The effective interest rate on the contract is 5% per annum. At June 30, 2016, the outstanding balance of the Youth Center capital lease was \$528,893.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 167,807	\$ 26,450	\$ 194,257
2018	176,197	18,060	194,257
2019	184,889	9,250	194,139
Total	<u>\$ 528,893</u>	<u>\$ 53,760</u>	<u>\$ 582,653</u>

*Police In-Car Camera*

In August 2014, the City has entered into a capital lease agreement for the police department in-car camera system under which the related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$157,755 and is payable over a period of five years. Quarterly payments on the contract are \$8,713. The effective interest rate on the contract is 3.87%. At June 30, 2016, the outstanding balance of the capital lease was \$105,961.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 31,202	\$ 3,651	\$ 34,853
2018	32,428	2,426	34,854
2019	33,701	1,153	34,854
2020	8,630	83	8,713
Total	<u>\$ 105,961</u>	<u>\$ 7,313</u>	<u>\$ 113,274</u>

*ERP and Fire Truck*

In August 2015, the City has entered into a five-year equipment lease-purchase agreement for the purchase of Enterprise Resource Planning (ERP) system to be installed at the City Hall and a fire truck with Holman Capital Corporation. Holman Capital Corporation deposited \$1,540,065 into the Escrow Fund, which the Community Business Bank is the escrow agent, for the acquisition of the equipment and for the payment of issuance costs. The related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$1,540,065 and is payable over a period of five years. Semi-monthly payments on the agreement are \$165,715. The effective interest rate on the contract is 2.71%. At June 30, 2016, the outstanding balance of the capital lease was \$1,395,218. The cash balance in the Escrow Fund held at the Community Business Bank as of June 30, 2016 is \$1,041,819. This remaining fund in the Escrow Fund account will be used to fund the acquisition of the equipment in the following fiscal year.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Governmental Activities Long-Term Debt (Continued)**

**Capital Leases (Continued)**

*ERP and Fire Truck (continued)*

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 295,610	\$ 35,821	\$ 331,431
2018	303,675	27,756	331,431
2019	311,960	19,470	331,430
2020	320,472	10,959	331,431
2021	163,501	2,215	165,716
Total	<u>\$ 1,395,218</u>	<u>\$ 96,221</u>	<u>\$ 1,491,439</u>

**Loans Payable**

*California Housing Finance Agency Loan*

In September 2005, the City entered into a loan agreement with California Housing Finance Agency (CalHFA) to operate the City's housing program. The City is required to use the loan funds exclusively to facilitate a multifamily rental rehabilitation program. The maximum loan fund available to the City is \$1,500,000. The effective interest rate is 3% per annum and interest will be charged only on funds disbursed. Principal and interest payments are deferred until September 2015. The City paid off the CalHFA loan payable during fiscal year 2016.

*PG&E Energy Efficiency Retrofit Loan*

In June 2012, the City entered into a loan agreement with PG&E to convert old high pressure sodium lights with new energy efficient LED streetlights. The loan amount is \$249,731 and is payable over a period of 6.7 years with zero percent interest. Monthly payments on the loan are \$3,161. At June 30, 2016, the outstanding balance of the PG&E Energy Efficiency Retrofit Loan was \$98,022.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 37,934	\$ -	\$ 37,934
2018	37,934	-	37,934
2019	22,154	-	22,154
Total	<u>\$ 98,022</u>	<u>\$ -</u>	<u>\$ 98,022</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**Governmental Activities Long-Term Debt** (Continued)

**Bonds Payable**

*CFD 2006-1 Series Special Tax Bond*

In December 2006, the City issued the 2006 Special Tax Bonds in the amount of \$2,885,000 for the purpose of constructing and acquiring certain public facilities of benefit to the District, providing for the establishment of a reserve fund, providing capitalized interest through September 1, 2008 and paying the cost of issuance of the Bond. The Bonds will be amortized with annual payments through September 2036, with interest payable semi-annually on September 1 and March 1 or each year at 3.7% to 4.7%. The Bonds are secured by and payable from a pledge of special taxes to be levied by the City on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the special taxes, and from amounts held in certain funds under the Indenture, all as more fully described herein. Unpaid special taxes do not constitute a personal indebtedness to the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent special tax. There is no assurance the owners will be able to pay the special tax or that they will pay a special tax even if financially able to do so. At June 30, 2016, the outstanding balance of the 2006 Special Tax Bonds was \$2,695,000.

The City has pledged a portion of future property tax revenue to repay the 2006 Special Tax Bond. The Bond required 1.8% of the property tax increment revenues. Total principal and interest remaining on the agreement is \$4,660,931 payable through 2037.

The 2006 Special Tax Bonds were issued at a discount which is being amortized over the life of the bonds resulting in an annual amortization of \$594. At June 30, 2016, the outstanding balance of the discount on the bonds was \$11,881.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 45,000	\$ 131,120	\$ 176,120
2018	50,000	129,030	179,030
2019	55,000	126,693	181,693
2020	60,000	124,105	184,105
2021	70,000	121,145	191,145
2022-2026	455,000	547,733	1,002,733
2027-2031	690,000	409,385	1,099,385
2032-2036	1,020,000	197,500	1,217,500
2037	250,000	6,250	256,250
Total	<u>\$ 2,695,000</u>	<u>\$ 1,792,961</u>	<u>\$ 4,487,961</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt**

**Capital Leases**

Jetrod Sewer Truck

In December 2005, the City entered into a capital lease agreement with La Salle Bank to lease a Jetrod Sewer Truck. The purchase price of the sewer truck was \$232,435 and is payable over a period of ten years. Semi-annual payments on the contract are \$14,693. The effective interest rate on the contract is 4.690% per annum. The City paid off the Jetrod Sewer Truck capital lease during fiscal year 2016.

**Loans Payable**

California Infrastructure and Economic Development Bank (CIEDB) Loan

Loan payable to California Infrastructure and Economic Development Bank for the regional wastewater treatment plant upgrade and expansion project; semi-annual installments of \$383,084 to \$525,788, including interest at 3.01% per annum. At June 30, 2016, the outstanding balance of the California Infrastructure and Economic Development Bank loan was \$7,931,050.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 294,860	\$ 234,287	\$ 529,147
2018	303,735	225,278	529,013
2019	312,877	215,998	528,875
2020	322,295	206,439	528,734
2021	331,996	196,592	528,588
2022-2026	1,816,029	824,561	2,640,590
2027-2031	2,106,297	529,923	2,636,220
2032-2036	<u>2,442,961</u>	<u>188,193</u>	<u>2,631,154</u>
Total	<u>\$ 7,931,050</u>	<u>\$ 2,621,271</u>	<u>\$ 10,552,321</u>

Airport Hanger Loan

Loan payable to the Department of Transportation, Division of Aeronautics for the purchase of fourteen airplane hangars; annual installments of \$14,131 to \$27,180, including interest at 4.7829%. At June 30, 2016, the outstanding balance of the Department of Transportation, Division of Aeronautics loan was \$166,101.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 20,536	\$ 7,944	\$ 28,480
2018	21,518	6,962	28,480
2019	22,547	5,933	28,480
2020	23,625	4,855	28,480
2021	24,755	3,725	28,480
2022-2023	<u>53,120</u>	<u>3,841</u>	<u>56,961</u>
Total	<u>\$ 166,101</u>	<u>\$ 33,260</u>	<u>\$ 199,361</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt (Continued)**

**Bonds Payable**

*Water and Wastewater Revenue Bonds, Series 2006*

Water and Wastewater Revenue Bonds, Series 2006 were issued by the Financing Authority in March 2006 for \$35,995,000. Proceeds from the bonds were used to refund \$2,225,000 of its 1996 Sewer Revenue Refunding Bonds, Series A, and for Water and Sewer System Capital Facilities. The bonds are due in annual installments of \$50,000 to \$2,055,000 through March 1, 2036, with interest payable semiannually on September 1 and March 1 of each year at 3.5% to 4.75%. The City has issued the Water and Wastewater Refunding Revenue Bonds, Series 2015 in December 2015 to refund the Water and Wastewater Revenue Bonds, Series 2006.

*Water and Wastewater Refunding Revenue Bonds, Series 2015*

Water and Wastewater Refunding Revenue Bonds, Series 2015 were issued by the Financing Authority in December 2015 for \$30,140,000. Proceeds from the bonds were used to refund \$30,440,000 of its Water and Wastewater Refunding Revenue Bonds, Series 2015. The bonds are due in annual installments of \$70,000 to \$2,080,000 through March 1, 2036, with interest payable semiannually on September 1 and March 1 of each year at 3.700%. At June 30, 2016, the outstanding balance of the Water and Wastewater Revenue Bonds was \$30,070,000.

The Financing Authority has pledged a portion of future water and wastewater revenue to repay the 2015 Water and Wastewater Revenue Bonds. Total principal and interest remaining on the agreement is \$43,091,780 payable through 2036.

The annual debt service requirements at June 30, 2016 are as follows:

Year Ending June 30,	Water			Sewer			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 70,000	\$ 74,740	\$ 144,740	\$ 970,000	\$ 1,037,850	\$ 2,007,850	\$ 1,040,000	\$ 1,112,590	\$ 2,152,590
2018	70,000	72,150	142,150	1,005,000	1,001,960	2,006,960	1,075,000	1,074,110	2,149,110
2019	75,000	69,560	144,560	1,045,000	964,775	2,009,775	1,120,000	1,034,335	2,154,335
2020	75,000	66,785	141,785	1,080,000	926,110	2,006,110	1,155,000	992,895	2,147,895
2021	80,000	64,010	144,010	1,120,000	886,150	2,006,150	1,200,000	950,160	2,150,160
2022-2026	455,000	273,060	728,060	6,275,000	3,776,220	10,051,220	6,730,000	4,049,280	10,779,280
2027-2031	540,000	182,040	722,040	7,530,000	2,525,805	10,055,805	8,070,000	2,707,845	10,777,845
2032-2036	655,000	74,370	729,370	9,025,000	1,026,195	10,051,195	9,680,000	1,100,565	10,780,565
Total	<u>\$ 2,020,000</u>	<u>\$ 876,715</u>	<u>\$ 2,896,715</u>	<u>\$ 28,050,000</u>	<u>\$ 12,145,065</u>	<u>\$ 40,195,065</u>	<u>\$ 30,070,000</u>	<u>\$ 13,021,780</u>	<u>\$ 43,091,780</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

**Business-Type Activities Long-Term Debt** (Continued)

**Bonds Payable** (Continued)

*Water Revenue Bonds, Series 2010*

Water Revenue Bonds, Series 2010 were issued by the Financing Authority in November 2010 for \$11,215,000. The City will use the proceeds from the Bonds along with the changing of water and sewer rates to bring the City into compliance with State Law to have the entire City on water meters by the year 2025. The bonds are due in annual installments of \$65,000 to \$745,000 through March 1, 2038, with interest payable semi-annually on September 1 and March 1 of each year at 4.5%. At June 30, 2016, the outstanding balance was \$10,465,000.

The Financing Authority has pledged a portion of future wastewater revenue to repay the 2010 Water Revenue Bonds. Total principal and interest remaining on the agreement is \$17,153,659, payable through 2038.

The Water Revenue Bonds, Series 2010 were issued at a discount which is being amortized over the life of the bonds resulting in an annual amortization of \$5,423. At June 30, 2016, the outstanding balance of the discount on the bonds was \$119,293.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 300,000	\$ 479,513	\$ 779,513
2018	315,000	467,513	782,513
2019	320,000	458,063	778,063
2020	335,000	448,463	783,463
2021	345,000	441,763	786,763
2022-2026	1,945,000	1,963,369	3,908,369
2027-2031	2,405,000	1,484,725	3,889,725
2032-2036	3,045,000	835,250	3,880,250
2037	<u>1,455,000</u>	<u>110,000</u>	<u>1,565,000</u>
Total	<u>\$ 10,465,000</u>	<u>\$ 6,688,659</u>	<u>\$ 17,153,659</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities Long-Term Debt (Continued)**

**Bonds Payable (Continued)**

*1993 Variable Rate Demand Bonds*

In May 1993, the Financing Authority issued Variable Rate Demand Bonds in the aggregate principal of \$5,280,000. The proceeds were used to redeem \$4,835,000 of its December 8, 1989 Lease Revenue Bonds, Series A, and \$262,450 for additional Golf Course construction. The bonds are due in annual installments of \$140,000 to \$350,000 beginning November 2001 with interest at 4.3% to 10.0% per annum payable semi-annually. Payments of principal and interest on the bonds are supported by an irrevocable direct draw letter of credit. At June 30, 2016, the outstanding balance of the Variable Rate Demand Bonds was \$2,435,000. Total principal and interest remaining on the agreement is payable through 2024.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 260,000	\$ -	\$ 260,000
2018	275,000	-	275,000
2019	285,000	-	285,000
2020	295,000	-	295,000
2021	310,000	-	310,000
2022-2024	<u>1,010,000</u>	<u>-</u>	<u>1,010,000</u>
Total	<u>\$ 2,435,000</u>	<u>\$ -</u>	<u>\$ 2,435,000</u>

**Compensated Absences**

The City's policy relating to compensated absences is described in Note 1. At June 30, 2016, the City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) balance is \$1,336,969 for governmental activities and \$239,086 for business-type activities. All compensated absence amounts above are generally liquidated by the fund incurring the expense.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS**

**AGENT MULTIPLE EMPLOYER PLANS**

**A. General Information**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous Plan is closed to new entrants as of January 1, 2013.

The Plans' provisions and benefits in effect at June 30, 2016 are summarized as follows:

	Miscellaneous		
	1st Tier	2nd Tier	PEPRA
	Prior to January 1, 2011	January 1, 2011 thru December 31, 2013	On or after January 1, 2013
Hire Date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of annual salary	2.000% to 2.500%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	19.97%	19.97%	19.97%

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	190
Inactive employees entitled to but not yet receiving benefits	202
Active employees	191
Total	583

**Contributions** – Section 20814c of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**B. Net Pension Liability**

The City's net pension liability for its Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Miscellaneous Plan is measured as of June 30 2014, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2015, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.65% <sup>(2)</sup>
Mortality	Derived from CalPERS Membership Data for all Funds <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> Net of pension plan investment expenses, including inflation

<sup>(3)</sup> The Mortality Table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS** (Continued)

**AGENT MULTIPLE EMPLOYER PLANS** (Continued)

**B. Net Pension Liability** (Continued)

**Discount Rate** (Continued)

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1-10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.5%	5.13%
Infrastructure and Forestland	2.0%	4.5%	5.09%
Liquidity	2.0%	(0.55)%	(1.05)%
Total	100%		

<sup>(a)</sup> An expected inflation of 2.5% used for this period

<sup>(b)</sup> An expected inflation of 3.0% used for this period

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**C. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Liability	Net Pension Liability/(Asset)
Balance at 6/30/2014	\$68,888,978	\$52,660,352	\$16,228,626
Changes in the year:			
Service cost	1,515,655	-	1,515,655
Interest on total pension liability	5,085,808	-	5,085,808
Changes in benefit terms	-	-	-
Changes of assumptions	(1,189,492)	-	(1,189,492)
Differences between expected and actual experience	(269,941)	-	(269,941)
Plan to plan resource movement	-	-	-
Contributions - employer	-	1,603,067	(1,603,067)
Contributions - employees	-	705,875	(705,875)
Net investment income	-	1,164,130	(1,164,130)
Benefit payment, including refunds of employee contributions	(3,412,481)	(3,412,481)	-
Administrative expenses	-	(59,277)	59,277
Net changes	1,729,549	1,314	1,728,235
Balance at 6/30/2015	\$70,618,527	\$52,661,666	\$17,956,861

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net position liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Miscellaneous Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
6.65%	7.65%	8.65%
\$ 26,971,089	\$ 17,956,861	\$ 10,475,520

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

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLAN (Continued)**

**D. Pension Expenses Deferred Outflows/Inflows of Resources Related to Pensions**

The City recognized pension expense, deferred outflows or resources and deferred inflows of resources included a portion attributable to superior court employees. These employees are not employees of the City of Madera, however, disaggregated information was not available from CalPERS. The effect of this liability was deemed immaterial to the overall Net Pension Liability by City management.

For the year ended June 30, 2016, the City recognized pension expense of \$1,678,580. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,321,097	\$ -
Changes of Assumptions	-	817,774
Differences between actual and expected experience	-	185,584
Net differences between projected and actual earnings on plan investments	-	470,275
Change in employer's proportion	-	-
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	-
Total	\$ 2,321,097	\$ 1,473,633

\$2,321,097 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		
2017	\$	(799,951)
2018		(799,951)
2019		(435,093)
2020		561,362
2021		-
Thereafter		-

**E. Payable to the Pension Plan**

The City did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN**

**A. General Information about the Pension Plan**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Madera (City) sponsors three safety rate plans (three police) Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The rate plan provisions and benefits in effect at June 30, 2016 are summarized as follows:

	Safety		
	1st Tier	2nd Tier	PEPRA
Hire date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.000%	2.400% to 3.000%	2.000% to 2.700%
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	18.524%	15.627%	11.153%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$899,308 for the fiscal year ended June 30, 2016.

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City’s contributions to the plan for the year ended June 30, 2016 were \$1,873,039.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN (Continued)**

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

As of June 30, 2016, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$14,009,122.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.3375%
Proportion - June 30, 2015	0.3400%
Change - Increase (Decrease)	0.0025%

For the year ended June 30, 2016, the City recognized pension expense of \$892,136. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 1,873,039	\$ -
Changes of Assumptions	-	847,125
Differences between actual and expected experience	-	184,183
Net differences between projected and actual earnings on plan investments	-	429,328
Change in employer's proportion	760,547	109,469
Differences between the employer's actual contributions and the employer's proportionate share of contributions	232,324	-
Total	\$ 2,865,910	\$ 1,570,105

\$1,873,039 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, 2017. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ (361,845)
2018	(367,312)
2019	(375,106)
2020	527,029
2021	-
Therafter	-

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN (Continued)**

**C. Actuarial Assumptions**

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.65% <sup>(2)</sup>
Mortality	Derived from CalPERS Membership Data for all Funds <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> Net of pension plan investment expenses, including inflation

<sup>(3)</sup> The Mortality Table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experiences Study can be found on the CalPERS website.

**Change of Assumptions** – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expenses but without reduction for pension plan administrative expenses. The discount rate of 7.50 percent used the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expenses.

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

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

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8 – PENSION PLANS (Continued)**

**COST SHARING MULTIPLE-EMPLOYER PLAN (Continued)**

**D. Discount Rate (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014

Asset Class	New Strategic Allocation	Real Return Years 1-10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.5%	5.13%
Infrastructure and Forestland	2.0%	4.5%	5.09%
Liquidity	2.0%	(0.55)%	(1.05)%
Total	100%		

<sup>(a)</sup> An expected inflation of 2.5% used for this period

<sup>(b)</sup> An expected inflation of 3.0% used for this period

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
6.65%	7.65%	8.65%
\$ 21,123,482	\$ 14,009,122	\$ 8,175,479

**E. Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**F. Payable to the Pension Plan**

The City did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS**

Plan Description

The City of Madera Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides healthcare benefits to eligible retirees. Benefit provisions are negotiated and may be amended through agreements and memorandums of understanding between the City, its management employees, and union representing City employees. Membership in the Plan at the most recent valuation date July 1, 2012 consisted of the following: Eligible active employees were 228; enrolled eligible retirees were 22.

Eligibility

Membership of the Plan at the most recent valuation date July 1, 2012 consisted of the following:

	Management*	All Other Bargaining Group**
Eligibility	Retire directly from City at age 50 and 20 years City service, including 3 years with Management***	Retire directly from City at age 50 and 5 years CalPERS service (or disability retirement)
Medical	Retiree - City pays single premium including supplemental to Medicare and prescription drug premium when Medicare eligible. Must be enrolled at retirement; cannot re-elect coverage; spouse/family - retiree-paid	Retiree pays premium (until age 65 or Medicare eligible). Spouse/family-retiree-paid (until age 65 or Medicare eligible; cannot re-elect coverage)

\*Benefits consistent with individual executive contracts

\*\*Excludes City Council

\*\*\*Management with 5 years City service can participate with payment of premium

Funding Policy

There is no statutory requirement for the City to pre-fund its OPEB obligation. The City has currently chosen to pay Plan benefits on a pay-as-you-go basis. There are no employee contributions. For fiscal year 2015-16, the City contributed approximately \$38,503 on a pay-as-you-go-basis for cash subsidy benefit payments and approximately \$91,673 for implied subsidy benefit payments.

Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligations

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the City's annual required contribution (OPEB costs), for the fiscal years ended June 30, 2014, 2015, and 2016, the amount actually contributed to the plan, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation:

Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 250,388	\$ 125,165	50%	\$ 2,178,874
June 30, 2015	\$ 258,428	\$ 127,806	49%	\$ 2,309,496
June 30, 2016	\$ 256,100	\$ 130,176	51%	\$ 2,435,420

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)**

The following table shows the components of City's annual OPEB cost for the fiscal year ended June 30, 2016, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year.

Annual required contribution (ARC)	\$ 297,278
Interest on net OPEB obligation	92,380
Adjustment to annual required contribution	<u>(133,558)</u>
Annual OPEB cost (expense)	256,100
Contributions made	<u>(130,176)</u>
Change in net OPEB obligation	125,924
Net OPEB obligation, beginning of the year	<u>2,309,496</u>
Net OPEB obligation, end of the year	<u>\$ 2,435,420</u>

**Funded Status and Funding Progress**

The funded status of the plan as of the most recent actuarial valuation, July 1, 2014, was as follows:

Actuarial accrued liability (AAL)	\$ 4,817,463
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,817,463</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 12,466,331
UAAL as a percentage of covered payroll	39%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)**

*Actuarial Methods and Assumptions (continued)*

The ARC for the year ended June 30, 2016 was determined as part of the July 1, 2014 actuarial valuation using the following methods and assumptions:

Actuarial cost method:	Projected unit credit with service pro-rate
Amortization method:	30-year-level dollars, open period
Remaining amortization period:	30 years
Discount rate:	4.0% per annum
Rate of return on investments:	4.0% per annum (for funding schedules)
Retirement rates:	Based on City experience
Turnover:	According to Crocker-Sarason Table T-5 less mortality, increased by 40% at all ages.
Mortality:	RP-2000 Combined Mortality, static projection to 2012 by scale AA.
Health care cost trend rate:	2014 (8.0%), 2015 (7.0%), 2016 (6.0%), 2017 (5.0%)

**NOTE 10 – DEFERRED COMPENSATION**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan was amended so that the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since the plan assets are administered by an outside party and not subject to the claims of the City's general creditors, their assets and related liabilities are not on the City's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

**NOTE 11 – RISK MANAGEMENT**

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool for workers' compensation and general liability insurance. The CSJVRMA is a consortium of fifty-five cities located in California's San Joaquin Valley. It was established under the provisions of California Government Code Section 6500 et. seq. CSJVRMA is governed by a Board of Directors, consisting of one member appointed by each member city. The day-to-day business operations are handled by a management group employed by CSJVRMA. The relationship between the City and CSJVRMA is such that the CSJVRMA is not considered a component unit of the City for financial reporting purposes.

General Liability Insurance coverage is addressed via retention maintained by the City and participation in CSJVRMA. The City maintains a self-insured retention level of \$100,000 and participates in the CSJVRMA risk pool for coverage up to \$1,000,000. CSJVRMA participates in an excess pool, which provides coverage from \$1,000,000 to \$29,000,000.

Workers' Compensation coverage is also addressed via a retention maintained by the City and participation in CSJVRMA. The City maintains a self-insured retention level of \$100,000 and participates in the CSJVRMA risk pool for additional coverage up to \$250,000. CSJVRMA also participates in an excess pool which provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance of approximately \$500,000 to the statutory limit.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11 – RISK MANAGEMENT (Continued)**

The summary financial position and results of operations for CSJVRMA, as of June 30, 2016, is presented as follows:

<b>Statement of Net Position</b>	
Current assets	\$ 21,243,721
Noncurrent assets	<u>71,499,441</u>
Total assets	<u>92,743,162</u>
Current liabilities	17,853,047
Noncurrent liabilities	<u>59,455,283</u>
Total liabilities	<u>77,308,330</u>
Total net position	<u>\$ 15,434,832</u>

<b>Statement of Revenues, Expenses and Changes in Net Position</b>	
Operating revenues	\$ 37,945,462
Operating expenses	<u>37,742,471</u>
Operating income (loss)	202,991
Non-operating income (loss)	<u>2,275,191</u>
Increase (decrease) in net position	2,478,182
Net position - beginning of year	<u>12,956,650</u>
Net position - end of year	<u>\$ 15,434,832</u>

**NOTE 12 – CONTINGENCIES AND COMMITMENTS**

**Litigation**

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

**Contingent Liabilities**

On March 1, 1993, the City issued Certificates of Participation in the aggregate of \$10,250,000 for the benefit of Madera Community Hospital (Hospital), a California nonprofit public benefit corporation. The Hospital is not included in the City's reporting entity. The City is obligated to make the purchase payments only from and to the extent that it receives revenue from the Hospital. They are not secured by any pledge of taxes or other revenues of the City. In addition, the purchase payments are insured by the Office of Statewide Health Planning and Development of the State of California. As of June 30, 2016, the City has not recorded revenues from the Hospital.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – CONTINGENCIES AND COMMITMENTS (Continued)**

**Federal Awards and Grants**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

**Contractual Commitments**

The City has active construction projects as of June 30, 2016. At year-end, the City's major contractual commitments are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Commercial Water Meter Installations	\$ 1,393,691	\$ 202,426	\$ 1,191,265
Sanitary Sewer and Storm Drain Improvements at Various Locations	1,201,814	1,141,723	60,091
Riverwalk Drive Improvement Project	1,383,025	1,144,107	238,918
Centennial Park Inclusive Playground	345,308	140,749	204,559
Fourth Street Medians Landscape & Irrigation Improvements, Sunset to Lake	<u>279,169</u>	<u>242,197</u>	<u>36,972</u>
Total	<u>\$ 4,603,007</u>	<u>\$ 2,871,202</u>	<u>\$ 1,731,805</u>

In addition, the City has various contracts with developers for the cost of public improvements made through construction of new developments within the City. The agreements are for the reimbursement of reasonable costs for the construction of public improvements within the planned developments. The City agrees to reimburse developers for the City's proportionate share of the costs of improvements as determined by the City Engineer. The City will not reimburse any expenses beyond the actual and reasonable costs of installing the improvements.

**Encumbrances**

At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 280,167
General development impact fund	65,366
Special gas tax fund	166,616
Nonmajor governmental funds	<u>639,201</u>
Total	<u>\$ 1,151,350</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 12 – CONTINGENCIES AND COMMITMENTS (Continued)**

**Operating Leases**

In June 2014, the City entered into an operating lease agreement for computers for the City. The term of the agreement ends June 2017. Rental expense for the year ended June 30, 2016 was \$62,215.

In June 2013, the City entered into an operating lease agreement for copiers for the City. The term of the agreement ends June 2018. Rental expense for the year ended June 30, 2016 was \$33,322.

The future minimum payments anticipated under these commitments as of June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Computers	Copiers	Total
2017	\$ 62,215	\$ 33,322	\$ 95,537
2018	62,215	33,322	95,537
	<u>\$ 124,430</u>	<u>\$ 66,644</u>	<u>\$ 191,074</u>

**NOTE 13 – DEFICIT FUND BALANCE**

**Deficit Fund Balance**

The City has accumulated fund deficits in the following individual funds:

Nonmajor governmental funds

The Federal Aid Urban special revenue fund has a net fund deficit of \$107,929. The deficit will be eliminated through future revenues.

The Senior Citizen Services special revenue fund has a net fund deficit of \$49,736. The deficit will be eliminated through future revenues or transfers from other funds.

Nonmajor enterprise funds

The Golf Course Fund has a net fund deficit of \$476,664. The deficit is due primarily to the \$2,435,000 outstanding bonds for the Madera Municipal Golf Course Refinancing Project. It is anticipated that the deficit in this fund will be eliminated through future revenues or transfers from other funds.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 14 – RESTATEMENTS OF BEGINNING NET POSITIONS**

**Prior Period Adjustments**

***Governmental Activities***

The beginning net position of the Governmental Activities and Business-type Activities in the Government-Wide Statement of Activities have been restated to record prior period adjustments to correct the errors in the prior year.

***Fund Financial Statements***

The City has determined that certain transactions were recorded incorrectly in the prior year. The beginning fund balance of the funds has been restated on the fund basis financial statements to correct prior year errors.

A reconciliation of the prior period ending net position to the current year beginning net positions for the Governmental Activities and Business-Type Activities in the Government-Wide Statement of Activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning net position	\$ 200,638,972	\$ 73,998,891	\$ 274,637,863
Prior period adjustments:			
Overstatement of accounts payable	30,718	115,113	145,831
Overstatement of due to developers	2,074,302	-	2,074,302
Understatement of due to other funds	(204,425)	-	(204,425)
Understatement of due from other funds	-	204,425	204,425
Total prior period adjustments	<u>1,900,595</u>	<u>319,538</u>	<u>2,220,133</u>
Beginning net position, as restated	<u>\$ 202,539,567</u>	<u>\$ 74,318,429</u>	<u>\$ 276,857,996</u>

Reconciliation of the prior period ending to the current year beginning fund balances/net positions in the fund financial statements are as follows:

Description	Major Funds			Nonmajor Fund	Total
	General Fund	General Development Impact Fees Fund	Sewer Fund	Supplemental Law Enforcement Fund	
Beginning fund balance/net position	\$ 13,958,409	\$ 11,143,588	\$ 18,674,442	\$ 91,132	\$ 19,522,813
Prior period adjustments:					
Overstatement of accounts payable	22,004	-	115,113	8,713	145,830
Overstatement of due to developers	-	2,074,302	-	-	2,074,302
Understatement of due to other funds	-	(204,425)	-	-	(204,425)
Understatement of due from other funds	-	-	204,425	-	204,425
Total prior period adjustments	<u>22,004</u>	<u>1,869,877</u>	<u>319,538</u>	<u>8,713</u>	<u>2,220,132</u>
Beginning fund balance/net position, as restated	<u>\$ 13,980,413</u>	<u>\$ 13,013,465</u>	<u>\$ 18,993,980</u>	<u>\$ 99,845</u>	<u>\$ 21,742,945</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 15 – SEGMENT INFORMATION**

Segment information for the Water Fund, Sewer Fund, and Golf Course Fund was as follows:

	Water Fund	Sewer Fund	Golf Course Fund
<b>CONDENSED STATEMENT OF NET POSITION</b>			
Assets:			
Current assets	\$ 13,667,103	\$ 9,406,105	\$ 446,287
Capital assets	<u>23,363,133</u>	<u>47,021,758</u>	<u>2,028,861</u>
Total assets	<u>37,030,236</u>	<u>56,427,863</u>	<u>2,475,148</u>
Deferred outflows of resources:			
Contributions to pension plan in current fiscal year	<u>154,878</u>	<u>201,405</u>	-
Total deferred outflows of resources	<u>154,878</u>	<u>201,405</u>	-
Liabilities:			
Current liabilities	2,511,366	1,948,450	646,812
Noncurrent liabilities	<u>13,302,031</u>	<u>36,402,923</u>	<u>2,175,000</u>
Total liabilities	<u>15,813,397</u>	<u>38,351,373</u>	<u>2,821,812</u>
Deferred inflows of resources:			
Pension deferrals	98,330	127,869	-
Deferred service concession arrangement receipts	-	-	130,000
Gain on refunding of debt	<u>27,346</u>	<u>380,332</u>	-
Total deferred inflows of resources	<u>125,676</u>	<u>508,201</u>	<u>130,000</u>
Net position:			
Net investment in capital assets	14,026,403	11,040,708	(406,139)
Unrestricted	<u>7,219,638</u>	<u>6,728,986</u>	<u>(70,525)</u>
Total net position	<u>\$ 21,246,041</u>	<u>\$ 17,769,694</u>	<u>\$ (476,664)</u>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>			
Operating revenues	\$ 7,265,789	\$ 7,407,966	\$ 96,542
Depreciation expense	(857,006)	(2,239,355)	-
Other operating expenses	<u>(4,174,745)</u>	<u>(4,380,127)</u>	<u>(64,083)</u>
Operating income (loss)	2,234,038	788,484	32,459
Nonoperating revenue (expenses):			
Investment income	94,924	66,759	2,052
Interest expense	(593,654)	(1,717,566)	(1,423)
Bond issuance costs	(14,253)	(203,816)	-
Other nonoperating revenue (expenses)	17,880	-	(9,091)
Capital contributions	46,725	61,200	-
Transfers in	-	225,000	191,583
Transfers out	<u>(744,429)</u>	<u>(444,347)</u>	-
Change in net position	1,041,231	(1,224,286)	215,580
Beginning net position	<u>20,204,810</u>	<u>18,993,980</u>	<u>(692,244)</u>
Ending net position	<u>\$ 21,246,041</u>	<u>\$ 17,769,694</u>	<u>\$ (476,664)</u>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>			
Net cash provided (used) by:			
Operating activities	\$ 2,847,358	\$ 2,963,144	\$ 68,857
Noncapital financing activities	(730,799)	(197,364)	191,583
Capital and related financing activities	(975,535)	(2,707,314)	(260,819)
Investment activities	<u>94,551</u>	<u>66,759</u>	<u>1,962</u>
Net increase (decrease)	1,235,575	125,225	1,583
Beginning cash and cash equivalents	<u>11,769,222</u>	<u>9,115,399</u>	<u>303,637</u>
Ending cash and cash equivalents	<u>\$ 13,004,797</u>	<u>\$ 9,240,624</u>	<u>\$ 305,220</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND**

On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill 1X26 (the Bill") which dissolved all redevelopment agencies in the State of California.

Under the control of an oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution of the redevelopment agency (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocated revenue in the amount that is necessary to pay estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

After the date of the dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

***Capital Assets***

Capital assets activity of the Successor Agency Trust Fund as of June 30, 2016 is as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 389,566	\$ -	\$ -	\$ 389,566
Total capital assets not being depreciated	<u>389,566</u>	<u>-</u>	<u>-</u>	<u>389,566</u>
Capital assets being depreciated:				
Buildings and improvements	3,339,683	-	-	3,339,683
Equipment	<u>378,169</u>	<u>-</u>	<u>-</u>	<u>378,169</u>
Total capital assets being depreciated	<u>3,717,852</u>	<u>-</u>	<u>-</u>	<u>3,717,852</u>
Less accumulated depreciation for:				
Buildings and improvements	1,040,898	136,598	-	1,177,496
Equipment	<u>252,346</u>	<u>28,273</u>	<u>-</u>	<u>280,619</u>
Total accumulated depreciation	<u>1,293,244</u>	<u>164,871</u>	<u>-</u>	<u>1,458,115</u>
Capital assets, net	<u>\$ 2,814,174</u>	<u>\$ (164,871)</u>	<u>\$ -</u>	<u>\$ 2,649,303</u>

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

***Long-term Debt***

The following is a summary of long-term debt obligation transactions for the Successor Agency Trust Fund at June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
1998 Tax Allocation Bonds	\$ 5,830,000	\$ -	\$ (135,000)	\$ 5,695,000	\$ 140,000
Less: unamortized bond discounts	(69,564)	-	5,351	(64,213)	-
2003 Tax Allocation Bonds	15,165,000	-	(575,000)	14,590,000	605,000
Add: unamortized bond premiums	8,268	-	(459)	7,809	-
2008A Series Tax Allocation Bonds	23,450,000	-	(380,000)	23,070,000	395,000
2008B Series Tax Allocation Bonds	3,575,000	-	(80,000)	3,495,000	85,000
Less: unamortized bond discounts	(612,400)	-	26,625	(585,775)	-
Compensated absences	32,946	35,095	(44,433)	23,608	23,608
<b>Total</b>	<b>\$ 47,379,250</b>	<b>\$ 35,095</b>	<b>\$ (1,182,916)</b>	<b>\$ 46,231,429</b>	<b>\$ 1,248,608</b>

**1998 Tax Allocation Bonds**

On October 8, 1998, the Agency issued \$7,440,000 of 1998 Tax Allocation Redevelopment Project Bonds. The proceeds of the bonds were used to finance redevelopment activities within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance, sale and delivery of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 1999, with the final payment due in the year 2029. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.15% to 4.95%. Principal and interest will be paid from tax increment revenues consisting of a portion of taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2016 was \$5,695,000.

The Agency has pledged a portion of future property tax increment revenue to repay the 1998 Tax Allocation Redevelopment Bonds. The bonds required 10% of the RDA property tax increment revenue. Total principal and interest remaining on the bonds is \$8,169,985 payable through 2029.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 140,000	\$ 266,468	\$ 406,468
2018	140,000	260,098	400,098
2019	150,000	253,500	403,500
2020	155,000	246,406	401,406
2021	165,000	238,806	403,806
2022-2026	2,180,000	1,008,663	3,188,663
2027-2029	2,765,000	201,044	2,966,044
<b>Total</b>	<b>\$ 5,695,000</b>	<b>\$ 2,474,985</b>	<b>\$ 8,169,985</b>

The 1998 Tax Allocation Bonds were issued at a discount of \$160,533, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$5,351. Unamortized bond discount as of June 30, 2016 was \$64,213.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

***Long-term Debt (Continued)***

**2003 Tax Allocation Bonds**

On October 23, 2003, the Agency issued \$19,495,000 of 2003 Tax Allocation Refunding and Redevelopment Project Bonds. The proceeds of the bonds were used to advance refund the Agency's 1993 Bond Anticipation Notes dated July 1, 1993, in an amount of \$7,201,007, to fund the acquisition and construction of new improvements within the Madera Redevelopment Project Area, to pay Agency housing set-aside obligations, to pay costs incurred in connection with the issuance, sale and delivery of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 2004, with the final payment due in the year 2034. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 2.00% to 5.00%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2016 was \$14,590,000.

The Agency has pledged a portion of future property tax increment revenue to repay the 2003 Tax Allocation Refunding Bonds. The bond required 34% of the RDA property tax increment revenues. Total principal and interest remaining on the bond is \$22,614,588 payable through 2033.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 605,000	\$ 704,569	\$ 1,309,569
2018	635,000	678,856	1,313,856
2019	660,000	651,075	1,311,075
2020	690,000	622,200	1,312,200
2021	720,000	587,700	1,307,700
2022-2026	2,925,000	2,423,588	5,348,588
2027-2031	3,675,000	1,881,100	5,556,100
2032-2033	4,680,000	475,500	5,155,500
Total	<u>\$ 14,590,000</u>	<u>\$ 8,024,588</u>	<u>\$ 22,614,588</u>

The 2003 Tax Allocation Bonds were issued at a premium of \$13,799, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$459. Unamortized bond premium as of June 30, 2016 was \$7,809.

**2008A Series Tax Allocation Bonds**

On September 10, 2008, the Agency issued \$25,455,000 of 2008A Series Tax Allocation Bonds. The proceeds of the bonds were used to finance redevelopment activities within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 2010, with the final payment due in the year 2039. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.50% to 5.38%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2016 was \$23,070,000.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

***Long-term Debt (Continued)***

**2008A Series Tax Allocation Bonds (continued)**

The Agency has pledged a portion of future property tax increment revenue to repay the 2008A Series Tax Allocation Bonds. The bond required 41% of the RDA property tax increment revenue. Total principal and interest remaining on the bond is \$41,953,569 payable through 2039.

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 395,000	\$ 1,190,118	\$ 1,585,118
2018	415,000	1,172,768	1,587,768
2019	430,000	1,153,598	1,583,598
2020	450,000	1,132,827	1,582,827
2021	475,000	1,110,983	1,585,983
2022-2026	2,745,000	5,155,036	7,900,036
2027-2031	3,550,000	4,310,196	7,860,196
2032-2036	7,040,000	3,064,579	10,104,579
2037-2039	<u>7,570,000</u>	<u>593,464</u>	<u>8,163,464</u>
Total	<u>\$ 23,070,000</u>	<u>\$ 18,883,569</u>	<u>\$ 41,953,569</u>

The 2008A Series Tax Allocation Bonds were issued at a discount of \$692,753, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$23,092. Unamortized bond discount as of June 30, 2016 was \$508,021.

**2008B Series Tax Allocation Bonds**

On September 10, 2008, the Agency issued \$4,000,000 of 2008B Housing Set-Aside Subordinate Tax Allocation Bonds. The proceeds of the bonds were used to finance low and moderate-income housing within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance of the bond, and to fund the reserve account.

Principal payments are due annually commencing on September 1, 2010, with the final payment due in the year 2038. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.50% to 5.38%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The outstanding balance of the bonds at June 30, 2016 was \$3,495,000.

The Agency has pledged a portion of future property tax increment revenue to repay the 2008B Housing Set-Aside Subordinate Tax Allocation Bonds. The bond required 7% of the RDA property tax increment revenues. Total principal and interest remaining on the bond is \$6,314,183 payable through 2039.

**CITY OF MADERA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)**

***Long-term Debt (Continued)***

***2008B Series Tax Allocation Bonds (continued)***

The annual debt service requirements at June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 85,000	\$ 182,844	\$ 267,844
2018	90,000	180,179	270,179
2019	90,000	177,233	267,233
2020	95,000	174,042	269,042
2021	100,000	170,686	270,686
2022-2026	580,000	791,996	1,371,996
2027-2031	750,000	662,198	1,412,198
2032-2036	980,000	470,828	1,450,828
2037-2039	725,000	9,177	734,177
Total	<u>\$ 3,495,000</u>	<u>\$ 2,819,183</u>	<u>\$ 6,314,183</u>

The 2008B Series Tax Allocation Bonds were issued at a discount of \$106,026, which is being amortized over the 30-year life of the bonds resulting in an annual amortization of \$3,533. Unamortized bond discount as of June 30, 2016 was \$77,754.

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 28, 2017, the date the financial statements were available to be issued. Except as described above, no other events requiring recognition or disclosure in the financial statements were identified.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 18 – PRONOUNCEMENTS**

**(1) New Accounting Pronouncements Adopted**

Governmental Accounting Standards Board Statement No. 72

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement was adopted by the City during the current fiscal year.

Governmental Accounting Standards Board Statement No. 76

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this statement were considered but had no effect on the City’s current fiscal year.

Governmental Accounting Standards Board Statement No. 79

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this statement. The requirements of this statement were considered but had no effect on the City’s current fiscal year.

Governmental Accounting Standards Board Statement No. 82

In March 2016, GASB issued Statement No. 82, *Pension Issues—an Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement was adopted by the City during the current fiscal year. The effects of the adoption of this statement included a change in the manner covered payroll is reported in the following required supplementary schedules: Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions. These changes were required to be applied retroactively and, accordingly, the covered payroll for fiscal year 2015 was restated.

**CITY OF MADERA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 18 – PRONOUNCEMENTS (Continued)**

**(2) New Accounting Pronouncements Not Yet Adopted**

Governmental Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (*other* postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the City's fiscal year ending June 30, 2018.

Governmental Accounting Standards Board Statement No. 77

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

Governmental Accounting Standards Board Statement No. 80

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an Amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this statement are effective for the City's fiscal year ending June 30, 2017.

Governmental Accounting Standards Board Statement No. 81

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the City's fiscal year ending June 30, 2018, and should be applied retroactively.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 3,143,680	\$ 3,143,680	\$ 3,115,740	\$ (27,940)
Sales and use taxes	6,555,021	6,555,021	6,506,004	(49,017)
Other taxes	1,131,379	1,131,379	1,231,995	100,616
Use of money and property	520,920	520,920	551,138	30,218
Franchises	592,000	592,000	678,438	86,438
Licenses and permits	602,500	602,500	646,800	44,300
Fines	759,000	759,000	912,398	153,398
Aid from governmental agencies:				
Federal	942,952	942,952	100,298	(842,654)
State	6,576,638	6,576,638	7,253,592	676,954
Other	298,487	298,487	318,306	19,819
Charges for current services	1,216,947	1,216,947	1,155,445	(61,502)
Miscellaneous	245,600	245,600	336,475	90,875
Total revenues	<u>22,585,124</u>	<u>22,585,124</u>	<u>22,806,629</u>	<u>221,505</u>
<b>EXPENDITURES:</b>				
Current:				
General government	3,064,215	3,103,279	2,959,739	143,540
Public protection	14,401,892	14,401,892	14,549,630	(147,738)
Public ways and facilities	2,442,127	2,442,127	2,229,821	212,306
Community development	3,880,430	4,007,919	3,795,507	212,412
Culture and recreation	3,497,560	3,497,560	3,392,870	104,690
Capital outlay	1,064,788	1,133,484	1,417,918	(284,434)
Debt service:				
Principal	263,227	263,227	222,577	40,650
Interest	4,000	4,000	78,223	(74,223)
Total expenditures	<u>28,618,239</u>	<u>28,853,488</u>	<u>28,646,285</u>	<u>207,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,033,115)</u>	<u>(6,268,364)</u>	<u>(5,839,656)</u>	<u>428,708</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,567,290	6,567,290	6,371,060	(196,230)
Transfers out	(1,613,787)	(1,613,787)	(1,613,901)	(114)
Sales of capital assets	-	-	9,969	9,969
Capital lease	-	-	1,540,065	1,540,065
Total other financing sources (uses)	<u>4,953,503</u>	<u>4,953,503</u>	<u>6,307,193</u>	<u>1,353,690</u>
Net change in fund balance	(1,079,612)	(1,314,861)	467,537	1,782,398
Fund balance - beginning (restated)	<u>13,980,413</u>	<u>13,980,413</u>	<u>13,980,413</u>	<u>-</u>
Fund balance - ending	<u>\$ 12,900,801</u>	<u>\$ 12,665,552</u>	<u>\$ 14,447,950</u>	<u>\$ 1,782,398</u>

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL DEVELOPMENT IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
REVENUES:				
Use of money and property	\$ 10,156	\$ 10,156	\$ 121,262	\$ 111,106
Charges for current services	<u>1,866,940</u>	<u>1,866,940</u>	<u>1,953,482</u>	<u>86,542</u>
Total revenues	<u>1,877,096</u>	<u>1,877,096</u>	<u>2,074,744</u>	<u>197,648</u>
EXPENDITURES:				
Current:				
Public ways and facilities	365,000	365,000	1,121,203	(756,203)
Capital outlay	<u>3,946,010</u>	<u>3,946,010</u>	<u>1,969,332</u>	<u>1,976,678</u>
Total expenditures	<u>4,311,010</u>	<u>4,311,010</u>	<u>3,090,535</u>	<u>1,220,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,433,914)</u>	<u>(2,433,914)</u>	<u>(1,015,791)</u>	<u>1,418,123</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(574,754)</u>	<u>(574,754)</u>	<u>(574,755)</u>	<u>(1)</u>
Total other financing sources (uses)	<u>(574,754)</u>	<u>(574,754)</u>	<u>(574,755)</u>	<u>(1)</u>
Net change in fund balance	(3,008,668)	(3,008,668)	(1,590,546)	1,418,122
Fund balances - beginning (restated)	<u>13,013,465</u>	<u>13,013,465</u>	<u>13,013,465</u>	<u>5,609,631</u>
Fund balance - ending	<u>\$ 10,004,797</u>	<u>\$ 10,004,797</u>	<u>\$ 11,422,919</u>	<u>\$ 7,027,753</u>

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – SPECIAL GAS TAX FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 25,156	\$ 25,156
Federal	740,846	740,846	-	(740,846)
State	2,153,336	2,153,336	1,301,489	(851,847)
Other	<u>1,860,972</u>	<u>1,860,972</u>	<u>3,215,791</u>	<u>1,354,819</u>
Total revenues	<u>4,755,154</u>	<u>4,755,154</u>	<u>4,542,436</u>	<u>(212,718)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>8,531,659</u>	<u>8,583,659</u>	<u>869,343</u>	<u>7,714,316</u>
Total expenditures	<u>8,531,659</u>	<u>8,583,659</u>	<u>869,343</u>	<u>7,714,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,776,505)</u>	<u>(3,828,505)</u>	<u>3,673,093</u>	<u>7,501,598</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	174,462	174,462
Transfers out	<u>(2,920,044)</u>	<u>(2,920,044)</u>	<u>(2,662,152)</u>	<u>257,892</u>
Total other financing sources (uses)	<u>(2,920,044)</u>	<u>(2,920,044)</u>	<u>(2,487,690)</u>	<u>432,354</u>
Net change in fund balance	(6,696,549)	(6,748,549)	1,185,403	7,933,952
Fund balance - beginning	<u>7,699,631</u>	<u>7,699,631</u>	<u>7,699,631</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,003,082</u>	<u>\$ 951,082</u>	<u>\$ 8,885,034</u>	<u>\$ 7,933,952</u>

**CITY OF MADERA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 – BUDGET CONTROL AND ACCOUNTING**

**BUDGETARY INFORMATION**

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying schedules:

- Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Debt Service Funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.
- Reported budget amounts represent the original legally adopted budget as amended. Individual amendments were not material in relation to the original adopted budget amounts. The City Council may amend the budget to increase appropriations only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution. Management can transfer, without City Council approval, budgeted amounts provided they do not increase or decrease total fund appropriations adopted by the City Council.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at the budgetary line item levels.
- Expenditures may not legally exceed overall budgeted appropriations.
- The budgets of the City's capital projects are primarily "long-term" budgets which emphasize major programs and capital outlay plans extending over a number of fiscal periods. Therefore, no budget-to-actual schedules are presented for Capital Projects Funds.

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2016:

**General Fund**

Public protection	\$ 147,738
Capital outlay	284,434
Debt service - interest	74,223

**General Development Impact Fee Fund**

Public ways and facilities	756,203
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The excess expenditures were covered by available fund balance in the funds.

**CITY OF MADERA**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF CHANGES IN THE NET POSITION LIABILITY AND RELATED RATIOS**  
**LAST 10 years\***  
**As of June 30, 2016**

	2015	2016
<b>Total Pension Liability</b>		
Service cost	\$ 1,562,632	\$ 1,515,655
Interest on the total pension liability	4,865,000	5,085,808
Differences between actual and expected experience	-	-
Changes in assumptions	-	(1,189,492)
Changes in benefit terms	-	(269,941)
Benefit payments, including refunds of employee contributions	(3,247,986)	(3,412,481)
<b>Net change in total pension liability</b>	3,179,646	1,729,549
<b>Total pension liability - beginning</b>	65,709,332	68,888,978
<b>Total pension liability - ending (a)</b>	\$ 68,888,978	\$ 70,618,527
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 1,465,153	\$ 1,603,067
Contributions - employee	787,068	705,875
Net investment income	7,962,241	1,164,130
Administrative expenses	(55,556)	(59,277)
Benefit payments, including refunds of employee contributions	(3,247,986)	(3,412,481)
<b>Net change in plan fiduciary net position</b>	6,910,920	1,314
<b>Plan fiduciary net position - beginning</b>	45,749,432	52,660,352
<b>Plan fiduciary net position - ending (b)</b>	\$ 52,660,352	\$ 52,661,666
 Net pension liability - ending (a)-(b)	\$ 16,228,626	\$ 17,956,861
 Plan fiduciary net position as a percentage of the total pension liability	76.44%	74.57%
 Covered payroll	\$ 8,601,515	\$ 8,841,088
 Net pension liability as percentage of covered payroll	188.67%	203.11%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** The discount rate was changed for 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 years\*  
As of June 30, 2016**

	<u>2015</u>	<u>2016</u>
Actuarially required contribution (actuarially determined)	\$ 1,397,058	\$ 1,603,067
Contributions in relation to the actuarially determined contributions	<u>(1,397,058)</u>	<u>(1,603,067)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,601,515	\$ 8,841,088
Contributions as a percentage of covered payroll	16.24%	18.13%

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF THE CITY'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 years\*  
As of June 30, 2016**

	2015	2016
Proportion of the net pension liability	0.33750%	0.34000%
Proportionate share of the net pension liability	\$ 12,759,288	\$ 14,009,122
Covered payroll	\$ 3,916,737	\$ 3,797,547
Proportionate share of the net pension liability as percentage of covered payroll	325.76%	368.90%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	72.97%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
COST-SHARING EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 years\*  
As of June 30, 2016**

	2015	2016
Actuarially determined contribution	\$ 1,405,797	\$ 1,388,656
Contributions in relation to the actuarially determined contributions	(1,405,797)	(1,388,656)
Contribution deficiency (excess)	\$ -	\$ -
 Covered payroll	\$ 3,916,737	\$ 3,797,547
 Contributions as a percentage of covered payroll	35.89%	36.57%

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF MADERA  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Other Postemployment Benefits Plan  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2011	\$ -	\$ 4,970,000	\$ 4,970,000	0%	\$ 13,326,000	37%
July 1, 2012	\$ -	\$ 4,717,369	\$ 4,717,369	0%	\$ 12,328,640	38%
July 1, 2014	\$ -	\$ 4,817,463	\$ 4,817,463	0%	\$ 12,466,331	39%

## SUPPLEMENTARY INFORMATION

**CITY OF MADERA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE  
JUNE 30, 2016**

	Business Improvement District	Park Development	Parking District	Federal Aid Urban	Street Construction
<b>ASSETS</b>					
Cash and investments	\$ 6,067	\$ 101,173	\$ 98,058	\$ -	\$ 24,238
Receivables:					
Accounts, net	3,509	15,658	7,509	683,170	113,985
Interest	-	-	-	-	-
Notes	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	-
 Total assets	 <u>\$ 9,576</u>	 <u>\$ 116,831</u>	 <u>\$ 105,567</u>	 <u>\$ 683,170</u>	 <u>\$ 138,223</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 5,864	\$ 33,824	\$ 1,421	\$ 6	\$ 9,426
Salaries payable	-	-	106	-	-
Due to other funds	-	-	-	364,056	-
Unearned revenue	-	-	-	-	-
Deposit payable	-	-	-	-	-
 Total liabilities	 <u>5,864</u>	 <u>33,824</u>	 <u>1,527</u>	 <u>364,062</u>	 <u>9,426</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	15,658	-	427,037	113,985
 Total deferred inflows of resources	 <u>-</u>	 <u>15,658</u>	 <u>-</u>	 <u>427,037</u>	 <u>113,985</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Prepays items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Notes receivable	-	-	-	-	-
Restricted:					
Community development	3,712	-	-	-	-
Park development	-	67,349	-	-	-
Parking improvements	-	-	104,040	-	14,812
Public works and transportation	-	-	-	-	-
Special assessment project	-	-	-	-	-
Law enforcement	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	(107,929)	-
 Total fund balances (deficits)	 <u>3,712</u>	 <u>67,349</u>	 <u>104,040</u>	 <u>(107,929)</u>	 <u>14,812</u>
 Total liabilities, deferred inflows of resources, and fund balances (deficits)	 <u>\$ 9,576</u>	 <u>\$ 116,831</u>	 <u>\$ 105,567</u>	 <u>\$ 683,170</u>	 <u>\$ 138,223</u>

**CITY OF MADERA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**JUNE 30, 2016**  
(Continued)

	Senior Citizens Services	Senior Citizens Nutrition	Landscape Assessment	Supplemental Law Enforcement	Intermodal Building	Community Facilities District
<b>ASSETS</b>						
Cash and investments	\$ -	\$ -	\$ 517,677	\$ 86,202	\$ 198,636	\$ 1,158,820
Receivables:						
Accounts, net	-	-	3,701	120,101	12,025	16,447
Interest	-	-	-	-	-	549
Notes	-	-	-	-	-	-
Prepaid items	1,400	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	254,627
<b>Total assets</b>	<b>\$ 1,400</b>	<b>\$ -</b>	<b>\$ 521,378</b>	<b>\$ 206,303</b>	<b>\$ 210,661</b>	<b>\$ 1,430,443</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,989	\$ -	\$ 877	\$ 2,287	\$ 1,732	\$ 808
Salaries payable	3,905	-	-	-	142	-
Due to other funds	44,242	-	-	-	-	-
Unearned revenue	-	-	-	-	180,606	133,075
Deposit payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>51,136</b>	<b>-</b>	<b>877</b>	<b>2,287</b>	<b>182,480</b>	<b>133,883</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	3,701	90,101	716	16,447
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>3,701</b>	<b>90,101</b>	<b>716</b>	<b>16,447</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable						
Prepays items	1,400	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Restricted:						
Community development	-	-	-	-	-	-
Park development	-	-	-	-	-	-
Parking improvements	-	-	-	-	-	-
Public works and transportation	-	-	-	-	27,465	-
Special assessment project	-	-	516,800	-	-	1,025,486
Law enforcement	-	-	-	113,915	-	-
Debt service	-	-	-	-	-	254,627
Unassigned	(51,136)	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>(49,736)</b>	<b>-</b>	<b>516,800</b>	<b>113,915</b>	<b>27,465</b>	<b>1,280,113</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,400</b>	<b>\$ -</b>	<b>\$ 521,378</b>	<b>\$ 206,303</b>	<b>\$ 210,661</b>	<b>\$ 1,430,443</b>

**CITY OF MADERA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**JUNE 30, 2016**  
(Continued)

	Economic Development	Park Facilities	Residential Rehab	Low and Moderate Income Housing Asset	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Cash and investments	\$ 615,278	\$ 65,240	\$ -	\$ 876,289	\$ 3,747,678
Receivables:					
Accounts, net	-	-	317,348	-	1,293,453
Interest	-	-	-	-	549
Notes	-	-	7,496,577	108,985	7,605,562
Prepaid items	-	-	-	195	1,595
Due from other funds	-	-	26,680	-	26,680
Land held for resale	-	-	-	940,000	940,000
Restricted assets:	-	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-	254,627
<b>Total assets</b>	<b><u>\$ 615,278</u></b>	<b><u>\$ 65,240</u></b>	<b><u>\$ 7,840,605</u></b>	<b><u>\$ 1,925,469</u></b>	<b><u>\$ 13,870,144</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 13,337	\$ 2,191	\$ 74,762
Salaries payable	-	-	-	732	4,885
Due to other funds	-	-	86,081	10,095	504,474
Unearned revenue	-	-	-	-	313,681
Deposit payable	-	-	-	5,074	5,074
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>99,418</u></b>	<b><u>18,092</u></b>	<b><u>902,876</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	317,348	-	984,993
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>317,348</u></b>	<b><u>-</u></b>	<b><u>984,993</u></b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Prepays items	-	-	-	195	1,595
Land held for resale	-	-	-	940,000	940,000
Notes receivable	-	-	7,496,577	108,985	7,605,562
Restricted:					
Community development	615,278	-	-	858,197	1,477,187
Park development	-	-	-	-	67,349
Parking improvements	-	65,240	-	-	184,092
Public works and transportation	-	-	-	-	27,465
Special assessment project	-	-	-	-	1,542,286
Law enforcement	-	-	-	-	113,915
Debt service	-	-	-	-	254,627
Unassigned	-	-	(72,738)	-	(231,803)
<b>Total fund balances (deficits)</b>	<b><u>615,278</u></b>	<b><u>65,240</u></b>	<b><u>7,423,839</u></b>	<b><u>1,907,377</u></b>	<b><u>11,982,275</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b><u>\$ 615,278</u></b>	<b><u>\$ 65,240</u></b>	<b><u>\$ 7,840,605</u></b>	<b><u>\$ 1,925,469</u></b>	<b><u>\$ 13,870,144</u></b>

**CITY OF MADERA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE  
FOR THE YEAR ENDED JUNE 30, 2016**

	Business Improvement District	Park Development	Parking District	Federal Aid Urban	Street Construction
REVENUES:					
Other taxes	\$ 24,825	\$ -	\$ 27,560	\$ -	\$ -
Use of money and property	57	1,241	-	-	-
Fines	2,430	-	20,530	-	-
Aid from other governmental agencies:					
Federal	-	-	-	939,350	-
State	-	731,250	-	-	1,169,835
Other	-	-	-	-	-
Charges for current services	554	-	876	-	-
Miscellaneous	-	-	-	-	-
	<u>27,866</u>	<u>732,491</u>	<u>48,966</u>	<u>939,350</u>	<u>1,169,835</u>
Total revenues					
EXPENDITURES:					
Current:					
Public protection	-	-	-	-	-
Social services	-	-	-	-	-
Public ways and facilities	-	-	26,906	-	-
Community development	25,094	-	-	-	-
Capital outlay	-	835,521	-	1,071,137	489,868
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
	<u>25,094</u>	<u>835,521</u>	<u>26,906</u>	<u>1,071,137</u>	<u>489,868</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>2,772</u>	<u>(103,030)</u>	<u>22,060</u>	<u>(131,787)</u>	<u>679,967</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	126,159
Transfers out	-	-	(8,248)	-	(525,985)
	<u>-</u>	<u>-</u>	<u>(8,248)</u>	<u>-</u>	<u>(399,826)</u>
Total other financing sources (uses)					
Net change in fund balances	2,772	(103,030)	13,812	(131,787)	280,141
Fund balances - beginning (restated)	<u>940</u>	<u>170,379</u>	<u>90,228</u>	<u>23,858</u>	<u>(265,329)</u>
Fund balances - ending	<u>\$ 3,712</u>	<u>\$ 67,349</u>	<u>\$ 104,040</u>	<u>\$ (107,929)</u>	<u>\$ 14,812</u>

**CITY OF MADERA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(Continued)

	Senior Citizens Services	Senior Citizens Nutrition	Landscape Assessment	Supplemental Law Enforcement	Intermodal Building	Community Facilities District
<b>REVENUES:</b>						
Other taxes	\$ -	\$ -	\$ 346,317	\$ -	\$ -	\$ 510,736
Use of money and property	-	-	-	301	21,120	10,685
Fines	-	-	-	-	-	-
Aid from other governmental agencies:						
Federal	68,468	-	-	20,463	2,689	-
State	-	-	-	100,000	65,297	-
Other	-	-	-	-	-	-
Charges for current services	845	-	-	-	12,183	-
Miscellaneous	34,445	-	-	-	-	-
<b>Total revenues</b>	<u>103,758</u>	<u>-</u>	<u>346,317</u>	<u>120,764</u>	<u>101,289</u>	<u>521,421</u>
<b>EXPENDITURES:</b>						
Current:						
Public protection	-	-	-	71,841	-	-
Social services	357,699	-	-	-	-	-
Public ways and facilities	-	-	350,436	-	89,313	17,229
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	30,023	-	40,000
Interest	-	-	-	4,830	-	132,970
<b>Total expenditures</b>	<u>357,699</u>	<u>-</u>	<u>350,436</u>	<u>106,694</u>	<u>89,313</u>	<u>190,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(253,941)</u>	<u>-</u>	<u>(4,119)</u>	<u>14,070</u>	<u>11,976</u>	<u>331,222</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	251,047	-	-	-	-	172,970
Transfers out	-	(51,512)	-	-	(450)	(672,970)
<b>Total other financing sources (uses)</b>	<u>251,047</u>	<u>(51,512)</u>	<u>-</u>	<u>-</u>	<u>(450)</u>	<u>(500,000)</u>
<b>Net change in fund balances</b>	<u>(2,894)</u>	<u>(51,512)</u>	<u>(4,119)</u>	<u>14,070</u>	<u>11,526</u>	<u>(168,778)</u>
Fund balances - beginning (restated)	<u>(46,842)</u>	<u>51,512</u>	<u>520,919</u>	<u>99,845</u>	<u>15,939</u>	<u>1,448,891</u>
<b>Fund balances - ending</b>	<u>\$ (49,736)</u>	<u>\$ -</u>	<u>\$ 516,800</u>	<u>\$ 113,915</u>	<u>\$ 27,465</u>	<u>\$ 1,280,113</u>

**CITY OF MADERA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
(Continued)

	Economic Development	Park Facilities	Residential Rehab	Low and Moderate Income Housing Asset	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ 909,438
Use of money and property	6,962	-	-	29,856	70,222
Fines	-	-	-	-	22,960
Aid from other governmental agencies:					
Federal	-	-	491,071	-	1,522,041
State	-	-	532,735	-	2,599,117
Other	-	-	-	16,207	16,207
Charges for current services	-	-	117,067	-	131,525
Miscellaneous	-	-	-	66,385	100,830
<b>Total revenues</b>	<u>6,962</u>	<u>-</u>	<u>1,140,873</u>	<u>112,448</u>	<u>5,372,340</u>
<b>EXPENDITURES:</b>					
Current:					
Public protection	-	-	-	-	71,841
Social services	-	-	-	-	357,699
Public ways and facilities	-	-	-	-	483,884
Community development	-	-	1,156,780	242,196	1,424,070
Capital outlay	420,000	-	-	-	2,816,526
Debt service:					
Principal	-	159,816	-	525,096	754,935
Interest	-	34,441	-	15,967	188,208
<b>Total expenditures</b>	<u>420,000</u>	<u>194,257</u>	<u>1,156,780</u>	<u>783,259</u>	<u>6,097,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413,038)</u>	<u>(194,257)</u>	<u>(15,907)</u>	<u>(670,811)</u>	<u>(724,823)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	194,257	-	-	744,433
Transfers out	-	-	-	-	(1,259,165)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>194,257</u>	<u>-</u>	<u>-</u>	<u>(514,732)</u>
<b>Net change in fund balances</b>	<u>(413,038)</u>	<u>-</u>	<u>(15,907)</u>	<u>(670,811)</u>	<u>(1,239,555)</u>
Fund balances - beginning (restated)	<u>1,028,316</u>	<u>65,240</u>	<u>7,439,746</u>	<u>2,578,188</u>	<u>13,221,830</u>
<b>Fund balances - ending</b>	<u>\$ 615,278</u>	<u>\$ 65,240</u>	<u>\$ 7,423,839</u>	<u>\$ 1,907,377</u>	<u>\$ 11,982,275</u>

**CITY OF MADERA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2016**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ 272	\$ 1,059,547	\$ 1,059,819
Accounts receivable, net	354,656	140,649	66,083	561,388
Interest receivable	-	418	-	418
Prepaid expenses	1,897	-	8,520	10,417
Total current assets	<u>356,553</u>	<u>141,339</u>	<u>1,134,150</u>	<u>1,632,042</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments	-	304,948	-	304,948
Capital assets, not depreciated	1,197,944	146,933	3,328,099	4,672,976
Capital assets, net of accumulated depreciation	1,297,842	1,881,928	7,774,811	10,954,581
Total noncurrent assets	<u>2,495,786</u>	<u>2,333,809</u>	<u>11,102,910</u>	<u>15,932,505</u>
Total assets	<u>2,852,339</u>	<u>2,475,148</u>	<u>12,237,060</u>	<u>17,564,547</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan in current fiscal year	35,297	-	17,194	52,491
Total deferred outflows of resources	<u>35,297</u>	<u>-</u>	<u>17,194</u>	<u>52,491</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	90,919	3,500	106,144	200,563
Salaries payable	5,880	-	3,135	9,015
Accrued interest payable	-	-	6,620	6,620
Due to other funds	222,013	199,710	-	421,723
Advances from other funds	-	183,602	-	183,602
Compensated absences, due within one year	14,814	-	6,188	21,002
Long-term debt, due within one year	-	260,000	20,536	280,536
Total current liabilities	<u>333,626</u>	<u>646,812</u>	<u>142,623</u>	<u>1,123,061</u>
Noncurrent liabilities:				
Compensated absences, due in more than one year	4,336	-	-	4,336
Other post employment benefits obligation	18,022	-	9,498	27,520
Net pension liability	273,069	-	133,020	406,089
Long-term debt, due in more than one year	-	2,175,000	145,565	2,320,565
Total noncurrent liabilities	<u>295,427</u>	<u>2,175,000</u>	<u>288,083</u>	<u>2,758,510</u>
Total liabilities	<u>629,053</u>	<u>2,821,812</u>	<u>430,706</u>	<u>3,881,571</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	22,409	-	10,917	33,326
Deferred service concession arrangement receipts	-	130,000	-	130,000
Total deferred inflows of resources	<u>22,409</u>	<u>130,000</u>	<u>10,917</u>	<u>163,326</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,495,786	(406,139)	10,936,809	13,026,456
Unrestricted	(259,612)	(70,525)	875,822	545,685
Total net position	<u>\$ 2,236,174</u>	<u>\$ (476,664)</u>	<u>\$ 11,812,631</u>	<u>\$ 13,572,141</u>

**CITY OF MADERA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 124,233	\$ 96,542	\$ 517,506	\$ 738,281
Other	225	-	-	225
Total operating revenues	<u>124,458</u>	<u>96,542</u>	<u>517,506</u>	<u>738,506</u>
Operating expenses:				
Salaries and benefits	276,298	-	155,682	431,980
General and administrative	1,222,780	64,083	288,161	1,575,024
Supplies and miscellaneous	196,884	-	39,442	236,326
Parts and supplies	-	-	34,898	34,898
Utilities	-	-	25,751	25,751
Depreciation	345,317	-	283,257	628,574
Total operating expenses	<u>2,041,279</u>	<u>64,083</u>	<u>827,191</u>	<u>2,932,553</u>
Operating income (loss)	<u>(1,916,821)</u>	<u>32,459</u>	<u>(309,685)</u>	<u>(2,194,047)</u>
Nonoperating revenues (expenses):				
Interest income	762	2,052	9,366	12,180
Property taxes	-	-	58,333	58,333
Operating grants	1,263,534	-	20,000	1,283,534
Capital grants	365,262	-	13,499	378,761
Other revenue	-	-	17,257	17,257
Interest expense	-	(1,423)	(8,100)	(9,523)
Other nonoperating expense	-	(9,091)	-	(9,091)
Total nonoperating revenues (expenses)	<u>1,629,558</u>	<u>(8,462)</u>	<u>110,355</u>	<u>1,731,451</u>
Income (loss) before capital contributions and transfers	(287,263)	23,997	(199,330)	(462,596)
Capital contributions	1,058,813	-	-	1,058,813
Transfers in	-	191,583	-	191,583
Transfers out	<u>(62,052)</u>	<u>-</u>	<u>(9,149)</u>	<u>(71,201)</u>
Change in net position	709,498	215,580	(208,479)	716,599
Net position - beginning	<u>1,526,676</u>	<u>(692,244)</u>	<u>12,021,110</u>	<u>12,855,542</u>
Net position - ending	<u>\$ 2,236,174</u>	<u>\$ (476,664)</u>	<u>\$ 11,812,631</u>	<u>\$ 13,572,141</u>

**CITY OF MADERA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 279,000	\$ 99,935	\$ 503,273	\$ 882,208
Payments to suppliers	(1,564,758)	(61,892)	(308,658)	(1,935,308)
Payments to employees	(258,524)	-	(169,879)	(428,403)
Payments to other funds	(11,014)	30,814	-	19,800
	<u>(1,555,296)</u>	<u>68,857</u>	<u>24,736</u>	<u>(1,461,703)</u>
Net cash provided (used) by operating activities				
<b>Cash flows from noncapital financing activities:</b>				
Transfers from (to) other funds	(62,052)	191,583	(9,149)	120,382
Other nonoperating revenues	-	-	17,257	17,257
Property taxes	-	-	58,333	58,333
Operating grants	1,263,534	-	20,000	1,283,534
	<u>1,201,482</u>	<u>191,583</u>	<u>86,441</u>	<u>1,479,506</u>
Net cash provided (used) by noncapital financing activities				
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(12,210)	-	(84,500)	(96,710)
Capital grants	365,262	-	13,499	378,761
Principal paid on notes	-	-	(19,598)	(19,598)
Principal paid on bonds	-	(250,000)	-	(250,000)
Interest paid	-	(10,819)	(8,882)	(19,701)
	<u>353,052</u>	<u>(260,819)</u>	<u>(99,481)</u>	<u>(7,248)</u>
Net cash provided (used) by capital and related financing activities				
<b>Cash flows from investing activities:</b>				
Interest received	762	1,962	9,366	12,090
	<u>762</u>	<u>1,962</u>	<u>9,366</u>	<u>12,090</u>
Net cash provided (used) by investing activities				
Net increase (decrease) in cash and cash equivalents	-	1,583	21,062	22,645
Cash and cash equivalents - July 1, 2015	-	303,637	1,038,485	1,342,122
Cash and cash equivalents - June 30, 2016	<u>\$ -</u>	<u>\$ 305,220</u>	<u>\$ 1,059,547</u>	<u>\$ 1,364,767</u>

**CITY OF MADERA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

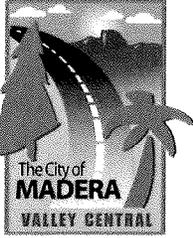
	Local Transit Fund	Golf Course Fund	Airport Fund	Total Nonmajor Enterprise Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,916,821)	\$ 32,459	\$ (309,685)	\$ (2,194,047)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	345,317	-	283,257	628,574
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable	154,544	43,393	(14,233)	183,704
(Increase) decrease in prepaid expense	(1,897)	1,500	(8,520)	(8,917)
(Increase) decrease in deferred outflows of resources from pensions	(7,618)	-	(1,377)	(8,995)
Increase (decrease) in accounts payable	(143,197)	691	88,114	(54,392)
Increase (decrease) in salaries payable	1,661	-	968	2,629
Increase (decrease) in due to other funds	(11,014)	55,294	-	44,280
Increase (decrease) in advances from other funds	-	(24,480)	-	(24,480)
Increase (decrease) in unearned revenue	(2)	-	-	(2)
Increase (decrease) in deferred inflows of resources from pensions	(28,941)	(40,000)	(18,426)	(87,367)
Increase (decrease) in net pension liability	45,868	-	3,191	49,059
Increase (decrease) in compensated absences	4,025	-	725	4,750
Increase (decrease) in other postemployment benefit obligations	2,779	-	722	3,501
	<u>2,779</u>	<u>-</u>	<u>722</u>	<u>3,501</u>
Net cash provided (used) by operating activities	<u>\$ (1,555,296)</u>	<u>\$ 68,857</u>	<u>\$ 24,736</u>	<u>\$ (1,461,703)</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>				
Cash and investments - unrestricted	\$ -	\$ 272	\$ 1,059,547	\$ 1,059,819
Cash and investments - restricted	<u>-</u>	<u>304,948</u>	<u>-</u>	<u>304,948</u>
Total cash and investments	<u>\$ -</u>	<u>\$ 305,220</u>	<u>\$ 1,059,547</u>	<u>\$ 1,364,767</u>
<b>Noncash investing, capital, and financing activities:</b>				
Developer and other capital contributions	<u>\$ 1,058,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,813</u>

**CITY OF MADERA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>Payroll Tax/Withholding Trust</u></b>				
ASSETS				
Cash and investments	\$ 454,997	\$ 26,186,018	\$ 26,343,211	\$ 297,804
Accounts receivable, net	11,633	3,343	4,006	10,970
Prepaid items	-	237,090	1,141	235,949
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 466,630</u>	<u>\$ 26,426,451</u>	<u>\$ 26,348,358</u>	<u>\$ 544,723</u>
LIABILITIES				
Accounts payable	\$ 41,899	\$ 6,447,815	\$ 6,469,135	\$ 20,579
Accrued liabilities	424,731	26,406,941	26,307,528	524,144
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 466,630</u>	<u>\$ 32,854,756</u>	<u>\$ 32,776,663</u>	<u>\$ 544,723</u>
<b><u>General Trust Fund</u></b>				
ASSETS				
Cash and investments	\$ 1,078,274	\$ 718,415	\$ 996,782	\$ 799,907
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,078,274</u>	<u>\$ 718,415</u>	<u>\$ 996,782</u>	<u>\$ 799,907</u>
LIABILITIES				
Accounts payable	\$ 53,932	\$ 948,577	\$ 992,648	\$ 9,861
Accrued liabilities	813	-	-	813
Deposit payable	22,504	43,559	34,150	31,913
Due to other governments	1,001,025	398,120	641,825	757,320
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 1,078,274</u>	<u>\$ 1,390,256</u>	<u>\$ 1,668,623</u>	<u>\$ 799,907</u>
<b><u>Madera Groundwater JPA Comm</u></b>				
ASSETS				
Cash and investments	\$ 27,355	\$ 633	\$ 5,044	\$ 22,944
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 27,355</u>	<u>\$ 633</u>	<u>\$ 5,044</u>	<u>\$ 22,944</u>
LIABILITIES				
Accounts payable	\$ 2,548	\$ 2,823	\$ 5,044	\$ 327
Due to other governments	24,807	810	3,000	22,617
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 27,355</u>	<u>\$ 3,633</u>	<u>\$ 8,044</u>	<u>\$ 22,944</u>

**CITY OF MADERA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>Total - All Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,560,626	\$ 26,905,066	\$ 27,345,037	\$ 1,120,655
Accounts receivable, net	11,633	3,343	4,006	10,970
Prepaid items	<u>-</u>	<u>237,090</u>	<u>1,141</u>	<u>235,949</u>
Total assets	<u>\$ 1,572,259</u>	<u>\$ 27,145,499</u>	<u>\$ 27,350,184</u>	<u>\$ 1,367,574</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 98,379	\$ 7,399,215	\$ 7,466,827	\$ 30,767
Accrued liabilities	425,544	26,406,941	26,307,528	524,957
Deposit payable	22,504	43,559	34,150	31,913
Due to other governments	<u>1,025,832</u>	<u>398,930</u>	<u>644,825</u>	<u>779,937</u>
Total liabilities	<u>\$ 1,572,259</u>	<u>\$ 34,248,645</u>	<u>\$ 34,453,330</u>	<u>\$ 1,367,574</u>



## REPORT TO CITY COUNCIL

Approved by:

Council Meeting of: March 15, 2017

  
 \_\_\_\_\_  
 Department Director

Agenda Number: E-2

  
 \_\_\_\_\_  
 City Administrator

**SUBJECT:** Presentation of the Mid-Year Operational Budget Report and Consideration of a Resolution Authorizing and Approving Amendments City of Madera Fiscal Year 2016/2017 Budget

**RECOMMENDATION:** Council to accept the Mid-Year Budget Report as presented and to approve Resolution Authorizing and Approving Amendments to the City of Madera Fiscal Year 2016/2017 Budget

**DISCUSSION:** The purpose of a Mid-Year Budget Report is to measure how well the City departments are doing within their operational budgets and to determine if any budget adjustments are necessary for them to complete the fiscal year within budget. It also helps us as a starting point as we begin preparations for next year's budget. At this point, staff has reviewed the City's revenues and expenditures in great detail and found the departments to be performing well and within their respective budgets, over all.

### GENERAL FUND

	<u>REVISED BUDGET</u>	<u>YTD ACTUAL</u>	
<b>Total General Fund</b>			
Revenue	(32,372,553)	(15,776,709)	48.7%
Expenditures	33,968,507	15,305,380	45.1%
	<u>1,595,954</u>	<u>(471,329)</u>	

At mid-year, the City of Madera General Fund revenues stood at approximately 48.7% of the annual budget and expenditures were approximately 45.1% of budget. Based on discussions with departments, it appears that all departments within the General Fund will complete the fiscal year within their budgeted expenditures. Although expenditures appear to be low (under 50%) as of December 31, 2016, the departments have indicated that they should come closer to budget on

their expenditures but could finish off the fiscal year slightly under budget, with the exception of a few line items that need budget amendments at this time. There may be some over-all savings on General Fund expenditures which could potentially result in the General Fund ending the fiscal year with a balanced budget, rather than a \$1.6 million deficit.

Both revenue and expenditures are below anticipated trend lines. At this point revenues are exceeding expenditures but Council is reminded that we began the year with a \$1.4 million budgeted deficit. There are many variables that could change between now and June 30, 2017 and significantly impact our bottom line in one direction or the other. As we begin our Fiscal Year 2017/2018 Budget preparations, staff will develop more precise estimations of how close to budget the General Fund might finish out Fiscal Year 2016/2017.

## ENTERPRISE FUNDS

	<u>REVISED BUDGET</u>	<u>YTD ACTUAL</u>	
<b>Total Enterprise Funds</b>			
<b>Revenue</b>	<b>(25,535,245)</b>	<b>(14,515,425)</b>	<b>56.8%</b>
<b>Expenditures</b>	<b>36,620,605</b>	<b>12,436,735</b>	<b>34.0%</b>
	<b>11,085,360</b>	<b>(2,078,690)</b>	

At mid-year, the City's major Enterprise Fund revenues stood at approximately 56.8% of the annual budget and expenditures were approximately 34.0% of budget. Based on discussions with departments, it appears that all divisions within the Enterprise Funds will complete the fiscal year within their budgeted expenditures. Although expenditures appear to be low (under 50%) as of December 31, 2016, the departments have indicated that they should come close to budget on their annual expenditures.

During the mid-year budget review, departments identified several budget line items in need of budget amendments. Those amendments are included as Exhibit AA to the resolution and are primarily related to capital project expenditures that the Engineering Department have identified. Of those amendments, \$5.7 million were increased expenses and \$1.1 million were shifts between projects.

Community Services requested a number of minor budget amendments, one of which relates to a new school program that will bring in approximately \$25,000 more revenue than expenditures and another that shifts about \$58,000 to the General Fund for Median Landscaping services that are not covered by Gas Tax.

Finance identified a budget shortfall in Utility Billing operating budget line items and is requesting \$45,000 of budget amendments to cover those increased costs. Fire also identified a missing budget line item for the Fire Truck Lease, which somehow got left out of the Fiscal Year 2016/2017 Adopted Budget. However, that increase in budget expenditures will be offset by savings in the Contracted Services line item, created by delayed Cal Fire employee negotiations that resulted in a 5% increase happening after the middle of the fiscal year, rather than at the beginning.

Certain budget shifts between budget line items within departments can be completed without approval from Council. Such shifts within departments do not impact the bottom line for the respective departments, and are not included in this budget amendment request.

Overall, staff was generally pleased with the results of the mid-year budget review and happy that such a limited number of operational budget amendments are needed at this time.

**Looking Forward** – As we finish out this fiscal year and begin our budget preparations for Fiscal Year 2017/2018, there are several points that we will need to consider and discuss. Some of those points are outlined below:

- ✓ What overall impact will Measure K have on the General Fund? Priorities have been defined for Police and Fire services, as defined at our last City Council meeting.
- ✓ How do we project changes in the cost of pensions and health care? CalPERS has decided to reduce the discount rate, which will result in significant cost increases over the next few years.
- ✓ A long term tax sharing agreement with the County has still not been reached.
- ✓ When do we anticipate revenue generation from a highway travel center?
- ✓ We have defined adequate fund balance/reserve positions. The implementation of our new General Fund Reserve Policy will impact our preparations of the FY 17/18 Budget.

**FINANCIAL IMPACT:** The proposed budget amendment will result in a net increase in expenditures of \$2,000 to the City's General Fund. It also represents an increase of approximately \$5.7 million in additional capital expenditures, a \$30,000 increase to Sewer for utility costs and a total of \$45,000 of additional operational expense appropriations to be split between the Water, Sewer and Garbage Funds related to Utility Billing services.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:** Approval of this item is consistent with Strategy 115 of the Vision Plan - Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare for future growth. It is also in line with funding core services as articulated by the Vision Madera 2025 Plan.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,  
CALIFORNIA, AUTHORIZING AND APPROVING AMENDMENTS TO  
THE CITY OF MADERA FISCAL YEAR 2016/2017 BUDGET**

**WHEREAS**, City staff has completed a mid-year budget review and determined that certain budget amendments are necessary; and

**WHEREAS**, funds are available for capital projects and operational costs; and

**WHEREAS**, the additional capital project and operational costs are necessary for the City; and

**WHEREAS**, the appropriation and revenue estimate amendments to the City of Madera Fiscal Year 2016/2017 Budget, listed in Exhibit AA attached hereto, are necessary to fund the capital project and operational expenses of their respective departments and to account for the expenses.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA DOES HEREBY** resolve, find and order as follows:

1. The above recitals are true and correct.
2. The appropriations for the items listed in Exhibit AA, attached hereto, are approved.
3. The City Clerk is authorized and directed to forward a certified copy of the resolution to the Director of Financial Services, who is authorized to take such action as necessary to implement the terms of this resolution.
4. The resolution is effective immediately upon adoption.

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**EXHIBIT AA**

**CITY OF MADERA**

**Budget Appropriations: Res.#17- 3/15/2017**

**Mid-Year Budget Amendments for Fiscal Year 2016/17**

<b>FUND</b>	<b>ORG CODE</b>	<b>OBJECT CODE</b>	<b>PROJECT CODE</b> Expense String	<b>DESCRIPTION</b>	<b>(+)</b>	<b>(-)</b>
<b>ENGINEERING</b>				<b>VARIOUS CIP PROJECTS</b>		
<b><u>Water Utility Fund (2030)</u></b>						
	20303830	7050	W-PSE-03	Pecan Ave Water Main, Madera-750'E	101,700.00	
	20303830	7050	W-PNW-30	Aviation Dr/Falcon Dr Water Main	48,000.00	
	20303830	7050	W-FF-001	Maple St Water Main, Pine to Noble	84,500.00	
	20303830	7050	W-FF-002	Rotan Ave Water Main, Howard to Oak	31,500.00	
	20303830	7050	W-FF-004	Olive Ave Water Main, Grove to Cypress	65,500.00	
	20303830	7050	W-000028	Sycamore St Water Main, Lake to Clinton	2,000.00	
	20303830	7050	W-PSW-50	Pecan Water Main, Monterey to 680'W	20,500.00	
	20303830	7050	W-GW-0024	Ave. 17/Sharon Blvd Improvements-Well	2,000,000.00	
					<b>2,353,700.00</b>	<b>-</b>
<b><u>Water Dev Impact Fee (DIF: 4080)</u></b>						
	40800000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	31,000.00	
					<b>31,000.00</b>	<b>-</b>
<b><u>Water Pipes Impact Fee (DIF:4081)</u></b>						
	40810000	7050	W-PSW-50	Pecan Water Main, Monterey to 680'W	36,800.00	
	40810000	7050	W-PSE-03	Pecan Ave Water Main, Madera-750'E	11,300.00	
	40810000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	42,700.00	
					<b>90,800.00</b>	<b>-</b>
<b><u>Sewer Utility Fund (2040)</u></b>						
	20403420	7050	SS-00002	Sherwood Way Sewer Main Replace	249,000.00	
					<b>249,000.00</b>	<b>-</b>
<b><u>Sewer NE Quadrant Impact Fee (DIF:4101)</u></b>						
	41010000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	131,000.00	
					<b>131,000.00</b>	<b>-</b>
<b><u>Storm Drain NE Quadrant Impact Fee (DIF: 4096)</u></b>						
	41060000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	68,210.00	
	41060000	7050	SD-00012	San Sebastian Basin Overflow Pipe		68,000.00
	41060000	7050	SD-13-PX	Retention Basin Land Acquisition		210.00
					<b>68,210.00</b>	<b>68,210.00</b>
<b><u>Transportation Impact Fee (DIF: 4093)</u></b>						
	40930000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	1,090,000.00	
					<b>1,090,000.00</b>	<b>-</b>
<b><u>Arterial/Collector Impact Fee (DIF: 4096)</u></b>						
	40960000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	580,000.00	
					<b>580,000.00</b>	<b>-</b>
<b><u>Traffic Signal Impact Fee (DIF: 4097)</u></b>						
	40970000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	403,000.00	

**CITY OF MADERA**

**Budget Appropriations: Res.#17- 3/15/2017**

**Mid-Year Budget Amendments for Fiscal Year 2016/17**

FUND	ORG CODE	OBJECT CODE	PROJECT CODE Expense String	DESCRIPTION	(+)	(-)
	40970000	7005	TS-00009	Yosemite Ave/Elm St Traffic Signal	675,000.00	
					<u>1,078,000.00</u>	-
<b>RSTP - Fed Exchange (4131)</b>						
	41315320	7050	R-000061	Pine-Pecan Street Improvements	30,000.00	
					<u>30,000.00</u>	-
<b>Measure A (4150)</b>						
	41500000	7050	R-000072	Ave. 17/Sharon Blvd Improvements	1,120,000.00	
	41500000	7050	R-000010	Olive Ave. Widening Gateway to Knox		540,792.00
	41500000	7050	R-000050	Pine St Rreonstr Howard - Fourth St		518,000.00
					<u>1,120,000.00</u>	<u>1,058,792.00</u>
<b>Measure T - Enviro Enhan/Bike/Pe (4157)</b>						
	41570000	7050	PK-00012	Laurel Bike Path Sunset to FRT	18,000.00	
					<u>18,000.00</u>	-
<b>TOTAL</b>					<b>6,839,710.00</b>	<b>1,127,002.00</b>
<b>PARKS &amp; COMMUNITY SERVICES</b>				<b>TRANSFER AND VARIOUS OPERATIONAL COSTS</b>		
<b>General Fund (1020)</b>						
PCS Recreation-	10206200	6401		Gas and Electric Utilities	20,000.00	
				To increase appropriations for Utilities, due to new ballfield lights	<u>20,000.00</u>	-
PCS Special Even	10206270	4683		Program Revenue		60,000.00
		5005		Salaries/Part Time	27,450.00	
		5304		Workers Compensation Insurance	2,946.00	
		5305		Medicare Tax - Employer's Share	509.00	
		5307		Deferred Compensation/Part Time	1,238.00	
		5309		Unemployment Insurance	857.00	
		6532		Maintenance/Other Supplies	2,000.00	
		6440		Contracted Services	7,000.00	
				To appropriate funding for new school program netting \$25,000 and increase Contracted Services by \$7,000 for costs unrelated to the new program	<u>42,000.00</u>	<u>60,000.00</u>
<b>TOTAL</b>					<b>62,000.00</b>	<b>60,000.00</b>
<b>UTILITY BILLING</b>				<b>VARIOUS OPERATIONAL COSTS</b>		
<b>Water Fund (2030)</b>						
	20301220	6418		Postage/Other mailing charges	4,000.00	
		6451		Bank Service Charges	16,800.00	
		8000		Interest Expense: UB Deposit	4,000.00	
					<u>24,800.00</u>	-
<b>Sewer Fund (2040)</b>						
	20401230	6418		Postage/Other mailing charges	1,000.00	
		6451		Bank Service Charges	9,100.00	
					<u>10,100.00</u>	-
<b>Solid Waste Fund (4760)</b>						
	47601235	6418		Postage/Other mailing charges	1,000.00	
		6451		Bank Service Charges	9,100.00	
					<u>10,100.00</u>	-
<b>TOTAL</b>					<b>45,000.00</b>	-
To increase Postage, Bank Service Charges and Interest Expense to meet increasing costs in Utility Billing budgets						

**PUBLIC WORKS**  
**Sewer Fund (2040)**

**ELECTRIC UTILITIES COSTS**

CITY OF MADERA

Budget Appropriations: Res.#17- 3/15/2017

Mid-Year Budget Amendments for Fiscal Year 2016/17

FUND	ORG CODE	OBJECT CODE	PROJECT CODE Expense String	DESCRIPTION	(+)	(-)
WWTP	20403410	6401		Gas and Electric Utilities	30,000.00	
				To increase appropriations for Utilities, due to increasing rates and usage.	<u>30,000.00</u>	-
				<b>TOTAL</b>	<u>30,000.00</u>	-
				<b>LEASE PAYMENT OFFSET</b>		
<b>FIRE</b>						
<b>General Fund (1020)</b>						
Fire Services	10202500	8002		Lease Payment	77,451.00	
		6440		Contracted Services - Cal Fire		77,451.00
				To appropriate for the Fire Truck Lease Payment, offset by contract savings	<u>77,451.00</u>	<u>77,451.00</u>
				<b>TOTAL</b>	<u>77,451.00</u>	<u>77,451.00</u>
				<b>GRAND TOTAL</b>	<u>7,054,161.00</u>	<u>1,264,453.00</u>