



**CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**AGENDA
MONDAY, DECEMBER 8, 2014 – 7:00 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

FLAG SALUTE: Mayor Matt Beekman

INVOCATION:

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS:

2.1: Certificates of Recognition to Mark Borges, Zach Rose, Madelyn Vaca, and Kristen Voss, all of Hughson FFA, for earning 1ST Place in the National FFA Poultry Evaluation Career Development Event.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of November 24, 2014.
- 3.2: Approve the Warrants Register.
- 3.3: Approve the City Council Meeting Schedule for 2015.
- 3.4: Approve the Professional Services Agreement with Willdan Engineering for contract City Engineering services and Authorize the Mayor to Execute the Professional Services Agreement with Willdan Engineering.
- 3.5: Approve an Extension of the Lease between the City of Hughson and Michael Noeller for Approximately Twelve (12) Acres of City-owned Property Adjacent to the Waste Water Treatment Facility along Leedom Road to October 31, 2015 or Completion of the Harvest of the Fall 2015 Almond Crop, whichever occurs later, and Authorize the Mayor to Execute the Extension of the Lease between the City of Hughson and Michael Noeller.

4. UNFINISHED BUSINESS: NONE.**5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.****6. NEW BUSINESS:**

- 6.1: Consider Resolution No. 2014-35, a Resolution of the City Council of the City of Hughson Declaring the Results of the Consolidated General Municipal Election held on November 4, 2014 and conduct the following:
 - 6.1. a: City Clerk to administer the Oath of Office to newly re-elected Mayor, Matt Beekman, and newly re-elected Council Members George Carr and Harold "Bud" Hill.
 - 6.1. b: Seating and Roll Call of new Hughson City Council:

Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold "Bud" Hill
- 6.2: Conduct Nominations and Appoint a Mayor Pro Tem.

RECESS CITY COUNCIL MEETING FOR LIGHT REFRESHMENTS

RECONVENE CITY COUNCIL MEETING

6.3: Review the 2014 City Council Boards and Committees Appointments Listing, Make Any Necessary Changes, and Approve the Appointments of Selected Council Members to Serve on the 2015 City Council Boards and Committees.

6.4: Approve the Professional Services Agreement with Mintier Harnish Planning Consultants for the Preparation of the City of Hughson 5th Cycle Housing Element and Authorize the Mayor to Execute the Professional Services Agreement with Mintier Harnish.

6.5: Accept the City of Hughson’s Fiscal Year 2013-2014 Audit.

7. CORRESPONDENCE:

7.1: Update of the Hatch and Santa Fe Signal Project.

7.2: Parks and Recreation Meeting Agenda for December 9, 2014.

8. COMMENTS:

8.1: Staff Reports and Comments: (Information Only – No Action)

City Manager: Quarterly Update on the Grant Program.

City Clerk:

Community Development Director:

Director of Finance:

Police Services:

City Attorney:

8.2: Council Comments: (Information Only – No Action)

8.3: Mayor’s Comments: (Information Only – No Action)

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.

AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

Council Agendas: The City Council agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054



CITY OF HUGHSON AGENDA ITEM NO. 3.1

SECTION 3: CONSENT CALENDAR

Meeting Date: December 8, 2014
Subject: Approval of the City Council Minutes
Presented By: Dominique Spinale, Assistant to the CM/City Clerk

Approved By: _____

Staff Recommendation:

Approve the Regular Meeting Minutes of November 24, 2014 session.

Background and Overview:

The draft minutes of the November 24, 2014 meetings are prepared for the Council's review.



**CITY OF HUGHSON
CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**MINUTES
MONDAY, NOVEMBER 24, 2014 – 7:00 P.M.**

CALL TO ORDER: Mayor Matt Beekman

ROLL CALL:

Present: Mayor Matt Beekman
Mayor Pro Tem Jeramy Young
Councilmember Jill Silva
Councilmember George Carr
Councilmember Harold Hill

Staff Present: Raul L. Mendez, City Manager
Daniel J. Schroeder, City Attorney
Jaylen French, Community Development Director
Dominique Spinale, Assistant to the City Manager/City Clerk
Juan Padilla, City Treasurer
Lisa Whiteside, Finance Manager
Sam Rush, Public Works Superintendent

FLAG SALUTE: Mayor Matt Beekman

INVOCATION: Pastor Ernie Spears

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

No Public Comments.

2. PRESENTATIONS: NONE.

3. CONSENT CALENDAR:

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of November 10, 2014.
- 3.2: Approve the Warrants Register.
- 3.3: Approve the Treasurer's Report for the Month of October.
- 3.4: Waive the Second reading and Adopt Ordinance No. 2014-05, Amending the Hughson Municipal Code Chapter 17.02.012.B – Zoning Districts, Commercial Zones, Allowed Uses.
- 3.5: Approve the Economic Development Committee's (EDC) Recommendation to Award Business Incentive Funds for a Proposed New Business (Shami's Dogs) Located at 2224 Santa Fe Avenue.
- 3.6: Approve the Economic Development Committee's (EDC) Recommendation to Award Business Incentive Funds for a Proposed New Business (The Magnolia Farmhouse Market) Located at 6941 Hughson Avenue.
- 3.7: Accept the Quarterly City of Hughson Legislative Report.

Mayor Beekman pulled Item 3.3 for discussion.

SILVA/CARR 5-0 motion passes to approve Consent Calendar Items 3.1, 3.2, 3.4, 3.5, 3.6, and 3.7.

Mayor Beekman asked questions on some pass-through accounts.

BEEKMAN/SILVA 5-0 motion passes to approve Consent Calendar 3.3.

4. UNFINISHED BUSINESS:

- 4.1: Discuss and Consider Direction to City Staff Regarding the Current Agricultural Lease Between the City of Hughson and Michael Noeller for Approximately Twelve (12) Acres of City-owned Property Adjacent to the Waste Water Treatment Facility along Leedom Road.

City Manager Mendez presented the Staff Report on this Item.

Council deliberated on this item and asked for additional information. Mike Noeller was present to answer the Council's questions on the acreage and pesticide schedule for the almond trees. He also discussed with the Council the history of the acreage and the almond trees currently planted.

The Council discussed various options for the land. Mayor Beekman discussed the potential of the land being re-zoned and developed, as it is already annexed into the City.

Mr. Noeller requested that the lease agreement be extended one year, so he could prepare some scenarios for the Council on the replacement of the almond orchards due to be replanted.

YOUNG/BEEKMAN 5-0 motion passes to direct staff to extend the Agricultural Lease Between the City of Hughson and Michael Noeller for one year and to bring this item back to the City Council in March to prepare for a Request for Proposal process.

5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

6. NEW BUSINESS: NONE.

7. CORRESPONDENCE:

7.1: Update of the Hatch and Santa Fe Signal Project.

7.2: Planning Commission Agenda for November 18, 2014.

7.3: Economic Development Committee Agenda for November 24, 2014.

8. COMMENTS:

8.1: Staff Reports and Comments: (Information Only – No Action)

City Manager: City Manager Mendez updated the Council on the Community Thanksgiving Dinner that took place on November 22, the Pancake Breakfast at the High School on November 23, and the Christmas Festival scheduled for November 29.

City Clerk: City Clerk Spinale updated the Council on the Election Ceremony scheduled for the December 8th Council meeting.

Community Development Director:

Director of Finance:

Police Services:

City Attorney:

8.2: Council Comments: (Information Only – No Action)

Councilmember Carr updated the Council on his attendance at the Community Thanksgiving Dinner and the Arts and Crafts Fair.

Councilmember Silva wished everyone a Happy Thanksgiving.

Mayor Pro Tem Young updated the Council on his attendance at the League of California Cities and Economic Development Committee Meetings.

Councilmember Hill updated the Council on his attendance at the Parks and Recreation Meeting and wished everyone a Happy Thanksgiving.

8.3: Mayor’s Comments: (Information Only – No Action)

Mayor Beekman updated the Council on his attendance at a Stan COG Conference in Santa Clara and shared his interest in the City obtaining an Intern to assist the City with its social media networking.

9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.

10. REPORT FROM CLOSED SESSION: NONE.

ADJOURNMENT:

HILL/BEEKMAN motion passes to adjourn the meeting at 8:08 P.M.

MATT BEEKMAN, Mayor

DOMINIQUE SPINALE, City Clerk



CITY OF HUGHSON AGENDA ITEM NO. 3.2

SECTION 3: CONSENT CALENDAR

Meeting Date: December 8, 2014
Subject: Approval of Warrants Register
Enclosure: Warrants Register
Presented By: Lisa Whiteside, Finance Manager

Approved By: _____

Staff Recommendation:

Approve the Warrants Register as presented.

Background and Overview:

The warrants register presented to the City Council is a listing of all expenditures paid from November 25 through December 4, 2014.

Fiscal Impact:

There are reductions in various funds for payment of expenses.

REPORT.: Dec 01 14 Monday
RUN.....: Dec 01 14 Time: 08:58
Run By.: KATHY DAHLIN

City of Hughson
Cash Disbursement Detail Report
Check Listing for 11-14 Bank Account.: 0100

PAGE: 001
ID #: PY-DP
CTL.: HUG

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
45861	11/25/2014	EMP01	STATE OF CALIFORNIA	\$ 1,251.99	B41125	PAYROLL
45862	11/25/2014	HAR02	THE HARTFORD	\$ 454.66	B41125	DEFERRED COMPENSATION
45863	11/25/2014	PER01	P.E.R.S.	\$ 8,428.85	B41125	RETIREMENT
45864	11/25/2014	STA23	CalPERS SUPPLEMENTAL INCO	\$ 370.00	B41125	DEFERRED COMPENSATION
45865	11/25/2014	UNI07	UNITED WAY OF STANISLAUS	\$ 2.00	B41125	UNITED WAY
Cash Account Total:				\$ 10,507.50		
Total Disbursements:				\$ 10,507.50		

REPORT.: Dec 04 14 Thursday
 RUN....: Dec 04 14 Time: 16:20
 Run By.: KATHY DAHLIN

City of Hughson
 Cash Disbursement Detail Report
 Check Listing for 12-14 Bank Account.: 0100

PAGE: 001
 ID #: PY-DP
 CTL.: HUG

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	-----Payment Information-----	
					Invoice #	Description
45859	12/2/2014	STA12	SWRCB ACCOUNTING OFFICE	\$ (5,826.00)	SW0090273u	Ck# 045859 Reversed
				\$ (14,929.00)	WD0103300u	Ck# 045859 Reversed
			Check Total:	\$ (20,755.00)		
45866	12/1/2014	RUF00	RUFF, MARY	\$ 4,000.00	B41201	BUSINESS ASSISTANCE PROGRAM
45867	12/3/2014	ADK00	ADKINS ELECTRIC	\$ 4,975.00	415	INSTALL GFIC OUTLETS
45868	12/3/2014	AVA00	AVAYA, INC	\$ 72.74	10183049	PHONE - POLICE DEPT
				\$ 92.57	273321972	PHONE - CITY HALL
				\$ 92.57	273324268	PHONE - CITY HALL
				\$ 101.83	273330198	PHONE - CITY HALL
				\$ 79.45	273330212	PHONE - POLICE DEPT
			Check Total:	\$ 439.16		
45869	12/3/2014	AVA02	AVALOS, MARIA	\$ 210.00	B41202	REFUND DEPOSIT 11/3/14
45870	12/3/2014	BLU00	BLUE SHIELD	\$ 13,118.00	143170060	HEALTH PREMIUMS 12/2014
45871	12/3/2014	COR02	CORTES, SANDY	\$ 68.34	B41203	REIMB FOR DECORATIONS FOR CHRISTMAS FESTIVAL
45872	12/3/2014	DAH00	KATHY DAHLIN	\$ 52.74	B41203	REIMB FOR DECORATIONS FOR CHRISTMAS FESTIVAL
45873	12/3/2014	EXP00	EXPRESS PERSONNEL SERVICE	\$ 917.84	14975553	EXTRA HELP WEEK ENDING 11/9
45874	12/3/2014	GEO01	GEOANALYTICAL LABORATORIE	\$ 440.78	A4J1414	DW MONTHLY TESTING
				\$ 30.00	A4K0401	DW WEEKLY TESTING
				\$ 55.00	A4K0402	WWTP WEEKLY
				\$ 150.00	A4K1002	WWTP MONTHLY
				\$ 30.00	A4K1003	DW WEEKLY
				\$ 440.78	A4K1012	DW MONTHLY
				\$ 402.50	A4K1013	DW MONTHLY WELLS
				\$ 55.00	A4K1801	WWTP WEEKLY
				\$ 30.00	A4K1802	DW WEEKLY
			Check Total:	\$ 1,634.06		
45875	12/3/2014	GRA01	GRAND FLOW	\$ 154.44	129873	W-2'S & 1099'S
45876	12/3/2014	JAC02	JACQUEZ, MANUELA	\$ 210.00	B41202	DAMAGE DEPOSIT 10/25
45877	12/3/2014	KIT00	KITCHENS, BURL	\$ 210.00	B41202	DAMAGE DEPOSIT 11/15
45878	12/3/2014	MUN05	MUNIZ, ERICA	\$ 210.00	B41202	DAMAGE DEPOSIT 11/8
45879	12/3/2014	PAR05	PARRA, LIDIA	\$ 210.00	B41202	DAMAGE DEPOSIT
45880	12/3/2014	PGE01	PG & E	\$ 277.48	B41202	UTILITIES
45881	12/3/2014	RAY05	RAYA, NEIL	\$ 242.97	B41203	REIMB FOR HOTEL & MEALS FOR BACK FLOW TESTING
45882	12/3/2014	SER00	SERVICE SUPPLY SYSTEM INC	\$ 21.64	B41203	REIMB FOR DECORATIONS FOR
				\$ (21.64)	B41203u	Ck# 045882 Reversed
			Check Total:	\$ -		

45883	12/3/2014	STA19	STATE WATER RESOURCES CON	\$ 5,826.00	236120	ANNUAL PERMIT FEE CITY HALL
				\$ 14,929.00	WD0103300	ANNUAL PERMIT FEE WWTP
			Check Total:	\$ 20,755.00		
45884	12/3/2014	TID01	TURLOCK IRRIGATION DIST.	\$ 28,485.86	B41203	ELECTRIC
45885	12/3/2014	UNI11	UNIVAR USA, INC	\$ 540.06	656253	CHLORINE WELL #8
45886	12/3/2014	VSP01	VISION SERVICE PLAN	\$ 423.06	B41203	VISION INSURANCE 12/14
45887	12/3/2014	WIL01	CORBIN WILLITS SYSTEM	\$ 571.40	B411151	ENHANCEMENT & SERVICE FEE
45888	12/3/2014	WIL05	WILLE ELECTRIC	\$ 2,870.43	S16070451	LED LIGHTS FOR RHAPSODY I &11
45889	12/4/2014	ALL04	ALLIANCE	\$ 3,850.00	3009	OPPORTUNITY STANISLAUS ANNUAL INVESTMENT 14/15
45890	12/4/2014	ATT02	AT&T MOBILITY	\$ 144.59	B41204	WIRELESS PHONE
45891	12/4/2014	BAY02	BAY ALARM CO	\$ 101.96	B41204	MONITORING OF ALARMS WWTP
45892	12/4/2014	CHA01	CHARTER COMMUNICATION	\$ 163.03	B41204	IP ADDRESS
45893	12/4/2014	CON14	CONDOR EARTH TECHNOLOGIES	\$ 1,965.25	69846	GROUNDWATER MONITORING & REPORTING
45894	12/4/2014	CSM00	CSMFO	\$ 275.00	B41204	JOB POSTING FOR FINANCE DIRECTOR
45895	12/4/2014	EXP00	EXPRESS PERSONNEL SERVICE	\$ 798.64	150167823	EXTRA HELP 11/16/14
45896	12/4/2014	EZN00	EZ NETWORK SOLUTIONS	\$ 338.12	28834	OFF SITE DATA STORAGE 11/14
				\$ 2,695.10	TS28775	IT SERVICES 12/14
			Check Total:	\$ 3,033.22		
45897	12/4/2014	HDL00	HDL SOFTWARE, LLC	\$ 450.00	22991-IN	CONTRACT SERVICES SALES TAX 4TH QTR
45898	12/4/2014	JOB00	JOBS AVAILABLE INC.	\$ 273.00	1425021	JOB AD FOR FINANCE DIRECTOR
45899	12/4/2014	LEA01	LEAGUE OF CALIF. CITIES	\$ 250.00	55724	JOB AD FOR FINANCE DIRECTOR
45900	12/4/2014	MCR01	MCR ENGINEERING, INC	\$ 7,973.00	10557	ENGINEERING SVCS 10/14
45901	12/4/2014	MIS01	MISSION UNIFORM SERVICE	\$ 620.93	B41204	UNIFORM SERVICE
45902	12/4/2014	MOD01	THE MODESTO BEE	\$ 249.60	B41204	SUBSCRIPTION RENEWAL
45903	12/4/2014	NEU01	NEUMILLER & BEARDSLEE	\$ 1,200.00	265875	LEGAL SVCS 10/14
				\$ 10,492.35	265880	LEGAL SVCS 10/14
			Check Total:	\$ 11,692.35		
45904	12/4/2014	OFF06	OFFICE TEAM	\$ 526.68	41719245	EXTRA HELP 11/14/14
				\$ 739.20	41772716	EXTRA HELP 11/21
			Check Total:	\$ 1,265.88		
45905	12/4/2014	SER01	SERRATO, MARTHA	\$ 21.64	B41204	REIMB FOR DECORATIONS FOR CHRISTMAS FESTIVAL
45906	12/4/2014	STA19	STATE WATER RESOURCES CON	\$ 2,088.00	WD0106028	ANNUAL PERMIT FEE ID #5SS10968
45907	12/4/2014	STA42	STANISLAUS COUNTY	\$ 4,653.00	R14342065	3RD QTR OPERATIONAL COST 14/15
				\$ 1,190.00	R14342066	3RD QTR DEBT SERVICE 14/15
			Check Total:	\$ 5,843.00		
			Cash Account Total:	\$ 100,879.93		
			Total Disbursements:	\$ 100,879.93		



City Council Meeting Schedule for 2015

JANUARY

Monday, January 12, 2015

Monday, January 26, 2015

FEBRUARY

Monday, February 9, 2015

(Monday – Holiday - Lincoln’s Birthday)

Monday, February 23, 2015

MARCH

Monday, March 9, 2015

Monday, March 23, 2015

APRIL

Monday, April 13, 2015

Monday, April 27, 2015

MAY

Monday, May 11, 2015

Tuesday, May 26, 2015 (Monday - Holiday - Memorial Day)

JUNE

Monday, June 8, 2015

Monday, June 22, 2015

JULY

Monday, July 13, 2015

Monday, July 27, 2015

AUGUST

Monday, August 10, 2015

Monday, August 24, 2015

SEPTEMBER

Monday, September 14, 2015

Monday, September 28, 2015

OCTOBER

Monday, October 12, 2015

Monday, October 26, 2015

NOVEMBER

Monday, November 9, 2015 (Monday - Holiday -Veterans Day)

Monday, November 23, 2015

DECEMBER

Monday, December 14, 2015

Monday, December 28, 2015 (CANCEL FOR THE WINTER CLOSURE / HOLIDAYS)



CITY COUNCIL AGENDA ITEM NO. 3.4

SECTION 3: CONSENT CALENDAR

Meeting Date: December 8, 2014
Subject: Approval of the Professional Service Agreement with Willdan Engineering for Contract City Engineering Services
Enclosure: City Engineering Professional Service Agreement, Willdan Engineering
Presented By: Jaylen French, Community Development Director
Approved By: _____

Staff Recommendation:

1. Approve the Professional Service Agreement with Willdan Engineering for contract City Engineering services.
2. Authorize the Mayor to execute the Professional Service Agreement with Willdan Engineering.

Background and Overview:

The City's current agreement for contract City Engineering services with MCR Engineering is set to expire on Wednesday, December 31, 2014. The original two-year contract, which commenced in November 2009, was extended twice: the first extension was for two years and the second extension was for one additional year, for a total contract term of 5 years.

Based on City Council's general direction—to go through the Request for Proposal (RFP) process for all city services and studies/plans—City staff released a RFP on Wednesday, September 17, 2014 to solicit proposals from qualified engineering firms to provide professional contract City Engineering services.

On Tuesday, November 4, 2014, the City Manager and Community Development Director, held an interview with Willdan Engineering as part of the RFP and selection process to help fully evaluate the consulting team and to provide more information to help form a recommendation to the City Council.

On Monday, November 10, 2014, the Council approved City staff's recommended City Engineer selection of Willdan Engineering and directed staff to enter into negotiations on an agreement.

Discussion:

The intent of this item is to seek City Council approval of the negotiated Professional Service Agreement with Willdan Engineering for contract City Engineering services.

The following are details of the negotiated Agreement terms.

- Willdan Engineering will provide contract (on-call) City Engineering services as necessary for normal City operations and as requested by the City Manager/Community Development Director.
- City Engineer will spend four (4) hours per week, to start, in City of Hughson offices. All other work will be performed in the City Engineer's local office.
- The City will not be responsible for the normal home to work round-trip travel costs.
- The City Engineer's billing rate is \$145 per hour.
- The agreement term is for one year, with two, two-year extensions by mutual agreement.

As expressed during the November 10, 2014 City Council meeting, Willdan Engineering has proposed to provide the City of Hughson a skilled City Engineer with extensive municipal experience, which is almost exclusively available to the City. Peter Rei will serve as the City Engineer, representing Willdan Engineering, and was introduced to the City Council during the November 10, 2014 regular meeting. In addition to this hands-on service, Willdan Engineering can provide the resources of a much larger community with multiple branches and around 300 employees with vast experience in every engineering discipline.

Fiscal Impact:

It is estimated that this agreement will bear a fiscal impact compared to the existing engineering contract as the billing rate is \$35 per hour higher. In addition, the new City Engineer will spend some time getting up to speed on the engineering issues of the City. However, the vast majority of time will be billed towards projects and therefore will not affect the General Fund, but will be funded through grants or distributed State or Federal funds. The annual costs for City Engineering services are included in the City's Adopted Final Budget.

PROFESSIONAL SERVICES AGREEMENT
(CITY OF HUGHSON / WILLDAN ENGINEERING)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Hughson, a California municipal corporation (“City”) and Willdan Engineering, a corporation (“Consultant”).

RECITALS

City has determined that it requires the following professional services from a consultant: Contract City Engineering.

This Agreement is for the provision of those services by Consultant to City, from time to time during the term of this Agreement, set forth in task orders as specified in section 3.1 of this Agreement, below.

Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and professional ability of its principals and employees.

Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. **DEFINITIONS**

1.1. “Scope of Services”: Such professional services as are generally set forth in Consultant’s December 3, 2014 proposal to City attached hereto as Exhibit A and incorporated herein by this reference. Assignment specific task orders will be issued.

1.2. “Approved Fee Schedule”: Such compensation rates as are set forth in Consultant’s December 3, 2014 fee schedule to City attached hereto as Exhibit B and incorporated herein by this reference.

1.3. “Commencement Date”: **January 1, 2015.**

1.4. “Expiration Date”: **December 31, 2015**

2. **TERM**

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 15 (“Termination”) below.

3. CONSULTANT'S SERVICES

3.1. Consultant shall perform the services identified in the Scope of Services and in any and all individual Task Orders specifying the fees and the services for each Task Order under this Master Professional Services Agreement. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sums specified by each subsequent Task Order unless specifically approved in advance and in writing by City.

3.2. Consultant shall perform all work to the currently prevailing professional standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).

3.3. Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The Public Works Director, or his/her designee shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

4. COMPENSATION

4.1. City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule, except for the services of Peter Rei, City Engineer, for which services will be billed at a rate of \$145 per hour. This rate shall be subject to an annual COP adjustment, not to exceed five percent (5%), as approved by the City. City also agrees to reimburse consultant for any City approved extraordinary costs incurred by Mr. Rei in the performance of his duties as City Engineer.

4.2. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within forty-five (45) calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

4.3. Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule.

5. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. City's reuse of such materials on a project other than the project for which they were originally intended shall be at the City's sole risk.

6. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

7. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

8. INDEMNIFICATION

8.1. Consultant hereby agrees to defend, indemnify, and save harmless the City of Hughson, its officers, agents, employees, and volunteers, from and against any and all claims, suits, actions, liability, loss, damage, expense, and cost, of every nature, kind or description, which may be brought against, or suffered or sustained by, the City of Hughson, its officers, agents, volunteers and employees, caused by the negligence, omission or willful misconduct of Consultant, its officers, agents, and employees in the performance of any services of work pursuant to the agreement. The duty of Consultant to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein contained shall be construed to require Consultant to indemnify the City of Hughson, its officers, and employees against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

8.2. The City of Hughson hereby agrees to defend, indemnify and save harmless Consultant, its officers, agents, volunteers and employees, from and against any and all claims, suits, actions, liability, loss, damage, expense, and cost, of every nature, kind or description which may be brought against, or suffered or sustained by Consultant, its officers, agents, and employees to the extent caused by the negligence, omission or willful misconduct of the City of Hughson, its officers, agents, employees, and volunteers, in the performance of any services or work pursuant to the Agreement.

8.3. City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 8 and related to Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

8.4. The obligations of Consultant under this Section 8 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives any statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

8.5. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 8 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims, suits, actions, liability, loss, damage, expense and cost, of every nature, kind or description for any damage due to death or injury to any person and injury to any property resulting from the negligence, omission, or willful misconduct of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement.

8.6. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

9. INSURANCE

9.1. During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with

Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

9.1.1. Comprehensive or Commercial General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000), per occurrence and in the aggregate, including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.

9.1.2. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.

9.1.3. Worker's Compensation insurance as required by the laws of the State of California.

9.1.4. Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).

9.2. Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.

9.3. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

9.4. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

9.5. At all times during the term of this Agreement, Consultant shall maintain on file with City a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds to the general and automobile liability policies. Consultant shall, prior to commencement of work under this Agreement, file with City such certificate(s).

9.6. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

9.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees,

agents and volunteers as additional insureds. The Certificate of Insurance required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

9.8. The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

9.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

9.10. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

9.11. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 8 of this Agreement.

10. MUTUAL COOPERATION

10.1. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

10.2. In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

11. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts there from and to inspect all program data, documents, proceedings, and activities.

12. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of its services under this Agreement.

13. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City:

*City of Hughson
7018 Pine Street / P.O. Box 9
Hughson, CA 95326
Telephone: (209) 883-4054*

With courtesy copy to:

*Daniel J. Schroeder, City Attorney
Neumiller & Beardslee
P.O. Box 20
509 W. Weber Avenue, Fifth Floor
Stockton, CA 95202
Telephone: (209) 948-8200
Facsimile: (209) 948-4910*

14. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 7, Section 8, Paragraph 10.2 and Section 11 of this Agreement shall survive the expiration or termination of this Agreement.

15. TERMINATION

15.1. City shall have the right to terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on thirty calendar days' written notice to City. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

15.2. If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily

performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

16. GENERAL PROVISIONS

16.1. Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

16.2. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

16.3. Consultant agrees to comply with the regulations of City's "Conflict of Interest Code." Said Code is in accordance with the requirements of the Political Reform Act of 1974.

16.4. In accomplishing the scope of services of this Agreement, Consultant(s) may be performing a specialized or general service for the City, and there is a substantial likelihood that the consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision. As a result, employees of the Consultant or the Consultant itself may be subject to a Category "1" disclosure of the City's Conflict of Interest Code. If in fact this applies to the Consultant a form 700 must be filed.

16.5. The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

16.6. The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

16.7. Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

16.8. Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Stanislaus County, California.

16.9. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

16.10. This Agreement shall be governed and construed in accordance with the laws of the State of California.

16.11. Any controversy, dispute or failure to agree on appropriate actions arising out of or related to this Agreement (collectively, a Dispute) shall be subject to negotiations between the parties as described in Section 16.11.1, and if then not resolved shall be subject to mediation as described in Section 16.11.2 below.

16.11.1. If a Dispute arises, the parties agree to negotiate in good faith to resolve the dispute. Within thirty (30) days of receipt of notice from either party, a representative of Consultant, designated by Consultant, and a representative of City, designated by the City Manager, shall meet in person to resolve the Dispute. If the Consultant's representative and the City Manager's representative are unable to resolve the Dispute, then the Dispute shall be subject to mediation pursuant to Section 16.11.2 below.

16.11.2. In the event the Dispute is not resolved, it shall be submitted to a mediation before JAMS in Sacramento, California. The mediation shall be conducted in accordance with JAMS rules and

procedures. Each party shall bear its own costs of mediation. In the event that the Dispute is not resolved by mediation, then Section 16.12 shall apply.

16.12. If either party initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that the venue thereof shall be the County of Stanislaus, State of California. Consultant hereby waives any rights it might have to remove any such action pursuant to California Code of Civil Procedure Section 394.

16.13. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“City”
City of Hughson

“Consultant”
Willdan Engineering

By: _____
Matt Beekman, Mayor

By: Mort August
Mort August, Deputy Director, City Engineering

Date: _____

Date: 12/5/14

ATTEST:

By: _____
Dominique Spinale, City Clerk

Date: _____

Approved as to form:

By: _____
Daniel J. Schroeder, City Attorney

Date: _____



CITY COUNCIL AGENDA ITEM NO. 3.5

SECTION 3: CONSENT CALENDAR

Meeting Date: December 8, 2014

Subject: Approval to Extend the Agricultural Lease Between the City of Hughson and Michael Noeller for Approximately Twelve (12) Acres of City-Owned Property Adjacent to the Waste Water Treatment Facility Along Leedom Road

Enclosures: Agricultural Lease with Michael Noeller (January 2010)
First Amendment to Lease (2014)

Presented By: Raul L. Mendez, City Manager

Approved By: _____

Staff Recommendation:

1. Approve an extension of the lease between the City of Hughson and Michael Noeller for approximately twelve (12) acres of City-owned property adjacent to the Waste Water Treatment Facility along Leedom Road to October 31, 2015 or completion of the harvest of the fall 2015 almond crop, whichever occurs later.
2. Authorize the Mayor to execute the extension of the lease between the City of Hughson and Michael Noeller.

Background and Overview:

On September 27, 2010, the Hughson City Council adopted Resolution No. 2010-61, approving the agricultural lease with Michael Noeller on City property adjacent to the Waste Water Treatment Facility on Leedom Road. At that time, the City Council determined the subject property was not needed for use and instead directed staff to explore revenue generating options.

In 2008, the City of Hughson purchased a total of approximately 32 acres of land from Francis Noeller to provide for the land needed to expand the Waste Water Treatment Facility on Leedom Road. The total acreage purchased would meet the City's needs of the expansion project and also allot additional acreage for the future.

At the time of purchase, the twelve (12) acres abutting the Waste Water Treatment Facility on the west were planted with almonds and became the subject of the farm

lease. Michael Noeller, the nephew of Francis Noeller, expressed interest in farming the property and the City entered into negotiations for the terms of the agricultural lease.

In conversation with Mr. Noeller at that time, it was indicated that there was a block of trees (approximately eight acres) planted in the year 2000 that consisted of two varieties of almonds: Butte and Padre. Another block of trees (approximately four acres) were planted in 1975 and these trees consisted of the two varieties as well: Non Pareil and Price. Normally, trees this old are pulled and new trees planted. However, Mr. Noeller indicated that the cost of pulling old trees was in the range of \$8,000 to \$9,000 and at that time it took nearly ten years to pay back. A five year lease was being contemplated at that time so the decision was made to maintain the current practice of only replacing trees as they die or fall over. About a quarter of the trees in this block had already been replaced in this way.

City staff researched lessee/lessor percentages for these types of arrangements and found that the industry standard based on discussions with Roger Duncan, an agricultural advisor for the U.C. Extension Office at the Stanislaus County Department of Agriculture, was an 80%/20% split. It should be noted that peach agricultural leases at that time were usually an 85%/15% split because the costs associated to farm a peach orchard exceeds those of a nut orchard.

Based on the information gathered at that time, the City of Hughson entered into a five year agricultural lease agreement with Michael Noeller for the term of January 1, 2010 to December 31, 2014. The lease agreement specified that the land would be used exclusively as an orchard for producing almonds and crops would be harvested and sold for the best available price. The Lessee would pay all expenses incurred in connection with maintenance and operation of the land, any improvements subject to the lease terms and all taxes, assessments, license fees and other charges levied and assessed against the property. The Lessee further agreed to care for the property and trees using good farming practices.

Evaluation of the Current Agricultural Lease and Options

In preparation for City Council consideration of this item, City staff presented information during the October 27, 2014, November 10, 2014, and November 24, 2014 regular meetings.

City staff conducted an evaluation of the current lease which included general information regarding almond farming, tree varieties, production and yields. It also presented production information on the City orchard. Information was shared regarding information provided by Mr. Noeller during meetings with City staff that including the background on the lease arrangement and the condition and yield of the almond orchard since inception of the agreement and some of the challenges and opportunities with the City orchard—replacement of trees, redevelopment of the older area of the orchard, pest control, drought conditions, rural water allocations, drip irrigation systems, etc.

Over the course of the discussion, City staff was able to articulate and clarify some of the important factors to consider when looking at almond yields and revenue

generation capacity. It was determined that the although the subject property consisted of approximately twelve (12) acres of property not all of that was tree acres and some of the area had been developed as part of the expansion of the Waste Water Treatment Facility. Mr. Noeller estimated the Butte and Padre portion of the City orchard consisting of 3.73 tree acres and the Non Pareil and Price consisting of 3.88 tree acres.

City staff contacted the University of California Cooperative Extension in Stanislaus County to obtain average almond yield figures for comparison purposes. Average almond yields in Stanislaus County were 2,240 lbs/acre in 2011; 2,180 lbs/acre in 2012; 2,420 lbs/acre in 2013 (Stanislaus County Crop Reports). Based on this information, one would expect an orchard planted in 2000 to be producing at or above the County average and the orchard planted in 1975 to be significantly below the County average. Mr. Noeller estimated, based on the City's tree acreage, the yield of the Butte and Padre at 1,605 lbs/acre and Non Pareil and Price at 1,239 lbs/acre.

City staff also explored sale or other uses for the subject property. It was determined, with the assistance of Carollo Engineers, that the City is able to sell the subject property since the current facility is designed to accommodate projected General Plan growth but that there are some policy and planning implications. There are no limitations with the sale of the property from the funds used to make the original purchase other than that the sale proceeds would have to go back into the Sewer Fund—an Enterprise Fund. Further, an existing monitoring well easement on the site would need to be maintained for the Waste Water Treatment Facility.

City staff also explored a possible school agricultural lease partnership with the Hughson Unified School District for the farming of the property by the Hughson High School Agricultural Department. After consulting with the local farmer that assists the District with its current school farming operation, the District determined that it was not able to take on the farming of additional acreage and particularly in a remote location.

Extension of the Current Agricultural Lease

Mr. Michael Noeller attended the November 24, 2014 regular meeting and answered questions and provided clarification as needed to the City Council. Based on the information shared by Mr. Noeller, the research provided by City staff and the expiring lease term, the City Council directed City staff to execute an extension to the current lease agreement for another year in order to allow City staff additional time to continue exploring other options such as other uses for the property, sale through a public disposition process, or development of a Request for Proposals (RFP) for a new and possibly longer term agricultural lease. City staff was directed to continue its work and bring back the lease extension at the next regular meeting and a more comprehensive discussion during the March/April period for a longer term option for the property. Mr. Noeller was agreeable to the extension for another year under the existing terms and conditions and also indicated a willingness to respond to the RFP if that option was exercised by the City Council at a later date.

Fiscal Impact:

The current agricultural lease provides that the City receives 20% of the almond crop proceeds. Other costs of the farming operation are to be paid by the tenant. The 20% of the crop as compensation is the standard farm lease percentage in this area. To date, the total revenue generated from farming the twelve (12) acres of property is estimated at \$100,084.05. Of this amount, and per the executed agricultural lease agreement, \$20,016.81 has been received by the City of Hughson and a projected \$80,067.24 by Noeller Farms. The City's figure is gross revenue based on actual receipts. It is important to note that revenue from the 2014 harvest is still pending due to the timing involved from processing to payment.

LEASE

CITY OF HUGHSON, a Municipal Corporation, (hereinafter called "Landlord") and MICHAEL NOELLER (hereinafter called "Tenant") agree as follows:

1. Landlord leases to Tenant that certain real property which is an approximate twelve (12) acres, more or less, block of land currently planted to an orchard on Leedom Road in Hughson, California. (hereinafter "Property"). The Property is located in Stanislaus County and is identified as assessor's parcel numbered APN 018-064-026. The Property is further shown in exhibit "A" to this Lease.
2. The term of this Lease is for five years commencing on January 1, 2010 and terminating on December 31, 2014.
3. The land shall be used exclusively as an orchard for the purpose of producing almonds.
4. Crops shall be harvested and sold for the best available price. The Tenant shall use reasonable discretion in selecting the buyer or buyers for the crops. The Tenant will attempt to have Landlord's payment for crops made directly to Landlord, in accordance with the percentages specified in Paragraph 9 of this Lease. In the event Landlord's percentage share from the sale of the crops is paid to Tenant, Tenant agrees to remit Landlord's share in full within ten (10) days of payment.
5. The Tenant shall pay all expenses incurred in connection with the maintenance and operation of the land and any improvements covered by this Lease, including but not limited to all charges for labor and material, together with any and all other charges connected with the care, cultivation, harvesting and sale of the crops

produced upon said premises, except as otherwise noted herein. Tenant shall indemnify Landlord for any charges or expenses billed or otherwise directed to Landlord as a result of any of the above-described activities of Tenant. Notwithstanding the foregoing, Landlord shall pay for any charges, expenses or damages incurred or caused by Landlord or its employees, representatives or contractors.

6. Tenant shall pay before delinquency all taxes, assessments, license fees, and other charges ("taxes") that are levied and assessed against any property belonging to Tenant installed or located in or on the Property, or on any activity of Tenant, and that become payable during the term. Landlord shall pay before delinquency all taxes that are levied and assessed against the Property and that become payable during the term. Upon request, each party shall furnish the other party with satisfactory evidence of these payments.

7. The Tenant agrees to care for the Property and the trees thereon in a good farmer-like manner, and to cultivate, fertilize, fumigate, irrigate, prune and spray said trees in accordance with established horticultural practices for almonds in this area. Tenant shall be solely responsible for all matters related to any crop being grown on the Property.

8. Neither Tenant nor Landlord shall be liable for failure of any crop due to an Act of God or other causes beyond the control of Landlord or Tenant.

9. Landlord and Tenant shall receive, respectively, the following percentages of prices paid for the crops produced:

Landlord 20%; Tenant 80%.

10. A Memorandum of Lease may be executed and recorded in Stanislaus

County.

11. This Lease shall not be sold, assigned, or sublet by the Tenant, without Landlord's written consent, which will not unreasonably be withheld, conditioned or delayed.

12. In the event Tenant is declared bankrupt or becomes subject to a receiver, the Landlord may, at its option, immediately terminate and cancel this lease.

13. Tenant shall at all times comply with all federal, state and local laws, ordinances, rules and regulations applicable and relevant to the operation of Tenant's business on the Property.

14. Tenant agrees that it will indemnify and hold Landlord harmless and free from any and all claims for damages which may be suffered by any person or persons occupying, visiting or coming upon the Property, except for damages or injuries arising from the negligent act of Landlord, or its employees, agents, representatives or contractors, and will have Landlord named as an additional named insured on a general liability insurance policy in the amount of at least One Million Dollars (\$1,000,000.00). Landlord shall be provided a certificate of such insurance. Failure to provide such certificate within ten (10) days of the commencement of any term shall be grounds for immediate termination of the Lease.

15. All notices between the parties shall be served by depositing the same in the United State Post Office, certified mail, addressed to Tenant at 6400 Leedom Road, Hughson, CA 95326, or to Landlord at PO Box 9 Hughson, CA 95326, or at such other address(es) as designated by the parties in writing.

16. In the event of default, written notice shall be given to the defaulting party

setting forth the nature of the default and providing thirty (30) days after written notice to cure said default. Upon default and failure to cure, the non-defaulting party may, at its option, terminate the Lease and obtain damages for the default or continue the Lease and obtain damages for the default. In the event any suit be brought by any party against the other to recover for any breach of the agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, in addition to any other relief that the court may allow.

17. Tenant agrees not to commit waste on the Property.

18. Landlord shall have the right to inspect all records relevant to the crops grown on the Property and to the sale of the crops, at Tenant's place of business, upon five (5) days written notice.

19. Upon expiration or termination of this Lease, Tenant agrees to execute such document or documents as may be necessary to cancel any Memorandum of Lease on the public record.

TENANT:

Michael Noeller
MICHAEL NOELLER 8/16/10

LANDLORD:

City of Hughson

By

Ramon Bawan
RAMON BAWANAN
MAYOR

State of California)
)
)
County of STANISLAUS)

On Aug. 16, 2010, before me, Lori R. Paul,
a Notary Public, personally appeared MICHAEL NOELLER, 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.

Lori R. Paul



State of California
County of Stanislaus
City of Hughson

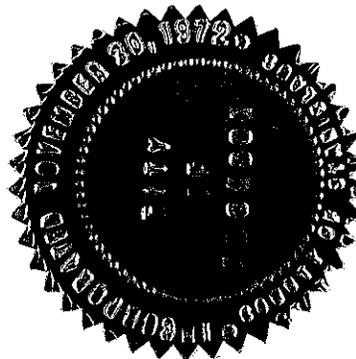
On October 27, 2010, before me, the undersigned, a City Clerk in the City of Hughson in and for said City, personally appeared Ramon Bawan, personally known to me (or proved to me on the basis of satisfactory evident) to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledged 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 _____ (Seal)

WITNESS my hand and official seal.



SIGNATURE:

Michele P Winterbottom
City Clerk of the City of Hughson

*****OPTIONAL*****

This certificate must be attached
to the Document Described at Right:

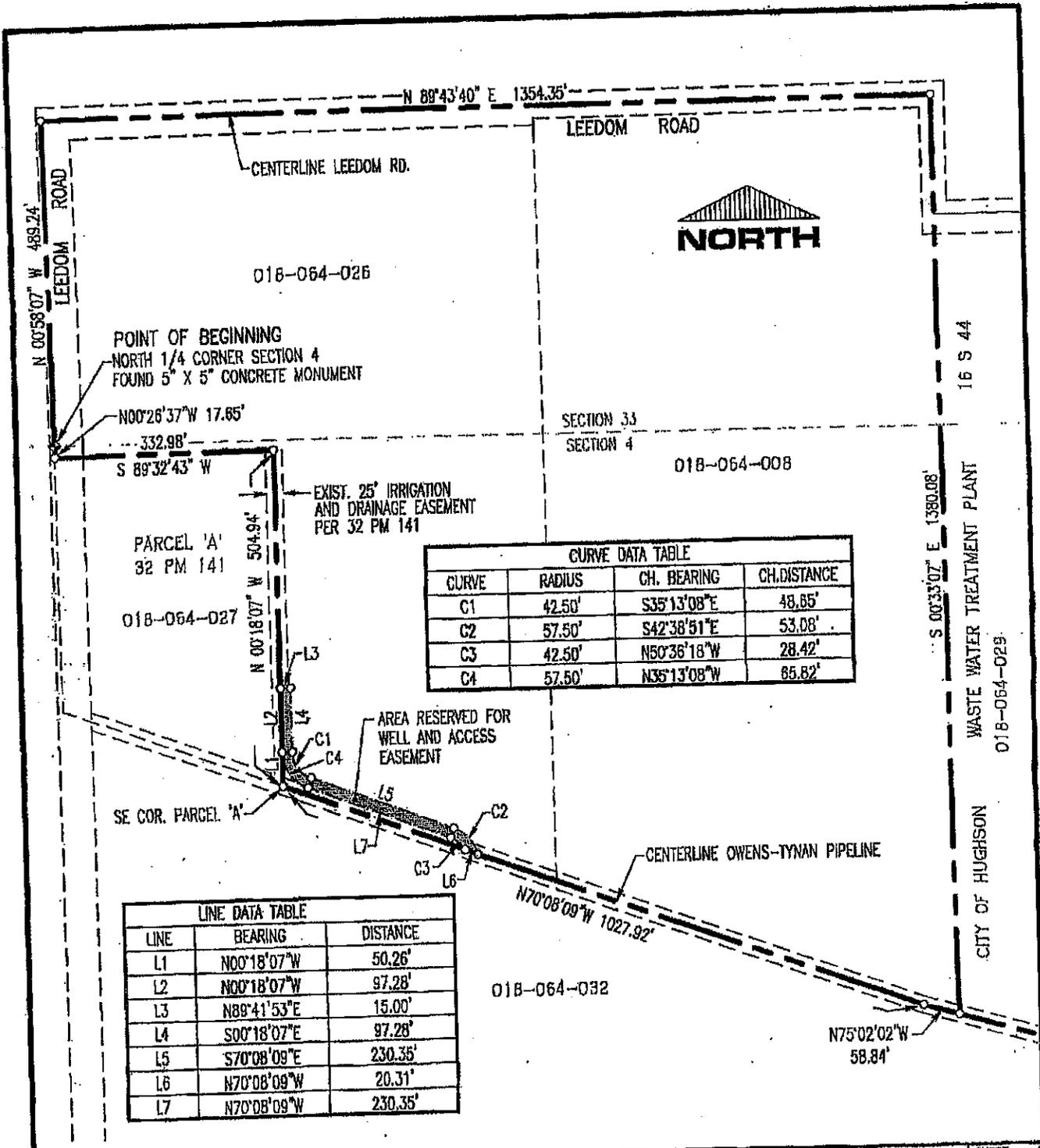
TITLE OR TYPE OF DOCUMENT(s):
FARMING LEASE - AGREEMENT BETWEEN CITY OF
Leedom Road Lease - LEASE - WASTE WATER
TREATMENT PLANT 018-064-026 FOR ORCHARD
FARMING - 5 YEAR LEASE AGREEMENT

No. of PAGES 4 DATE OF DOCUMENT(2):September 27,
2010

September 27, 2010

SIGNER(S) OTHER THAN NAMED ABOVE: Michael
Noeller - August 16, 2010

Though the date requested here is not
required by law, it could prevent
fraudulent reattachment of this form.

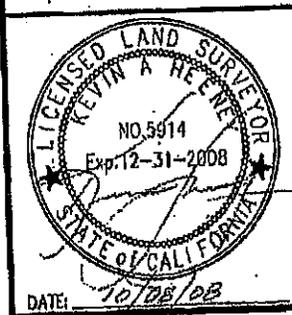


CURVE DATA TABLE

CURVE	RADIUS	CH. BEARING	CH. DISTANCE
C1	42.50'	S35°13'08"E	48.85'
C2	57.50'	S42°38'51"E	53.08'
C3	42.50'	N50°36'18"W	28.42'
C4	57.50'	N35°13'08"W	65.82'

LINE DATA TABLE

LINE	BEARING	DISTANCE
L1	N00°18'07"W	50.26'
L2	N00°18'07"W	97.28'
L3	N88°41'53"E	15.00'
L4	S00°18'07"E	97.28'
L5	S70°08'09"E	230.35'
L6	N70°08'09"W	20.31'
L7	N70°08'09"W	230.35'



OWNER: FRANCIS NOELLER

A.P.N.: 018-064-026

AREAS	ACRES	SQ. FT.
PROPERTY ACQUISITION	31.904	
WELL & ACCESS EASEMENT		6,464

3233 Monitor Circle, Suite 1
 Rancho Cordova, CA 95742
 (916) 638-0919
 (916) 638-2479 Fax

DATE: 10-08-08

SCALE: 1"=200'

DRAWN BY: KAH

JOB NO.: 07-041-001

SHEET: 1 of 1

CITY OF HUGHSON

WWTP UPGRADES & EXPANSION PROJECT

PROPERTY ACQUISITION

A PORTION OF THE SE 1/4, SEC. 33, T.3 S., R.10 E. AND THE NE 1/4, SEC. 4, T.4 S., R.10 E., M.D.M. COUNTY OF STANISLAUS STATE OF CALIFORNIA

M:\07-041-001\Noeller Purchase All.dwg, Layout1, 10/8/2008 2:08:21 PM, kteeney

Exhibit "A"

CITY OF HUGHSON
CITY COUNCIL

RESOLUTION NO. 2010-61

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON APPROVING A FARMING LEASE WITH MICHAEL NOELLER ON UNUSED CITY PROPERTY ABUTTING THE WASTEWATER TREATMENT PLANT ON LEEDOM ROAD AND AUTHORIZE THE MAYOR TO SIGN THE LEASE

WHEREAS, the City of Hughson has purchased approximately thirty two (32) acres from the Noellers to provide for sufficient expansion capabilities at the City's wastewater treatment plant (WWTP), and

WHEREAS, approximately twelve acres are not presently needed for the expansion project underway at the WWTP but will be needed for expansion of the plant in the future, and

WHEREAS, the City wishes to produce some revenue from this unused property and has entered into negotiations with the Noellers to farm the property in almonds, and

WHEREAS, the City has agreed that the cost of the farming operation will be paid by the Noellers and when the Noellers sell the almond crop the City will receive 20% of the revenue, and

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hughson does hereby approve the lease with Michael Noeller and authorizes the Mayor to sign the lease.

It is hereby certified that the foregoing Resolution No. 2010-61 was duly introduced and adopted by the City Council of the City of Hughson at its regular meeting held on this twenty seventh day of September, 2010 by the following roll call votes: (3-2)

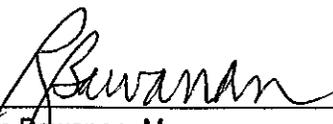
Ayes in favor: Councilmembers Silva, Carr and Mayor Bawanana

Noes: Council Members Young and Beekman

Absent: None

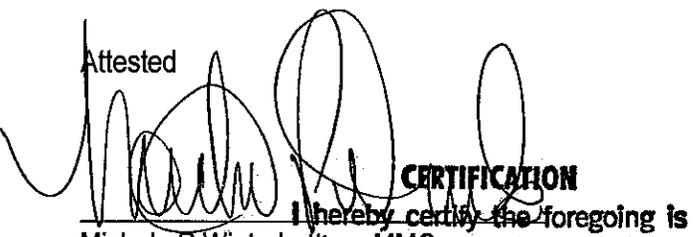
Abstain: None

Approved



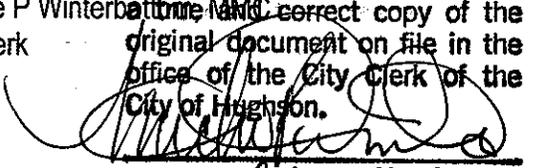
Ramon Bawanana, Mayor

Attested



Michele P Winterbottom, City Clerk

CERTIFICATION
I hereby certify the foregoing is the true and correct copy of the original document on file in the office of the City Clerk of the City of Hughson.



City Clerk

Dated: October 27, 2010

FIRST AMENDMENT TO LEASE

RECITALS

WHEREAS, the CITY OF HUGHSON, a Municipal Corporation, (hereinafter called "Landlord") and MICHAEL NOELLER (hereinafter called "Tenant") in 2010 entered into a Lease ("Lease"), a true and correct copy of which is attached hereto as Attachment "A;" and

WHEREAS, in accordance with paragraph 2 of the Lease, the Lease will terminate on December 31, 2014; and

WHEREAS, the Landlord and Tenant desire to extend the term of the Lease to October 31, 2015 or completion of the harvest of the fall 2015 almond crop on the Lease property, whichever occurs later.

THEREFORE, the Landlord and Tenant agree to that the Lease term is hereby extended to and will terminate at 11:59 p.m. on October 31, 2015 or completion of the harvest of the fall 2015 almond crop on the Lease property, whichever occurs later. The parties further agree that all other terms in the Agreement shall remain in full force and effect.

TENANT:

LANDLORD:

City of Hughson

MICHAEL NOELLER

By _____
Mayor MATT BEEKMAN



**CITY OF HUGHSON AGENDA
ITEM NO. 6.1 (a) (b)
SECTION 6: NEW BUSINESS**

Meeting Date: December 8, 2014
Presented By: Dominique Spinale, Assistant to the CM/ City Clerk
Subject: Declaring the Election Results on the Consolidated General Election held on November 4, 2014

Approved: _____

Recommendation:

Staff recommends adopting Resolution No. 2014-35, a Resolution of the City Council of the City of Hughson Declaring the Results of the Consolidated General Municipal Election held on November 4, 2014.

Following the declaration of the Election Results, The City Clerk will administer the Oaths of Office to newly re-elected Mayor Matt Beekman and newly re-elected Council Members George Carr and Harold "Bud" Hill.

The City Clerk will then conduct a Roll Call of the new City Council:

Mayor Matt Beekman
Councilmember Jill Ferriera-Silva
Councilmember George Carr
Councilmember Jeramy Young
Councilmember Harold "Bud" Hill

**CITY OF HUGHSON
CITY COUNCIL
RESOLUTION NO. 2014-35**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON DECLARING
THE RESULTS OF THE CONSOLIDATED GENERAL MUNICIPAL ELECTION HELD
ON TUESDAY, NOVEMBER 4, 2014**

WHEREAS, the Consolidated General Municipal Election was held and conducted on November 4, 2014 as required by law, for the purpose of electing a Mayor for a two (2) year term and two (2) persons to the City Council for a four (4) year term; and

WHEREAS, the Notice of Election was given in time, form, and a manner as provided by law; that the voting precincts were properly established; that election officers were appointed and that in all respects, the election was held and conducted and the votes were cast, received, and canvassed, and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, the Stanislaus County Elections Office canvassed the returns of the election and has certified the results to this City Council; the results are received, attached, and made a part hereof as "Exhibit A – Certified Statement of the Vote for Stanislaus County".

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND DECLARED, by the City Council of the City of Hughson as follows:

Section 1: That the names and number of votes cast in favor of persons voted for at the election for Member of the City Council are as follows:

<u>MAYOR CANDIDATES</u>	<u>VOTES</u>
Matt Beekman	1, 148
<u>COUNCIL MEMBER CANDIDATES</u>	<u>VOTES</u>
George Carr	828
Harold "Bud" Hill	737
Billy Gonzales	451

Section 2: That the whole number of votes cast in the City of Hughson of the 2,985 registered voters is 1,386, a percentage turnout of 46.43; and

Section 3: That the City Council of the City of Hughson does declare and determine that: Matt Beekman was elected as Mayor for a two-year term, and that George Carr and Harold "Bud" Hill were elected as Council Members for a four-year term, all commencing on December 8, 2014; and

Section 4: That the City Clerk, as the elections official, shall immediately sign and deliver to each person elected a Certificate of Election and administer to each person elected the Oath of Office prescribed in the California Constitution; and

Section 5: That the City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED by the City Council of the City of Hughson at a regular meeting held on the 8th day of December 2014, by the following roll call vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

MATT BEEKMAN, Mayor

ATTEST:

DOMINIQUE SPINALE, City Clerk



STATEMENT OF THE VOTE

FOR

STANISLAUS COUNTY

STATE OF CALIFORNIA

-CAST AT THE-

GUBERNATORIAL GENERAL ELECTION

-HELD-

TUESDAY, NOVEMBER 4, 2014

STATE OF CALIFORNIA

COUNTY OF STANISLAUS

} ss.

I, LEE LUNDRIGAN, County Clerk Recorder & Registrar of Voters, of the above named county, in accordance with the provisions of Section 15301 of the California Elections Code, do hereby certify that within is a true and correct statement of result of the votes cast in this county at the Gubernatorial General Election as determined by the official canvass of the returns of said election.

I hereby set my hand and official seal this 20th day of November 2014 at the County of Stanislaus.



Lee Lundrigan
County Clerk Recorder & Registrar of Voters
County of Stanislaus
State of California



**OFFICE OF COUNTY CLERK-RECORDER
& REGISTRAR OF VOTERS
ELECTIONS DIVISION**

LEE LUNDRIGAN
**Clerk-Recorder, Registrar of Voters &
Commissioner of Civil Marriage**

Elections: 1021 "I" Street, Suite 101, Modesto, CA 95354
Telephone: 209.525.5200
Facsimile: 209.525.5802

**CERTIFICATION OF
COUNTY CLERK RECORDER
& REGISTRAR OF VOTERS
OF THE RESULTS OF THE CANVASS OF THE
NOVEMBER 4, 2014 GENERAL ELECTION**

STATE OF CALIFORNIA

COUNTY OF STANISLAUS

} ss.

I, LEE LUNDRIGAN, County Clerk Recorder & Registrar of Voters of said county, do hereby certify that, in pursuance to the provisions of Elections Code Section 15300, et seq., I did canvass the results of the votes cast in the General Election held in said County on November 4, 2014, for measures and contests that were submitted to the vote of the voters, and that the Statement of Votes Cast to which this certificate is attached, is full, true and correct.

I hereby set my hand and official seal this 20th day of November 2014 at the County of Stanislaus.




Lee Lundrigan
County Clerk Recorder & Registrar of Voters
County of Stanislaus
State of California



**OFFICE OF COUNTY CLERK-RECORDER
& REGISTRAR OF VOTERS
ELECTIONS DIVISION**

LEE LUNDRIGAN
*Clerk-Recorder, Registrar of Voters &
Commissioner of Civil Marriage*

*Elections: 1021 "I" Street, Suite 101, Modesto, CA 95354
Telephone: 209.525.5200
Facsimile: 209.525.5802*

**HELP AMERICA VOTE ACT OF 2002
CERTIFICATION OF ELECTIONS OFFICIAL**

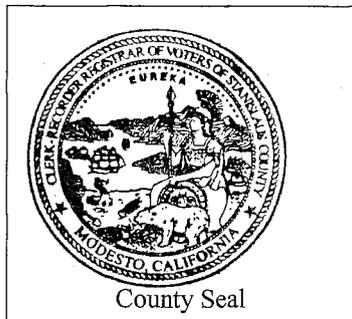
STATE OF CALIFORNIA

COUNTY OF STANISLAUS

} ss.

Pursuant to the statewide voter registration list requirements set forth in the Help America Vote Act of 2002 (HAVA) (Pub. L. No. 107-252 (2002) 116 Stat. 1666, 42 U.S.C. § 15483), I, Lee Lundrigan, County Clerk Recorder & Registrar of Voters for the County of Stanislaus, State of California, hereby certify that I complied with all provisions of Chapter 2 of Division 7 of Title 2 of the California Code of Regulations for the Gubernatorial General Election held on the 4th day of November 2014, in the County of Stanislaus, State of California, and all elections consolidated therewith.

I hereby set my hand and official seal this 20th day of November 2014 at the County of Stanislaus.



County Seal

Lee Lundrigan
County Clerk Recorder & Registrar of Voters
County of Stanislaus
State of California

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	TOTAL VOTES	%	ELECTION DAY	MAIL PRECINCT	VOTE BY MAIL
PRECINCTS COUNTED (OF 357)	357	100.00			
REGISTERED VOTERS - TOTAL	214,188				
BALLOTS CAST - TOTAL	92,738		23,532	2,486	66,720
VOTER TURNOUT - TOTAL		43.30			
Governor					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
EDMUND G. "JERRY" BROWN	46,566	51.54	11,547	1,130	33,889
NEEL KASHKARI	43,786	48.46	11,403	1,285	31,098
Total	90,352		22,950	2,415	64,987
Over Votes	23		4	0	19
Under Votes	2,363		578	71	1,714
Lieutenant Governor					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
RON NEHRING	47,876	53.90	12,444	1,370	34,062
GAVIN NEWSOM	40,949	46.10	10,130	995	29,824
Total	88,825		22,574	2,365	63,886
Over Votes	20		11	0	9
Under Votes	3,893		947	121	2,825
Secretary of State					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
PETE PETERSON	50,203	56.91	12,850	1,457	35,896
ALEX PADILLA	38,004	43.09	9,714	902	27,388
Total	88,207		22,564	2,359	63,284
Over Votes	19		4	0	15
Under Votes	4,512		964	127	3,421
Controller					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
ASHLEY SWEARENGIN	48,951	55.40	12,726	1,404	34,821
BETTY T. YEE	39,404	44.60	9,852	952	28,600
Total	88,355		22,578	2,356	63,421
Over Votes	23		8	0	15
Under Votes	4,360		946	130	3,284
Treasurer					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
GREG CONLON	45,061	50.79	11,799	1,307	31,955
JOHN CHIANG	43,655	49.21	10,752	1,072	31,831
Total	88,716		22,551	2,379	63,786
Over Votes	15		6	0	9
Under Votes	4,007		975	107	2,925

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REPORT-EL45A PAGE 002

	TOTAL VOTES	%	ELECTION DAY MAIL	PRECINCT	VOTE BY MAIL
Attorney General					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
RONALD GOLD	47,574	53.72	12,453	1,370	33,751
KAMALA D. HARRIS	40,989	46.28	10,076	996	29,917
Total	88,563		22,529	2,366	63,668
Over Votes	11		4	0	7
Under Votes	4,164		999	120	3,045
Insurance Commissioner					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
TED GAINES	46,704	52.93	12,213	1,345	33,146
DAVE JONES	41,526	47.07	10,249	1,022	30,255
Total	88,230		22,462	2,367	63,401
Over Votes	13		4	0	9
Under Votes	4,495		1,066	119	3,310
Member, State Board of Equalization, District 1					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
GEORGE RUNNER	50,335	57.48	12,830	1,434	36,071
CHRIS PARKER	37,242	42.52	9,535	908	26,799
Total	87,577		22,365	2,342	62,870
Over Votes	10		3	0	7
Under Votes	5,151		1,164	144	3,843
United States Representative, District 10					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
JEFF DENHAM	51,034	56.37	13,227	1,486	36,321
MICHAEL EGGMAN	39,495	43.63	9,813	954	28,728
Total	90,529		23,040	2,440	65,049
Over Votes	29		8	0	21
Under Votes	2,180		484	46	1,650
State Senator, District 8					
Vote for 1					
(WITH 104 OF 104 PRECINCTS COUNTED)					
TOM BERRYHILL	20,406	67.75	5,196	599	14,611
PAULINA MIRANDA	9,713	32.25	2,383	235	7,095
Total	30,119		7,579	834	21,706
Over Votes	2		2	0	0
Under Votes	1,451		306	21	1,124
State Senator, District 12					
Vote for 1					
(WITH 104 OF 104 PRECINCTS COUNTED)					
ANTHONY CANNELLA	9,292	58.40	2,472	762	6,058
SHAWN K. BAGLEY	6,619	41.60	1,881	354	4,384
Total	15,911		4,353	1,116	10,442
Over Votes	3		1	0	2
Under Votes	571		150	59	362

	TOTAL VOTES	%	ELECTION DAY MAIL	PRECINCT	VOTE BY MAIL
Member of the State Assembly, District 12					
Vote for 1					
(WITH 201 OF 201 PRECINCTS COUNTED)					
KRISTIN OLSEN	40,930	66.38	10,275	383	30,272
HARINDER GREWAL	20,726	33.62	5,288	154	15,284
Total	61,656		15,563	537	45,556
Over Votes	7		1	0	6
Under Votes	2,221		491	11	1,719

Member of the State Assembly, District 21					
Vote for 1					
(WITH 156 OF 156 PRECINCTS COUNTED)					
ADAM GRAY	15,768	56.55	4,128	868	10,772
JACK MOBLEY	12,113	43.45	3,116	993	8,004
Total	27,881		7,244	1,861	18,776
Over Votes	3		1	0	2
Under Votes	970		232	77	661

Associate Justice of the Supreme Court, Goodwin Liu					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
Yes	45,570	60.80	11,335	1,157	33,078
No.	29,380	39.20	7,998	845	20,537
Total	74,950		19,333	2,002	53,615
Over Votes	18		7	0	11
Under Votes	17,770		4,192	484	13,094

Associate Justice of the Supreme Court, Mariano-Florentino Cuellar					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
Yes	45,233	59.97	11,484	1,139	32,610
No.	30,192	40.03	7,933	893	21,366
Total	75,425		19,417	2,032	53,976
Over Votes	14		7	1	6
Under Votes	17,299		4,108	453	12,738

Associate Justice of the Supreme Court, Kathryn Mickle Werdegar					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
Yes	49,324	66.58	12,019	1,272	36,033
No.	24,754	33.42	7,018	726	17,010
Total	74,078		19,037	1,998	53,043
Over Votes	13		7	0	6
Under Votes	18,647		4,488	488	13,671

TOTAL VOTES % ELECTION DAY MAIL PRECINCT VOTE BY MAIL

Associate Justice, Court of Appeal,
 Fifth Appellate District, Rosendo Pena, Jr.
 Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

Yes	42,455	58.00	10,871	1,066	30,518
No.	30,744	42.00	8,012	902	21,830
Total	73,199		18,883	1,968	52,348
Over Votes	12		5	0	7
Under Votes	19,527		4,644	518	14,365

Associate Justice, Court of Appeal,
 Fifth Appellate District, Gene M. Gomes
 Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

Yes	44,653	61.68	11,193	1,181	32,279
No.	27,743	38.32	7,462	777	19,504
Total	72,396		18,655	1,958	51,783
Over Votes	13		3	0	10
Under Votes	20,329		4,874	528	14,927

Associate Justice, Court of Appeal,
 Fifth Appellate District, Dennis A. Cornell
 Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

Yes	47,370	65.72	11,632	1,239	34,499
No.	24,705	34.28	6,998	716	16,991
Total	72,075		18,630	1,955	51,490
Over Votes	17		2	0	15
Under Votes	20,646		4,900	531	15,215

Associate Justice, Court of Appeal,
 Fifth Appellate District, Donald R. Franson, Jr.
 Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

Yes	48,421	67.35	11,858	1,275	35,288
No.	23,477	32.65	6,665	663	16,149
Total	71,898		18,523	1,938	51,437
Over Votes	17		3	0	14
Under Votes	20,823		5,006	548	15,269

Associate Justice, Court of Appeal,
 Fifth Appellate District, Stephen J. Kane
 Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

Yes	49,523	68.56	12,226	1,285	36,012
No.	22,712	31.44	6,406	671	15,635
Total	72,235		18,632	1,956	51,647
Over Votes	10		3	0	7
Under Votes	20,493		4,897	530	15,066

TOTAL VOTES % ELECTION DAY MAIL PRECINCT VOTE BY MAIL

Superintendent of Public Instruction

Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

TOM TORLAKSON	42,182	53.92	10,021	1,116	31,045
MARSHALL TUCK	35,185	44.98	10,071	896	24,218
WRITE-IN.	858	1.10	239	28	591
Total	78,225		20,331	2,040	55,854
Over Votes	109		18	3	88
Under Votes	14,404		3,183	443	10,778

Newman-Crows Landing Unified School District

Governing Board Member - Area 2

Vote for 1

(WITH 3 OF 3 PRECINCTS COUNTED)

PAUL WALLACE	214	51.82	61	18	135
ALFREDO ESQUIVEZ	198	47.94	78	11	109
WRITE-IN.	1	.24	0	0	1
Total	413		139	29	245
Over Votes	0		0	0	0
Under Votes	30		7	3	20

Salida Union School District

Governing Board Member - Area 1

Vote for 1

(WITH 7 OF 7 PRECINCTS COUNTED)

IVAN WYETH II	328	49.85	59	19	250
STEVEN CLEEK	321	48.78	105	10	206
WRITE-IN.	9	1.37	4	0	5
Total	658		168	29	461
Over Votes	0		0	0	0
Under Votes	108		29	2	77

Salida Union School District

Governing Board Member - Area 2

Vote for 1

(WITH 4 OF 4 PRECINCTS COUNTED)

VIRGINIA L. BERRY.	415	75.45	132	0	283
JEFFREY HOOK	133	24.18	45	0	88
WRITE-IN.	2	.36	1	0	1
Total	550		178	0	372
Over Votes	0		0	0	0
Under Votes	96		21	0	75

Salida Union School District

Governing Board Member - Area 5

Vote for 1

(WITH 2 OF 2 PRECINCTS COUNTED)

NANCI FOX	253	52.60	84	0	169
CATIE L. ENGLEBRIGHT.	225	46.78	53	0	172
WRITE-IN.	3	.62	1	0	2
Total	481		138	0	343
Over Votes	0		0	0	0
Under Votes	122		36	0	86

	TOTAL VOTES	%	ELECTION DAY MAIL	PRECINCT	VOTE BY MAIL
City of Hughson, Mayor					
Vote for 1					
(WITH 4 OF 4 PRECINCTS COUNTED)					
MATT BEEKMAN	1,148	96.07	312	0	836
WRITE-IN.	47	3.93	16	0	31
Total	1,195		328	0	867
Over Votes	1		0	0	1
Under Votes	190		58	0	132
City of Hughson, Member, City Council					
Vote for 2					
(WITH 4 OF 4 PRECINCTS COUNTED)					
GEORGE CARR.	828	40.69	232	0	596
HAROLD "BUD" HILL.	737	36.22	199	0	538
BILLY GONZALES.	451	22.16	123	0	328
WRITE-IN.	19	.93	10	0	9
Total	2,035		564	0	1,471
Over Votes	2		2	0	0
Under Votes	735		206	0	529
City of Newman, Mayor					
Vote for 1					
(WITH 6 OF 6 PRECINCTS COUNTED)					
ED KATEN.	1,084	92.65	371	0	713
WRITE-IN.	86	7.35	34	0	52
Total	1,170		405	0	765
Over Votes	0		0	0	0
Under Votes	227		80	0	147
City of Newman, Member, City Council					
Vote for 2					
(WITH 6 OF 6 PRECINCTS COUNTED)					
CASEY GRAHAM	768	37.17	278	0	490
NICHOLAS CANDEA	710	34.37	237	0	473
DONALD VAN HUTCHINS	571	27.64	189	0	382
WRITE-IN.	17	.82	3	0	14
Total	2,066		707	0	1,359
Over Votes	4		0	0	4
Under Votes	724		263	0	461
City of Oakdale, Mayor					
Vote for 1					
(WITH 10 OF 10 PRECINCTS COUNTED)					
PAT PAUL.	3,166	90.05	837	0	2,329
WRITE-IN.	350	9.95	101	0	249
Total	3,516		938	0	2,578
Over Votes	0		0	0	0
Under Votes	1,023		265	0	758

TOTAL VOTES % ELECTION DAY MAIL PRECINCT VOTE BY MAIL

City of Oakdale, Member, City Council
 Vote for 2

(WITH 10 OF 10 PRECINCTS COUNTED)

CHERYLYN BAIROS	2,727	52.11	703	0	2,024
J.R. MCCARTY	2,411	46.07	622	0	1,789
WRITE-IN.	95	1.82	32	0	63
Total	5,233		1,357	0	3,876
Over Votes	0		0	0	0
Under Votes	3,845		1,049	0	2,796

City of Patterson, Mayor
 Vote for 1

(WITH 13 OF 13 PRECINCTS COUNTED)

LUIS I. MOLINA.	1,330	46.10	490	38	802
RALPH M. ARREDONDO	635	22.01	209	12	414
DOMINIC A. FARINHA	595	20.62	162	19	414
SHEREE LUSTGARTEN.	313	10.85	102	9	202
WRITE-IN.	12	.42	3	0	9
Total	2,885		966	78	1,841
Over Votes	6		2	0	4
Under Votes	104		31	10	63

City of Patterson, Member, City Council
 Vote for 2

(WITH 13 OF 13 PRECINCTS COUNTED)

DENNIS MCCORD	1,291	25.93	396	35	860
DEBORAH NOVELLI	1,192	23.95	377	28	787
LARRY K. BUEHNER	753	15.13	245	17	491
CARLOS GUSTAVO FIERROS	689	13.84	263	15	411
JOHN T. STOBB	605	12.15	200	19	386
TROY D. MCMAHAN	432	8.68	139	9	284
WRITE-IN.	16	.32	5	0	11
Total	4,978		1,625	123	3,230
Over Votes	16		4	0	12
Under Votes	996		369	53	574

City of Riverbank, Member, City Council
 Vote for 2

(WITH 10 OF 10 PRECINCTS COUNTED)

CAL CAMPBELL	1,857	38.86	432	0	1,425
LEANNE JONES CRUZ.	1,727	36.14	454	0	1,273
LARRY KING	1,145	23.96	331	0	814
WRITE-IN.	50	1.05	16	0	34
Total	4,779		1,233	0	3,546
Over Votes	0		0	0	0
Under Votes	1,895		589	0	1,306

City of Turlock, Mayor
 Vote for 1

(WITH 37 OF 37 PRECINCTS COUNTED)

GARY SOISETH	8,374	60.93	2,356	21	5,997
MIKE BREM	5,317	38.69	1,335	21	3,961
WRITE-IN.	53	.39	15	0	38
Total	13,744		3,706	42	9,996
Over Votes	6		0	0	6

(CONTINUED NEXT PAGE)

	TOTAL VOTES	%	ELECTION DAY MAIL	PRECINCT	VOTE BY MAIL
Under Votes	762		173	1	588
City of Turlock, Member, City Council					
Vote for 2					
(WITH 37 OF 37 PRECINCTS COUNTED)					
MATTHEW JACOB	7,066	29.30	2,051	18	4,997
BILL DEHART, JR.	6,351	26.34	1,579	17	4,755
FORREST J. WHITE	5,810	24.09	1,351	22	4,437
SERGIO A. ALVARADO	2,405	9.97	660	4	1,741
DONALD BABADALIR	2,386	9.89	718	4	1,664
WRITE-IN.	96	.40	24	1	71
Total	24,114		6,383	66	17,665
Over Votes	88		18	0	70
Under Votes	4,822		1,357	20	3,445

City of Waterford, Mayor					
Vote for 1					
(WITH 4 OF 4 PRECINCTS COUNTED)					
MIKE VAN WINKLE	1,121	95.65	361	0	760
WRITE-IN.	51	4.35	17	0	34
Total	1,172		378	0	794
Over Votes	0		0	0	0
Under Votes	209		69	0	140

City of Waterford, Member, City Council					
Vote for 2					
(WITH 4 OF 4 PRECINCTS COUNTED)					
JOSHUA WHITFIELD	924	42.33	310	0	614
KEN KRAUSE	670	30.69	203	0	467
KEITH SELF	579	26.52	158	0	421
WRITE-IN.	10	.46	6	0	4
Total	2,183		677	0	1,506
Over Votes	2		0	0	2
Under Votes	577		217	0	360

Proposition 1					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
Yes	57,226	64.53	13,861	1,555	41,810
No.	31,451	35.47	8,808	842	21,801
Total	88,677		22,669	2,397	63,611
Over Votes	20		6	0	14
Under Votes	4,041		857	89	3,095

Proposition 2					
Vote for 1					
(WITH 357 OF 357 PRECINCTS COUNTED)					
Yes	58,363	66.52	14,125	1,565	42,673
No.	29,377	33.48	8,334	783	20,260
Total	87,740		22,459	2,348	62,933
Over Votes	9		2	0	7
Under Votes	4,989		1,071	138	3,780

TOTAL VOTES % ELECTION DAY MAIL PRECINCT VOTE BY MAIL

Proposition 45

Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

No.	60,355	68.01	15,276	1,622	43,457
Yes	28,388	31.99	7,310	764	20,314
Total	88,743		22,586	2,386	63,771
Over Votes	24		9	1	14
Under Votes	3,971		937	99	2,935

Proposition 46

Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

No.	59,820	66.69	14,934	1,595	43,291
Yes	29,877	33.31	7,886	825	21,166
Total	89,697		22,820	2,420	64,457
Over Votes	19		7	1	11
Under Votes	3,022		705	65	2,252

Proposition 47

Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

No.	46,552	52.42	12,237	1,270	33,045
Yes	42,261	47.58	10,407	1,104	30,750
Total	88,813		22,644	2,374	63,795
Over Votes	13		9	0	4
Under Votes	3,912		879	112	2,921

Proposition 48

Vote for 1

(WITH 357 OF 357 PRECINCTS COUNTED)

No.	57,318	65.11	15,602	1,602	40,114
Yes	30,712	34.89	6,871	783	23,058
Total	88,030		22,473	2,385	63,172
Over Votes	12		5	0	7
Under Votes	4,696		1,054	101	3,541

City of Newman, Measure Z

Vote for 1

(WITH 6 OF 6 PRECINCTS COUNTED)

Yes	896	66.52	297	0	599
No.	451	33.48	170	0	281
Total	1,347		467	0	880
Over Votes	0		0	0	0
Under Votes	50		18	0	32

City of Oakdale, Measure Y

Vote for 1

(WITH 10 OF 10 PRECINCTS COUNTED)

Yes	3,127	70.21	783	0	2,344
No.	1,327	29.79	396	0	931
Total	4,454		1,179	0	3,275
Over Votes	0		0	0	0
Under Votes	85		24	0	61

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TOTAL VOTES % ELECTION DAY MAIL PRECINCT VOTE BY MAIL

City of Turlock, Measure A

Vote for 1

(WITH 37 OF 37 PRECINCTS COUNTED)

Yes	9,685	73.76	2,479	31	7,175
No.	3,446	26.24	1,060	6	2,380
Total	13,131		3,539	37	9,555
Over Votes	5		4	0	1
Under Votes	1,376		336	6	1,034

City of Turlock, Measure B

Vote for 1

(WITH 37 OF 37 PRECINCTS COUNTED)

Yes	8,425	60.77	2,044	18	6,363
No.	5,439	39.23	1,690	22	3,727
Total	13,864		3,734	40	10,090
Over Votes	1		1	0	0
Under Votes	647		144	3	500



**OFFICE OF COUNTY CLERK-RECORDER
& REGISTRAR OF VOTERS
ELECTIONS DIVISION**

LEE LUNDRIGAN
Clerk-Recorder, Registrar of Voters &
Commissioner of Civil Marriage

Elections: 1021 "I" Street, Suite 101, Modesto, CA 95354
Telephone: 209.525.5200
Facsimile: 209.525.5802

Certified Write-In Candidates
Gubernatorial General Election – November 4, 2014

FINAL HAND TALLY

LIST OF CERTIFIED WRITE-IN CANDIDATES

THERE WERE NO QUALIFIED WRITE-IN CANDIDATES



**OFFICE OF COUNTY CLERK-RECORDER
& REGISTRAR OF VOTERS
ELECTIONS DIVISION**

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1% Post Election Manual Tally Report
Gubernatorial General Election – November 4, 2014

The Stanislaus County 1% Post Election Manual Tally identified no discrepancies between the machine count and the manual tally. Elections Code 15360(e)

4 PRECINCTS	RV	BC	TP	City of Hughson, Mayor			City of Hughson, Member, City Council 2 TO BE ELECTED				
	EO	AA	UE	MB	OV	UV	H " H	BG	GC	OV	UV
	GT	LS	RR	AE	VO	NO	ABI	IO	EA	VO	NO
	IE	LS	NC	TE	RE	EE	RUL	LN	OR	ET	DT
	SR	LT	OE	TK	ES	RS	ODL	LZ	RR	RE	DT
	TS	OT	UN	M	RS	RS	L "	YA	GG	RS	RS
	E	S	TT	A			D	E	E	S	
	R	S	A	N			(NON)	S	(NON)	(NON)	S
	E	S	G	RE			(NON)	(NON)	(NON)	S	RS
	D	S	E	ES			(NON)	(NON)	(NON)	S	RS
COUNTY TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
VOTING PRECINCTS	2985	1386	46.43	1148	1	190	737	451	828	2	735
BD OF EQUALIZATION 1	2985	1386	46.43	1148	1	190	737	451	828	2	735
BOARD TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
CONGRESSIONAL 10	2985	1386	46.43	1148	1	190	737	451	828	2	735
CONGRESSIONAL TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
SENATORIAL DISTRICT 8	2985	1386	46.43	1148	1	190	737	451	828	2	735
SENATORIAL TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
ASSEMBLY DISTRICT 12	2985	1386	46.43	1148	1	190	737	451	828	2	735
ASSEMBLY TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
2ND SUPERVISORIAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
SUPERVISORIAL TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735
HUGHSON	2985	1386	46.43	1148	1	190	737	451	828	2	735
CITY TOTAL	2985	1386	46.43	1148	1	190	737	451	828	2	735

	City of Hughson, Mayor						City of Hughson, Member, City Council 2 TO BE ELECTED				
	RV EO GT IE SR TS E R E D	BC AA LS LT O T S	TP UE RR NC OE UN TT A G E	MB AE TE TK M A N (NON)	OV VO ET RE S	UV NO DT EE RS	H " H ABI RUL ODL L " D (NON)	B G IO LN LZ YA L E S (NON)	G C EA OR RR G E (NON)	OV VO ET RE S	UV NO DT EE RS
4 PRECINCTS											
0037 114001 HUGHSON 1,2,	501	175	34.93	149	0	21	97	48	107	0	92
0038 114003 HUGHSON 3,5,	679	211	31.08	163	0	37	102	75	125	2	114
0235 AV 114001 HUGHSON 1	733	383	52.25	323	0	49	200	143	226	0	194
0236 AV 114003 HUGHSON 3	1072	617	57.56	513	1	83	338	185	370	0	335
GRAND TOTALS	2985	1386	46.43	1148	1	190	737	451	828	2	735

Certificate of Election and Oath of Office

STATE OF CALIFORNIA,

County of Stanislaus

} ss.

I, Dominique Spinale, City Clerk of the City of

HUGHSON

in the State of California, do hereby certify, that at the

Presidential General Election, held in this County, on the **4th** day of **November, 2014**,

MATT BEEKMAN

was elected to the office of

MAYOR

as appears by the official result of the election, on file in my office.

Witness my hand and official seal this 8th day of December, 2014.

By _____

(ELECTION OFFICIAL /DEPUTY)

OATH OF OFFICE

STATE OF CALIFORNIA,

County of Stanislaus

} ss.

I, MATT BEEKMAN, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

MAYOR

(NAME OF OFFICE)

(CANDIDATE SIGNATURE)

Subscribed and sworn to before me this **8th** day of **DECEMBER, 2014**.

(SIGNATURE OF PERSON ADMINISTERING OATH)
Assistant to the City Manager/ City Clerk
(Title)

Certificate of Election and Oath of Office

STATE OF CALIFORNIA,

County of Stanislaus } ss.

I, Dominique Spinale, City Clerk of the City of
HUGHSON

in the State of California, do hereby certify, that at the

Presidential General Election, held in this County, on the **4th** day of **November, 2014**,

GEORGE CARR

was elected to the office of

COUNCIL MEMBER

as appears by the official result of the election, on file in my office.

Witness my hand and official seal this 8th day of December, 2014.

By _____
(ELECTION OFFICIAL /DEPUTY)

OATH OF OFFICE

STATE OF CALIFORNIA,

County of Stanislaus } ss.

I, **GEORGE CARR**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

COUNCIL MEMBER
(NAME OF OFFICE)

(CANDIDATE SIGNATURE)

Subscribed and sworn to before me this **8th** day of **DECEMBER, 2014.**

(SIGNATURE OF PERSON ADMINISTERING OATH)
Assistant to the City Manager/ City Clerk
(Title)

Certificate of Election and Oath of Office

STATE OF CALIFORNIA,

County of Stanislaus

} ss.

I, Dominique Spinale, City Clerk of the City of

HUGHSON

in the State of California, do hereby certify, that at the

Presidential General Election, held in this County, on the **4th** day of **November, 2014**,

HAROLD "BUD" HILL

was elected to the office of

COUNCIL MEMBER

as appears by the official result of the election, on file in my office.

Witness my hand and official seal this 8th day of December, 2014.

By _____

(ELECTION OFFICIAL /DEPUTY))

OATH OF OFFICE

STATE OF CALIFORNIA,

County of Stanislaus

} ss.

I, **HAROLD "BUD" HILL**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

COUNCIL MEMBER

(NAME OF OFFICE)

(CANDIDATE SIGNATURE)

Subscribed and sworn to before me this **8th** day of **DECEMBER, 2014.**

(SIGNATURE OF PERSON ADMINISTERING OATH)
Assistant to the City Manager/ City Clerk
(Title)



CITY OF HUGHSON AGENDA ITEM NO. 6.2

SECTION 6: NEW BUSINESS

Meeting Date: December 8, 2014
Subject: Election of a Mayor Pro Tem
Presented By: Dominique Spinale, Assistant to the CM/City Clerk

Approved: _____

Staff Recommendation:

Staff recommends conducting a nomination process and appointing a Mayor Pro Tem of the City Council.

Background and Overview:

Government Code Section 36801 states that the Mayor Pro Tempore is elected by the Council "at the meeting where the election results of a general municipal election are made." Upon the re-seating of Matt Beekman as Mayor, a Mayor Pro Tem shall be elected by the City Council to serve in the Mayor's absence.

Below is the nomination process that has been utilized by past the Hughson City Councils. The Council may use this process if they so wish. The Council may also choose to hold nominations a different way if decided.

The past process is as follows:

The Mayor shall open nominations by nominating one member. The Council members shall then each be offered the opportunity to make one nomination each in the following order:

In even numbered years, the Council Member on the Mayor's immediate right is given the opportunity to make a nomination (Hill); then to the Mayor's far left (Carr); then to that member's right (Silva); then the member on the Mayor's immediate left (Young). Members may pass if they do not wish to provide a nomination.

When the nominations return to the Mayor, the process shall be repeated until there are no further nominations.

The City Clerk will then hold a roll call vote on each of the nominated members. The member with the highest number of votes in support of becoming Mayor Pro Tem will be announced as Mayor Pro Tem. That member will then be seated to the left of Mayor Beekman.



CITY OF HUGHSON AGENDA ITEM NO. 6.3

SECTION 6: NEW BUSINESS

Meeting Date: December 8, 2014
Subject: 2015 City Council Appointments to Boards and Committees
Presented By: Dominique Spinale, Assistant to the CM/City Clerk
Approved By: _____

Staff Recommendation:

Review the 2014 City Council Boards and Committees Appointments Listing, make any necessary changes, and approve the appointments of selected Council Members to serve on the 2015 City Council Boards and Committees.

Background and Overview:

The City Council's participation in various Boards and Committees within the City and Stanislaus County is very beneficial to the City and the Citizens of Hughson.

To keep on track of the boards and committees and to ensure continued Council and City involvement, the City Council reviews the Council Committee Appointments annually.

Changes are not required; however discussion among the Council is encouraged. Upon approval of the 2015 listing, staff will amend as approved and send the 2015 City Council Appointments to Boards and Committees to all of the boards and committees listed, so they may update their contacts.

These appointments will become effective January 1, 2015 and will remain effective for one year, unless otherwise acted upon by the City Council.



2014 City Council Appointments

Approved December 9, 2013

2+2 Committee School District:	Jeremy Young Jill Silva
Hughson Sports & Fitness Complex Steering Committee (8/25/14)	George Carr
2+2 Fire District Committee:	Harold Hill George Carr
Budget & Finance Subcommittee:	Jill Silva Matt Beekman
Economic Development Committee:	George Carr Jeremy Young Matt Beekman
Hughson Family Resource Center Board:	George Carr Harold Hill
Sierra Vista Children & Family Board	George Carr
League of California Cities Executive Committee:	Jeremy Young Harold Hill (Alt)
San Joaquin Valley Air Pollution Control District:	Jill Silva
Stanislaus Council of Governments (StanCOG) Board of Directors:	Matthew Beekman Jill Silva (Alt)
Stanislaus County Disaster Council:	Harold Hill Jill Silva (Alt)
Stanislaus County Local Task Force on Solid Waste:	George Carr Jill Silva (Alt)
Stanislaus County Workforce Alliance:	Jeremy Young Harold Hill (Alt)
Stanislaus Economic Development Action Committee (EDAC):	Harold Hill George Carr (Alt)
Regional Surface Water Treatment District & RSWTSP Steering Committee:	Jill Silva Matt Beekman
Turlock Mosquito Abatement District:	George Carr (No Alternate)



CITY COUNCIL AGENDA ITEM NO. 6.4

SECTION 6: NEW BUSINESS

Meeting Date: December 8, 2014
Subject: Approval of the Professional Service Agreement with Mintier Harnish Planning Consultants for the Preparation of the City of Hughson 5th Cycle Housing Element
Enclosure: Draft Housing Element Update Professional Service Agreement, Mintier Harnish
Presented By: Jaylen French, Community Development Director
Approved By: _____

Staff Recommendation:

1. Approve the Professional Service Agreement with Mintier Harnish Planning Consultants for the preparation of the City of Hughson 5th Cycle Housing Element.
2. Authorize the Mayor to execute the Professional Service Agreement with Mintier Harnish.

Background and Overview:

According to state legislation (i.e. Housing Element Law) and goals, the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, is a priority of the highest order. Further, state law recognizes the vital role local governments play in the supply and affordability of housing. Each local government is required to adopt a comprehensive, long-term general plan for the physical development of the jurisdiction.

A housing element is one of the seven mandated elements of the local general plan. Housing element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in

the State rests largely upon the effective implementation of local general plans and, in particular, local housing elements.

State housing element law assigns the responsibility for preparing the Regional Housing Need Assessment (RHNA) for Stanislaus County region to the Stanislaus Council of Governments (StanCOG). StanCOG, in coordination with the local agencies, prepares the Regional Housing Needs Plan (RHNP), which describes the methodology developed to allocate the region's identified housing need among the nine cities and the unincorporated county.

The RHNA process begins with the RHNA Determination issued by the State Department of Housing and Community Development (HCD), which identifies each region's housing 'need'. The Determination is then allocated to each local agency through an established methodology.

The City of Hughson is required to adopt and submit a housing element to HCD for review and certification by December 31, 2015. The housing element, which will cover the planning period between December 31, 2015 and December 31, 2023 (5th Cycle), must show how the City of Hughson will accommodate the region's RHNA Allocation. According to the Final RHNP for Stanislaus County, 2014-2023, prepared by StanCOG, the City of Hughson's share of the total region's allocation is 218 housing units.

To fully and adequately address state laws and requirements of the Housing Element and due to current staffing levels, City staff believes the best approach is to retain a professional consultant to assist in the preparation of the City of Hughson Housing Element update.

At the October 13, 2014 Hughson City Council meeting, the Council approved directing staff to release a request for proposal (RFP), to interview and select a preferred consultant, and to negotiate a contract for the preparation of the Housing Element.

City staff released an RFP on October 16, 2014; and proposals were due on November 12, 2014. The City received four (4) proposals from very qualified firms. On November 18, 2014 a panel created by staff, which included Sanjay Patel, Hughson Planning Commissioner, Tom Westbrook, City of Ceres Community Development Director, and myself, interviewed the four proposers. The interview scores were tallied, and in the end, it was very close between two firms. After extensive deliberation, it was determined that Mintier Harnish was the best fit for the City's 5th Cycle Housing Element Update based on their Housing Element experience, their track-record, their ideas for the Hughson Housing Element and their familiarity with HCD staff and the HCD process. Subsequently, staff negotiated an agreement with Mintier Harnish for the required Housing Element update services.

Discussion:

The intent of this item is to seek Council approval of the negotiated Professional Service Agreement (PSA) with Mintier Harnish for the subject work. The term and

details are outlined in Exhibit A of the PSA; and generally include everything required to obtain HCD certification of the Housing Element in the required timeframe. This includes a robust public outreach effort, which will be beneficial to the City as it moves out of the 'great recession' and towards critical updates to the City's planning documents, including the General Plan and utilities master plans.

Fiscal Impact:

As indicated in the Fiscal Year 2014-2015 Final Adopted Budget, \$60,000 was allocated to the preparation of the Housing Element update. However, at the October 13, 2014 Council meeting, City staff recommended using approximately \$30,000 of the \$60,000 for this effort.

PROFESSIONAL SERVICES AGREEMENT
(City of Hughson / Mintier-Harnish)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Hughson, a California municipal corporation (“City”) and Mintier Harnish Planning Consultants, a corporation, (“Consultant”).

RECITALS

City has determined that it requires the following professional services from a consultant: Preparation of the 5th Cycle Housing Element.

This Agreement is for the provision of those services by Consultant to City, from time to time during the term of this Agreement, set forth in task orders as specified in section **3.1** of this Agreement, below.

Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and professional ability of its principals and employees.

Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. **DEFINITIONS**

1.1. “Scope of Services”: Such professional services as are generally set forth in Consultant’s December 2, 2014 proposal to City attached hereto as Exhibit A and incorporated herein by this reference. Assignment specific task orders will be issued.

1.2. “Approved Fee Schedule”: Such compensation rates as are set forth in Consultant’s December 2, 2014 proposed project budget to City attached hereto as Exhibit B and incorporated herein by this reference.

1.3. “Commencement Date”: **December 15, 2014**

1.4. “Expiration Date”: **April 30, 2015**

2. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 15 (“Termination”) below.

3. CONSULTANT’S SERVICES

3.1. Consultant shall perform the services identified in the Scope of Services and in any and all individual Task Orders specifying the fees and the services for each Task Order under this Master Professional Services Agreement. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sums specified by each subsequent Task Order unless specifically approved in advance and in writing by City.

3.2. Consultant shall perform all work to the currently prevailing professional standards of Consultant’s profession and in a manner reasonably satisfactory to City. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.).

3.3. Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The Public Works Director, or his/her designee shall be Consultant’s project administrator and shall have direct responsibility for management of Consultant’s performance under this Agreement. No change shall be made in Consultant’s project administrator without City’s prior written consent.

4. COMPENSATION

4.1. City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.

4.2. Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within forty-five (45) calendar days of receipt of each invoice, City shall pay all undisputed amounts

included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

4.3. Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule.

5. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

6. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

7. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

8. INDEMNIFICATION

8.1. Consultant hereby agrees to defend, indemnify, and save harmless the City of Hughson, its officers, agents, employees, and volunteers, from and against any and all claims, suits, actions, liability, loss, damage, expense, and cost, of every nature, kind or description, which may be brought against, or suffered or sustained by, the City of Hughson, its officers, agents, volunteers and employees, caused by the negligence, omission or willful misconduct of Consultant, its officers, agents, and employees in the performance of any services of work pursuant to the agreement. The duty of Consultant to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein contained shall be construed to require Consultant to indemnify the City of Hughson, its officers, and employees against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

8.2. The City of Hughson hereby agrees to defend, indemnify and save harmless Consultant, its officers, agents, volunteers and employees, from and against any and all claims, suits, actions, liability, loss, damage, expense, and cost, of every nature, kind or description which may be brought against, or suffered or sustained by Consultant, its officers, agents, and employees to the extent caused by the negligence, omission or willful misconduct of the City of Hughson, its officers, agents, employees, and volunteers, in the performance of any services or work pursuant to the Agreement.

8.3. City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 8 and related to Consultant's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

8.4. The obligations of Consultant under this Section 8 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives any statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

8.5. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 8 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims, suits, actions, liability, loss, damage, expense and cost, of every nature, kind or description for any damage due to death or injury to any person and injury to any property resulting from the negligence, omission, or willful misconduct of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement.

8.6. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

9. INSURANCE

9.1. During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

9.1.1. Comprehensive or Commercial General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000), per occurrence and in the aggregate, including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.

9.1.2. Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.

9.1.3. Worker's Compensation insurance as required by the laws of the State of California.

9.1.4. Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).

9.2. Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.

9.3. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

9.4. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

9.5. At all times during the term of this Agreement, Consultant shall maintain on file with City a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds to the general and automobile liability policies. Consultant shall, prior to commencement of work under this Agreement, file with City such certificate(s).

9.6. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with

other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

9.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. The Certificate of Insurance required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

9.8. The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

9.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

9.10. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

9.11. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 8 of this Agreement.

10. MUTUAL COOPERATION

10.1. City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

10.2. In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

11. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during

normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

12. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of its services under this Agreement.

13. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City:

City of Hughson
7018 Pine Street | P.O. Box 9
Hughson, CA 95326
Telephone: (209) 883-4054

With courtesy copy to:

Daniel J. Schroeder, City Attorney
Neumiller & Beardslee
P.O. Box 20
509 W. Weber Avenue, Fifth Floor
Stockton, CA 95202
Telephone: (209) 948-8200
Facsimile: (209-) 948-4910

14. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 7, Section 8, Paragraph 10.2 and Section 11 of this Agreement shall survive the expiration or termination of this Agreement.

15. TERMINATION

15.1. City shall have the right to terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on thirty calendar days' written notice to City. Consultant agrees to cease all work under this Agreement on or before the

effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

15.2. If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

16. GENERAL PROVISIONS

16.1. Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

16.2. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

16.3. Consultant agrees to comply with the regulations of City's "Conflict of Interest Code." Said Code is in accordance with the requirements of the Political Reform Act of 1974.

16.4. In accomplishing the scope of services of this Agreement, Consultant(s) may be performing a specialized or general service for the City, and there is a substantial likelihood that the consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision. As a result, employees of the Consultant or the Consultant itself may be subject to a Category "1" disclosure of the City's Conflict of Interest Code. If in fact this applies to the Consultant a form 700 must be filed.

16.5. The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

16.6. The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term,

covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

16.7. Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

16.8. Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Stanislaus County, California.

16.9. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

16.10. This Agreement shall be governed and construed in accordance with the laws of the State of California.

16.11. Any controversy, dispute or failure to agree on appropriate actions arising out of or related to this Agreement (collectively, a Dispute) shall be subject to negotiations between the parties as described in Section 16.11.1, and if then not resolved shall be subject to mediation as described in Section 16.11.2 below.

16.11.1. If a Dispute arises, the parties agree to negotiate in good faith to resolve the dispute. Within thirty (30) days of receipt of notice from either party, a representative of Consultant, designated by Consultant, and a representative of City, designated by the City Manager, shall meet in person to resolve the Dispute. If the Consultant's representative and the City Manager's representative are unable to resolve the Dispute, then the Dispute shall be subject to mediation pursuant to Section 16.11.2 below.

16.11.2. In the event the Dispute is not resolved, it shall be submitted to a mediation before JAMS in Sacramento, California. The mediation shall be conducted in accordance with JAMS rules and procedures. Each party shall bear its own costs of mediation. In the event that the Dispute is not resolved by mediation, then Section 16.12 shall apply.

16.12. If either party initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that the venue thereof shall be the County of Stanislaus, State of California. Consultant hereby waives any rights it might have to remove any such action pursuant to California Code of Civil Procedure Section 394.

16.13. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“City”
City of Hughson

By:

Matt Beekman, Mayor

Date: December 8, 2014

Attest:

By:

Dominique Spinale, City Clerk

Date: December 8, 2014

Approved as to form:

By:

Dan Schroeder, City Attorney

“Consultant”

Mintier | Harnish Planning Consultants

By:


J. Laurence Mintier, Principal

Date: December 5, 2014



CITY OF HUGHSON AGENDA ITEM NO. 6.5

SECTION 6: NEW BUSINESS

Meeting Date: December 8, 2014
Subject: Acceptance of Fiscal Year 2013-2014 City of Hughson
Financial Audit
Presented By: Margaret Souza, Finance Director
Approved By: _____

Staff Recommendation:

Accept the City of Hughson's Fiscal Year 2013-2014 Audit.

Background and Overview:

The City's Auditors, Moss, Levy & Hartzheim, recently completed the audit of the 2013-2014 Financial Statements. All in all, the process went very well. There are a few highlights that should be mentioned. The opinion given was "Unqualified", the highest opinion that the auditors can give on the financial statements. A summary of the City's financial position is included in the Management's Discussion and Analysis (pages 4-13). This is a new element that is included in the audit at the request of Mayor Matthew Beekman last year. A few highlights to denote:

1. On the government-wide governmental activities, the assets exceeded the liabilities by \$31,666,966. That is an increase of \$825,791 over the prior fiscal year. A very good sign that the City as a whole has improved a lot since last fiscal year.
2. For business type activities (water, wastewater), assets exceeded the liabilities by \$37,558,133. That is an increase of \$887,813 over the prior fiscal year. This is primarily due to slight increases in water revenue and decreases in expenditures.
3. GASB 65 was implemented in the current fiscal year, this pronouncement removed the report of cost of issuance as a deferred outflow of resources to be amortized. This caused the prior period adjustment in the successor agency and enterprise fund. From now on, the cost of issuing debt is to be taken the year the debt is issued and not amortized over the life of the debt as done previously.
4. The number of findings has stayed the same from the prior fiscal year. The findings are all related to lack of staffing for cash receipt position and use of manual receipt books alongside the electronic receipt system and lack of

review of AJE's. Mention may be made that City Manager can be more involved in the review of AJE's.

5. The General Fund reserve has increased by \$222,213 in the current year. This is a good amount for a city of Hughson's size. The increase in reserves is primarily due to decreased expenditures in the current fiscal year.
6. The General Fund reserve percentage is 83% in the current, very healthy when compared to similar governmental units. However, it is not a sign to risk spending reserve because even though the percentage is high, the overall amount of reserves is small so it can decrease very quickly if the City dips into it. Reserve percentage has increased 10% compared to prior fiscal year, due to decreased General Fund expenditures. But still a very healthy reserve and that means the City can operate for about 10 months simply on reserves.
7. The Sewer Fund unrestricted net assets has increased by \$294,383 due to increased rates and decreased expenditures. This is necessary due to the required SCRWB loan payments in future years. Growth of reserves is slowing down due to the payments of the SCRWB and depreciation of fixed assets but still healthy.
8. The Water Fund unrestricted net assets has increased by \$380,376 due to additional revenue and is now has positive reserves as opposed to having negative reserve for prior years, a good sign though not a large total reserve amount.
9. Only three funds with expenditures are over budget. Variances are not significant since all are under 5,000.
10. Two funds have deficit fund balances, same as prior years: Transportation and the successor agency.
11. The Successor Agency continues to have a huge negative fund balance due to that fact that it holds all the debt that the RDA (Redevelopment Agency) issued. It was actually a great benefit to the City for the RDA to be dissolved since the State will take responsibility for all debt of the RDA with future tax increments and gets it off the City's books.

The City's financial picture and recordkeeping has improved over the past year but continued process improvement is an emphasis to better adapt to changing economic conditions.

Fiscal Impact:

The cost for auditing services provided by Moss, Levy & Hartzheim are included annually in the City's Final Adopted Budget. As directed by Council, City staff will be placing this service out to a Request for Proposal in early 2015 and in preparation for the next audit to ensure that quality services are provided in the most cost-effective manner. The existing professional services agreement for the annual audit of the City's financing statement commenced in November 2010.

CITY OF HUGHSON

Annual Financial Report

Fiscal Year Ended June 30, 2014

CITY OF HUGHSON
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2014

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CITY OF HUGHSON
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 CAMDEN DR. SUITE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

The Members of the City Council of the
City of Hughson
Hughson, California

Report on the Financial Statement

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hughson, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matters

As discussed in Note 1 to the basic financial statements effective July 1, 2013, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities.", Statement No. 66, "Technical Correction – 2012.", Statement No. 67, "Financial Reporting for Pension Plans.", and Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees.". Our opinion is not modified with respect to these matters.

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 through 13, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Home Loan Special Revenue Fund, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Refuse Special Revenue Fund on pages 41 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hughson's basic financial statements. The Budgetary Comparison Schedules for the Public Facilities Capital Projects Fund, Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, Combining Financials for the Nonmajor Enterprise Funds, Private-Purpose Trust Funds, and the Agency Funds listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Budgetary Comparison Schedules for the Public Facilities Capital Projects Fund, Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, Combining Financials for the Nonmajor Enterprise Funds, Private-Purpose Trust Funds, and the Agency Funds are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2014, on our consideration of the City'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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
November 21, 2014

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The City of Hughson (the City) is well on its way to recover from the economic slump which began in 2007. That drop in the housing market had a global effect, but is now on the upturn in Hughson. The assessed property value has increased for the past two years. It rose 10.78% last year and continued to increase another 20.44% this year. The accumulated increase (32.73%) has now surpassed the accumulated decrease over the prior four years (31.16%). Due to the administration of Proposition 13, this does not equate to exact increase in property tax revenue. Nevertheless, property tax, which is a major source of General Fund, is increasing. The City's fiscal highlights are presented below:

FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year ended June 30, 2014 include the following:

Government-wide:

- The City's total net position was \$69,225,099 as of June 30, 2014. Of this total, \$31,666,966 was governmental net position and \$37,558,133 was business-type net position.
- Government-wide revenues include program revenues of \$7,476,377 and general revenues and transfers of \$1,410,105, for a total of \$8,886,482.
- Government-wide expenses were \$7,193,697.
- Business-type program revenues and interest were \$4,784,170 while business-type expenses and transfers were \$3,917,176.

Fund Level:

- Governmental fund balances *increased* \$807,325 in fiscal year 2014.
- Governmental fund revenues *decreased* \$135,075 in fiscal year 2014.
- Governmental fund expenditures *decreased* \$557,598 in fiscal year 2014.

General Fund:

- General Fund revenues of \$2,137,920 were \$124,046 *higher* than the prior year.
- General Fund expenditures of \$1,971,327 represented an *increase* of \$88,804 over the prior year.
- General Fund fund balance of \$1,691,145 as of June 30, 2014, *increased* by \$255,109 from 2013 fiscal year's fund balance of \$1,436,036.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is divided into three parts:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to these financial statements
4. Required supplementary information
5. Other supplemental information

Government-wide Financial Statements

The Government-wide financial statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

The Statement of Activities provides information about all the City's revenues and all of its expenses, also on the full

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net positions for the year.

All of the City's activities are grouped into governmental activities and business-type activities, as explained below. The amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities in order to provide a summary of these two activities for the City as a whole.

Government-wide financial statements are prepared on the accrual basis, which mean they measure the flow of all economic resources of the City as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities – All of the City's basic services are considered to be governmental activities. These services are supported by the general City revenues such as taxes, and by specific program revenues such as user fees and charges.

Business-type Activities – The City's enterprise activities of water, and wastewater are reported in this area. Unlike governmental services, these services are supported by charges paid by users based on the amount of service they use.

Fund Financial Statements

The fund financial statements report on the City's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The fund financial statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

The fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds account for the major financial activities of the City and are presented individually, while the activities of non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. The concept of major funds, and the determination of which funds are major, was established by the Governmental Accounting Standards Board (GASB) Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

In the City's case, there are three major governmental funds in addition to the General Fund: Home Loan Special Revenue Fund, Refuse Special Revenue Fund, and Public Facilities Capital Projects Fund.

The City reports 2 major and 2 non-major enterprise funds

Fund financial statements include governmental and proprietary funds as discussed below.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund financial statements.

Proprietary funds financial statements are prepared on the full accrual basis and includes all of their assets and liabilities, current and long-term.

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

This analysis focuses on the net positions and changes in net positions of the City as a whole. Tables 1, 2 and 3 focus on the City's Governmental Statement of Net Positions and Statements of Activities, while Table 4 focuses on the City's Business-type Statement of Net Positions and Statement of Activities.

Table 1

	Governmental Activities 2014	Governmental Activities 2013
<u>Assets</u>		
Cash and investments	\$ 4,895,578	\$ 3,994,234
Other assets	2,160,746	2,136,504
Capital assets, net	25,324,808	25,331,067
Total Assets	32,381,132	31,461,805
<u>Liabilities</u>		
Long term liabilities	165,241	189,618
Other liabilities	548,925	468,931
Total Liabilities	714,166	658,549
<u>Net Position</u>		
Net investment in capital assets	25,337,067	25,141,449
Restricted	4,249,190	4,034,252
Unrestricted	2,080,709	1,627,555
Total Net Position	\$ 31,666,966	\$ 30,803,256

The City's governmental net position amounted to \$31,666,966 as of June 30, 2014, an *increase* of \$825,791 over 2013 not including prior period adjustments. This increase in the change in net position is reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net position as of June 30, 2014 comprised the following:

Cash and investments comprised **\$4,895,578**. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.

Receivables comprised **\$267,621** of current receivables and loans receivable of **\$1,654,851** that is due over longer periods of time as explained the Notes.

Capital assets of **\$25,324,808** net of depreciation charges, which included all the City's capital assets used in governmental activities.

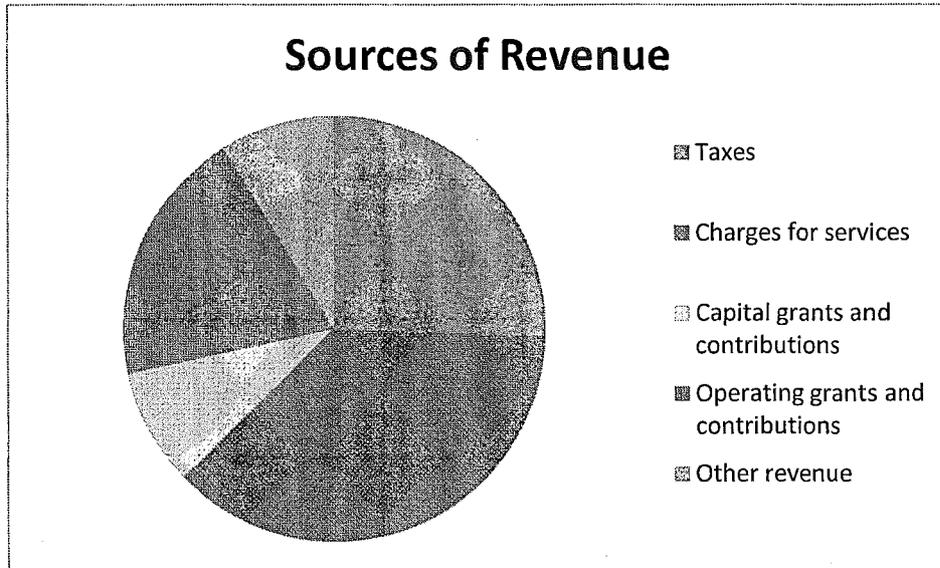
Current liabilities, including accounts payable, claims and other amounts due currently, totaled **\$548,925**.

Long-term liabilities of **\$165,241** of which **\$127,133** is due in future years and **\$38,108** is due within the next year. All of the debt is related to the City's PERS side fund liability.

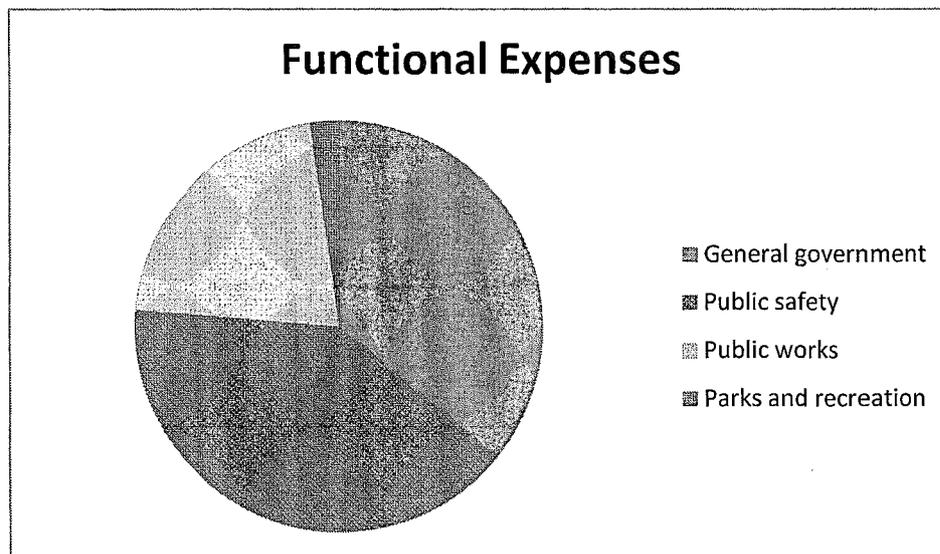
CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net investment in capital assets of **\$25,337,067**, representing the City's investment in capital assets used in governmental activities, net of amounts borrowed to finance those investments.

Unrestricted net position, the part of net positions that can be used to finance day to day operations without constraints established by debt covenants or other legal requirements or restrictions, was **\$2,080,709** as of June 30, 2014.



As the Sources of Revenue chart above shows, \$1,038,790, or 26% of the City's fiscal year 2014 governmental activities revenue came from taxes, while \$1,526,802, or 37% came from charges for services, \$364,645 or 9%, came from capital grants and contributions, \$802,955 or 20% came from operating grants and contributions, and the remainder came from a variety of sources.



The Functional Expenses chart above includes only current year expenses; it does not include capital outlays, which are added to the City's capital assets. As the chart shows, general government was \$1,181,527 , or 36%, of total governmental expenses, public safety was \$1,332,351, or 40%, public works was \$706,147, or 21%, parks and recreation was \$74,341, or 2%.

The Statements of Activities presents program revenues and expenses and general revenues in detail. All of these elements in the changes in governmental net position are summarized below.

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Table 2
CHANGE IN GOVERNMENTAL NET POSITION

	Governmental Activities 2014	Governmental Activities 2013
<u>Expenses</u>		
General government	\$ 1,181,527	\$ 1,152,573
Public safety	1,332,351	1,202,366
Community development		1,546
Public works	706,147	846,408
Parks and recreation	74,341	64,691
Interest and fiscal charges		
Total Expenses	3,294,366	3,267,584
<u>Revenues</u>		
<u>Program revenues</u>		
Charges for services	1,526,802	1,005,248
Operating grants and contributions	802,955	435,303
Capital grants and contributions	364,645	1,543,848
Total program revenues	2,694,402	2,984,399
<u>General revenues and transfers</u>		
Taxes	1,038,790	824,548
Use of money and property	9,120	2,287
Other revenue	360,000	401,440
Transfers	17,845	18,500
Total general revenues and transfers	1,425,755	1,246,775
Total Revenues and Transfers	4,120,157	4,231,174
Change in Net Position	\$ 825,791	\$ 963,590

As Table 2 above shows, \$2,694,402 or 65%, of the City's fiscal year 2014 governmental revenue, came from program revenues and \$1,425,755, or 35%, came from general revenues such as taxes and interest and transfers. Program revenues were composed of charges for services of \$1,526,802, which included permit revenues, fees and charges used to fund expenses incurred in providing services; \$802,955 of operating grants and contributions, which included gas tax revenues and housing and police grants; and capital grants and contributions of \$364,645, that consisted mainly of street project grants and developer impact fees restricted to capital outlay.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Table 3 presents the net expense or revenue of each of the City's governmental activities, including interest on long-term liabilities. Net expense is defined as total program cost less the revenues generated by those specific activities.

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Table 3
GOVERNMENTAL ACTIVITIES

	Net Revenue (Expense) from Services 2014	Net Revenue (Expense) from Services 2013
General government	\$ (56,348)	\$ (7,616)
Public safety	(1,120,663)	(320,160)
Community development	545,222	615,342
Public works	103,825	(515,036)
Parks and recreation	(72,001)	(55,715)
Total	\$ (599,965)	\$ (283,185)

BUSINESS-TYPE ACTIVITIES

The Statement of Net Position and Statement of Activities present a summary of the City's Business-type activities that are composed of the City's enterprise funds.

Table 4
BUSINESS-TYPE NET POSITION AT JUNE 30, 2014

	Business-type Activities 2014	Business-type Activities 2013
<u>Assets</u>		
Cash and investments	\$ 5,839,742	\$ 5,109,719
Other assets	113,140	306,469
Capital assets, net	57,049,635	58,278,713
Total Assets	63,002,517	63,694,901
<u>Liabilities</u>		
Long term liabilities	25,216,882	26,758,791
Other liabilities	227,502	376,884
Total Liabilities	25,444,384	27,135,675
<u>Net Position</u>		
Net investment in capital assets	31,878,025	31,553,630
Unrestricted	5,680,108	5,005,596
Total Net Position	\$ 37,558,133	\$ 36,559,226

The net position of business-type activities increased by \$887,813 in fiscal year 2014 not including prior period adjustments related to capital assets.

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

BUSINESS-TYPE ACTIVITIES (continued)

Table 5
CHANGE IN BUSINESS-TYPE NET POSITION

	Net Revenue (Expense) from Services 2014	Net Revenue (Expense) from Services 2013
Water	\$ 330,890	\$ 172,510
Sewer	599,996	1,232,686
Other	(27,423)	(23,524)
Total	\$ 903,463	\$ 1,381,672

ANALYSIS OF MAJOR FUNDS

Governmental Funds

General Fund

General Fund revenues increased **\$124,046** this fiscal year due primarily to increase in Property and Sales Tax. Actual revenues were greater than budgeted by **\$143,505**. Tax revenues increased **\$77,526** during the fiscal year. Charges for services, licenses and permits decreased **\$90,401** due to a decrease in building permit activity and plan check activity.

General Fund expenditures were **\$1,971,327** an increase of **\$88,804** from the prior year. Expenditures increased due to rising public safety contract costs. Administration costs also increased.

As of June 30, 2014 the General Fund's fund balance totaled **\$1,691,145**. The unassigned portion of **\$1,632,334** of the fund balances represents available liquid resources.

Home Loan Fund

This fund is utilized to track deferred loans receivable. There wasn't significant activity during the fiscal year.

Refuse Fund

This fund accounts for the contracted refuse services within the City. There wasn't significant variance from activities in prior fiscal years.

Public Facilities Capital Projects Fund

This fund accounts for resources and expenditures in construction of public facilities within the City. There weren't any major projects completed or initiated in this fund during the fiscal year.

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

ANALYSIS OF MAJOR FUNDS (continued)

Proprietary Funds

Water Fund

Operating revenues increased by **\$115,026** in fiscal year 2014 and expenses decreased by **\$3,460** resulting in operating income of **\$413,293**. Charges for water services largely remained the same from the prior fiscal year.

The fund's net position increased by **\$323,240**, to a new total of **\$7,738,819**. Of this amount, **\$7,577,104** was net investment in capital assets.

Sewer Fund

Operating revenues increased **\$198,484** in the fiscal year 2014. Operating expenses increased by **\$1,010,898** due to the large increase in depreciation from the wastewater treatment plant that was completed in the prior fiscal year and began depreciation during the current fiscal year. The fund's net positions increased by **\$588,996** in fiscal year 2014. The customer base for service increased in fiscal year 2014 along with increases in sewer rates. This increase revenue is necessary to make future debt service payments for the SWRCB loan for the construction of the wastewater treatment plant.

As of June 30, 2014, the fund's net positions were **\$29,357,557**, of which **\$23,845,295** was net investment in capital assets and **\$5,512,262** was unrestricted.

CAPITAL ASSETS

GASB No. 34 required the City to record all its capital assets including infrastructure, which was not recorded prior to GASB No. 34. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

The City performed a thorough study of all existing capital assets as well as recalculating accumulated depreciation to date. Due to the study, a prior period adjustment was made on the financial statements in order to adjust values presented to actual values.

In fiscal year 2014, the City reported the cost of all its infrastructure assets and computed the amounts of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal year 2014, the cost of infrastructure and other capital assets recorded on the City's financial statements is as shown in Table 6 and 7 below:

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Table 6

	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 9,197,784	\$ -	\$ -	\$ -	\$ 9,197,784
Rights of ways	2,777,617				2,777,617
Construction in progress	197,004	427,428		(276,505)	347,927
Total capital assets, not being depreciated	<u>12,172,405</u>	<u>427,428</u>		<u>(276,505)</u>	<u>12,323,328</u>
Capital assets, being depreciated:					
Buildings	919,905				919,905
Improvements	3,225,277			276,505	3,501,782
Equipment	410,980				410,980
Machinery	241,902				241,902
Rolling stock	496,249				496,249
Infrastructure	13,397,859				13,397,859
Total capital assets being depreciated	<u>18,692,172</u>			<u>276,505</u>	<u>18,968,677</u>
Less accumulated depreciation for:					
Buildings	(528,337)	(910)			(529,247)
Improvements	(640,971)	(107,509)			(748,480)
Equipment	(330,979)	(20,001)			(350,980)
Machinery	(203,551)	(25,851)			(229,402)
Rolling stock	(496,248)				(496,248)
Infrastructure	(3,333,424)	(279,416)			(3,612,840)
Total accumulated depreciation	<u>(5,533,510)</u>	<u>(433,687)</u>			<u>(5,967,197)</u>
Total capital assets, being depreciated, net	<u>13,158,662</u>	<u>(433,687)</u>		<u>276,505</u>	<u>13,001,480</u>
Governmental activities capital assets, net	<u>\$ 25,331,067</u>	<u>\$ (6,259)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,324,808</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 18,108,769	\$ -	\$ -	\$ -	\$ 18,108,769
Construction in progress	204,181				204,181
Total capital assets, not being depreciated	<u>18,312,950</u>				<u>18,312,950</u>
Capital assets, being depreciated:					
Buildings	28,068,657				28,068,657
Improvements	3,719,267				3,719,267
Equipment	57,190	16,676			73,866
Machinery	235,695				235,695
Infrastructure	19,002,924				19,002,924
Rolling stock	132,876				132,876
Total capital assets, being depreciated	<u>51,216,609</u>	<u>16,676</u>			<u>51,233,285</u>
Less accumulated depreciation for:					
Buildings	(1,105,330)	(935,621)			(2,040,951)
Improvements	(3,191,786)	(30,983)			(3,222,769)
Equipment	(33,453)	(5,935)			(39,388)
Machinery	(217,728)	(7,907)			(225,635)
Infrastructure	(6,569,672)	(265,308)			(6,834,980)
Rolling stock	(132,877)				(132,877)
Total accumulated depreciation	<u>(11,250,846)</u>	<u>(1,245,754)</u>			<u>(12,496,600)</u>
Total capital assets, being depreciated, net	<u>39,965,763</u>	<u>(1,229,078)</u>			<u>38,736,685</u>
Business-type activities capital assets, net	<u>\$ 58,278,713</u>	<u>\$ (1,229,078)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,049,635</u>

Details on capital assets, current year additions and construction in progress can be found in the Notes.

The City depreciates all its capital assets over their estimated useful lives, as required by GASB No. 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in the Notes to the financial statements.

**CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

DEBT ADMINISTRATION

The City issued no new bonded debt in fiscal year 2014. The City made all scheduled repayments of existing debt. The City's debt issues are discussed in detail in Note 9 of the financial statements. The City's debt balances as of June 30 were as follows:

Table 8
LONG-TERM LIABILITIES

	<u>2014</u>	<u>2013</u>
Governmental activities		
PERS Side Fund	\$ <u>165,241</u>	\$ <u>189,618-</u>
Total governmental activities	<u>\$ 189,618</u>	<u>\$ 189,618-</u>
Business-type activities		
Water		
Compensated absences	\$ 20,316	\$ 11,415
USDA Promissory Note	400,000	409,000
Installment Note Payable	<u>1,692,467</u>	<u>1,795,722</u>
Total for water fund	<u>2,112,783</u>	<u>2,216,187</u>
Sewer		
Compensated absences	24,956	22,293
CSWRCB Revolving Loan	17,792,531	18,973,143
Installment Note Payable	<u>5,286,611</u>	<u>5,547,168</u>
Total for sewer fund	<u>23,104,098</u>	<u>24,542,604</u>
Total business-type activities	<u>\$ 25,216,881</u>	<u>\$ 26,758,791</u>

CITY OF HUGHSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The City of Hughson has been impacted by the economic slump, which has affected the County, State and Country. But, as elsewhere, the economy around City is picking up. Property Assessment is on the rise, and building has resumed in the Community. Hughson's diverse land use has helped to continue a growth pattern that has resulted in an upswing of economic strength for the City and a strong housing market. The trend that developed in 2007, which has seen a significant drop in housing prices and a significant rise in home foreclosures, is changing.

Overall, the City appears to be in a favorable position to continue attracting jobs and retail establishments. While other cities in the County have experienced a decline in sales tax, Hughson's revenue continues to climb. This type of growth helps strengthen the City's tax base and increases the diversity of where revenues are generated.

This is the first year to notice a significant raise in the number of delinquent property tax payments. Regular tax collection will not be effected, since the City has agreed to participate in the Teeter Plan. The County forwards the proceeds of property taxes based on what is billed, not on what is collected (55% is remitted in December, 40% is April, and 5% in June).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the City's finances. Questions about this report should be directed to the City of Hughson, at PO Box 7018 Pine Street, Hughson, CA 95326.

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FINANCIAL SECTION

CITY OF HUGHSON
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and Investments	\$ 4,895,578	\$ 5,839,742	\$ 10,735,320
Accounts Receivable	267,621	113,140	380,761
Notes Receivable	1,654,851		1,654,851
Deposits Receivable	58,811		58,811
Interest Receivable	178,497		178,497
Due From Other Funds	966		966
Capital Assets, Not Being Depreciated	12,323,328	18,312,950	30,636,278
Capital Assets, Net of Accumulated Depreciation	13,001,480	38,736,685	51,738,165
Total Assets	<u>32,381,132</u>	<u>63,002,517</u>	<u>95,383,649</u>
Liabilities:			
Accounts Payable	548,925	122,412	671,337
Interest Payable		103,119	103,119
Deposits Payable		1,005	1,005
Due to Other Funds		966	966
Noncurrent Liabilities:			
Due Within One Year	38,108	1,498,898	1,537,006
Due in More Than One Year	127,133	23,717,984	23,845,117
Total Liabilities	<u>714,166</u>	<u>25,444,384</u>	<u>26,158,550</u>
Net Position:			
Net Investment in Capital Assets	25,337,067	31,878,025	57,215,092
Restricted for:			
Home Loans	1,458,751		1,458,751
Community Development	617,769		617,769
Streets and Roads	573,101		573,101
Public Safety	51,696		51,696
Public Facilities	846,377		846,377
Parks and Recreation	626,064		626,064
Assessment Districts	75,432		75,432
Unrestricted	2,080,709	5,680,108	7,760,817
Total Net Position	<u>\$ 31,666,966</u>	<u>\$ 37,558,133</u>	<u>\$ 69,225,099</u>

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

CITY OF HUGHSON
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,181,527	\$ 602,355	\$ 522,824	\$ -
Public Safety	1,332,351	92,853	118,835	
Community Development		545,222		
Public Works	706,148 ⁷	284,032	161,296	364,645
Parks and Recreation	74,341	2,340		
Total Governmental Activities	<u>3,294,366</u>	<u>1,526,802</u>	<u>802,955</u>	<u>364,645</u>
Business-type Activities:				
Water	1,199,254	1,509,325	20,819	
Sewer	2,638,632	3,238,628		
Community Facilities	61,445	34,022		
Total Business-type Activities	<u>3,899,331</u>	<u>4,781,975</u>		
Total Primary Government	<u>\$ 7,193,697</u>	<u>\$ 6,308,777</u>	<u>\$ 802,955</u>	<u>\$ 364,645</u>

General Revenues:

- Taxes:
 - Property Taxes
 - Sales and Use Taxes
 - Business License Taxes
 - Other Taxes
- Investment Earnings
- Other Revenue

Transfers

Total General Revenues and Transfers

Change in net position

Net Position - Beginning of Fiscal Year

Prior Period Adjustments

Net Position - Beginning of Fiscal Year (restated)

Net Position - End of Fiscal Year

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

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
\$ (56,348)	\$ -	\$ (56,348)
(1,120,663)		(1,120,663)
545,222		545,222
103,825		103,825
(72,001)		(72,001)
<u>(599,964)</u>		<u>(599,964)</u>
	330,890	330,890
	599,996	599,996
	<u>(27,423)</u>	<u>(27,423)</u>
	903,463	903,463
<u>(599,964)</u>	<u>903,463</u>	<u>303,499</u>
269,369		269,369
690,158		690,158
21,609		21,609
57,654		57,654
9,120	2,195	11,315
360,000		360,000
17,845	(17,845)	
<u>1,425,755</u>	<u>(15,650)</u>	<u>1,410,105</u>
<u>825,791</u>	<u>887,813</u>	<u>1,713,604</u>
30,803,256	36,670,320	67,473,576
<u>37,919</u>		<u>37,919</u>
<u>30,841,175</u>	<u>36,670,320</u>	<u>67,511,495</u>
<u>\$ 31,666,966</u>	<u>\$ 37,558,133</u>	<u>\$ 69,225,099</u>

CITY OF HUGHSON
Balance Sheet
Governmental Funds
June 30, 2014

	<u>Special Revenue</u>		
	<u>General</u>	<u>Home Loan</u>	<u>Refuse</u>
Assets:			
Cash and Investments	\$ 1,537,797	\$ 35,041	\$ 101,809
Accounts Receivable	155,664		18,087
Loans Receivable		1,423,710	
Due from Other Funds	291,230		
Deposits	58,811		
Total Assets	<u><u>\$ 2,043,502</u></u>	<u><u>\$ 1,458,751</u></u>	<u><u>\$ 119,896</u></u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 352,357	\$ -	\$ 104,508
Due to Other Funds			
Total Liabilities	<u>352,357</u>		<u>104,508</u>
Deferred Inflows of Resources:			
Unearned revenue - loans/advances		1,423,710	
Total Deferred Inflows of Resources		<u>1,423,710</u>	
Total Liabilities and Deferred Inflows of Resources	<u>352,357</u>	<u>1,423,710</u>	<u>104,508</u>
Fund Balances:			
Nonspendable	58,811		
Restricted for:			
Home loans		35,041	
Parks and recreation			
Capital projects			
Public safety			
Streets and roads			
Community development			
IT Projects			
Special assessments			
Unassigned	1,632,334		15,388
Total Fund Balances (Deficits)	<u>1,691,145</u>	<u>35,041</u>	<u>15,388</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 2,043,502</u></u>	<u><u>\$ 1,458,751</u></u>	<u><u>\$ 119,896</u></u>

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

<u>Capital Projects</u>		
<u>Public Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,028,115	\$ 2,119,113	\$ 4,821,875
14,224	79,646	267,621
	231,141	1,654,851
		291,230
		58,811
<u>\$ 1,042,339</u>	<u>\$ 2,429,900</u>	<u>\$ 7,094,388</u>
\$ 42,920	\$ 49,140	\$ 548,925
	290,264	290,264
<u>42,920</u>	<u>339,404</u>	<u>839,189</u>
	231,141	1,654,851
	231,141	1,654,851
<u>42,920</u>	<u>570,545</u>	<u>2,494,040</u>
		58,811
		35,041
	786,956	786,956
999,419		999,419
	51,696	51,696
	691,326	691,326
	448,978	448,978
	50,856	50,856
	121,651	121,651
	(292,108)	1,355,614
<u>999,419</u>	<u>1,859,355</u>	<u>4,600,348</u>
<u>\$ 1,042,339</u>	<u>\$ 2,429,900</u>	<u>\$ 7,094,388</u>

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CITY OF HUGHSON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2014

Total fund balances - governmental funds		\$ 4,600,348
 In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost	\$ 31,292,005	
Accumulated depreciation	<u>(5,967,197)</u>	25,324,808
 In governmental funds, certain receivables are not available to pay for current period expenditures and, therefore, are offset by unearned revenue.		
		1,654,851
 In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. The long-term liability relating to governmental activities consists of:		
PERS side fund		(165,241)
 Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service fund must be added to the statement of net position.		
		73,703
 In governmental funds, certain accrued interest receivable on notes receivable is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.		
		<u>178,497</u>
Total net position - governmental activities		<u>\$ 31,666,966</u>

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

CITY OF HUGHSON
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>Special Revenue</u>		
	<u>General</u>	<u>Home Loan</u>	<u>Refuse</u>
Revenues			
Property Taxes	\$ 269,369	\$ -	\$ -
Sales and Use Taxes	577,949		
Business License Taxes	21,609		
Other Taxes	57,654		
Licenses and Permits	102,113		
Fines and Forfeitures	46,101		
Interest	2,792		
Charges for Services	165,383		482,783
Intergovernmental	520,229		
Special Assessments			
Other	374,721		
Total Revenues	<u>2,137,920</u>		<u>482,783</u>
Expenditures			
Current:			
General Government	518,367		431,803
Public Safety	990,221		
Public Works	388,398		
Parks and Recreation	74,341		
Capital Outlay			
Total Expenditures	<u>1,971,327</u>		<u>431,803</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>166,593</u>		<u>50,980</u>
Other Financing Sources (Uses):			
Transfers In	88,516		
Transfers Out			
Total Other Financing Sources (Uses)	<u>88,516</u>		
Net Change in Fund Balances	<u>255,109</u>		<u>50,980</u>
Fund Balances (Deficits) - July 1, 2013	1,436,036	35,041	(35,592)
Prior Period Adjustments			
Fund Balances (Deficits) - July 1, 2013, Restated	<u>1,436,036</u>	<u>35,041</u>	<u>(35,592)</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 1,691,145</u>	<u>\$ 35,041</u>	<u>\$ 15,388</u>

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

<u>Capital Projects</u>		
<u>Public Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 269,369
		577,949
		21,609
		57,654
		102,113
		46,101
3,104	3,225	9,121
245,946	351,796	1,245,908
	635,233	1,155,462
	196,567	196,567
	7,684	382,405
<u>249,050</u>	<u>1,194,505</u>	<u>4,064,258</u>
		950,170
	233,708	1,223,929
	209,328	597,726
		74,341
<u>96,008</u>	<u>332,604</u>	<u>428,612</u>
<u>96,008</u>	<u>775,640</u>	<u>3,274,778</u>
<u>153,042</u>	<u>418,865</u>	<u>789,480</u>
	30,000	118,516
	(100,671)	(100,671)
	(70,671)	17,845
<u>153,042</u>	<u>348,194</u>	<u>807,325</u>
846,377	1,473,242	3,755,104
	37,919	37,919
<u>846,377</u>	<u>1,511,161</u>	<u>3,793,023</u>
<u>\$ 999,419</u>	<u>\$ 1,859,355</u>	<u>\$ 4,600,348</u>

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CITY OF HUGHSON
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds **\$ 807,325**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$	427,428	
Depreciation expense		<u>(433,687)</u>	(6,259)

The repayment of the PERS side fund liability consumes the current financial resources of the governmental funds and decreases the balance of PERS side fund on the government-wide statements. The increase of the side fund liability due to interest does not consume current financial resources of the governmental funds but increases the balance of the PERS side fund on the governmental-wide statements.

This is the net change in the side fund liability. 24,377

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. (12,993)

Certain accrued interest revenue of notes receivable reported in the statement of activities is not available to pay for current period expenditures, and therefore, is not reported as revenue in a governmental fund. This is the net change in interest receivable for the current period. 13,341

Change in net position of governmental activities **\$ 825,791**

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

CITY OF HUGHSON
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets					
Current Assets:					
Cash and Investments	\$ 5,617,612	\$ 208,560	\$ 13,570	\$ 5,839,742	\$ 73,703
Accounts Receivable	49,957	63,183		113,140	
Due From Other Funds					
Total Current Assets	<u>5,667,569</u>	<u>271,743</u>	<u>13,570</u>	<u>5,952,882</u>	<u>73,703</u>
Noncurrent Assets:					
Capital Assets:					
Land	15,075,537	2,928,159	105,073	18,108,769	
Buildings	25,215,708	2,127,666	725,283	28,068,657	
Machinery and Equipment	410,926	31,511		442,437	
Improvements Other Than Buildings		3,719,267		3,719,267	
Infrastructure	12,900,415	6,102,509		19,002,924	
Construction In Progress		204,181		204,181	
Less:					
Accumulated Depreciation	(6,678,149)	(5,443,721)	(374,730)	(12,496,600)	
Total Noncurrent Assets	<u>46,924,437</u>	<u>9,669,572</u>	<u>455,626</u>	<u>57,049,635</u>	
Total Assets	<u>52,592,006</u>	<u>9,941,315</u>	<u>469,196</u>	<u>63,002,517</u>	<u>73,703</u>
Liabilities					
Current Liabilities:					
Accounts Payable	54,119	62,825	5,468	122,412	
Interest Payable	76,232	26,887		103,119	
Due to Other Funds			966	966	
Deposits Payable			1,005	1,005	
Total Current Liabilities	<u>130,351</u>	<u>89,712</u>	<u>7,439</u>	<u>227,502</u>	
Noncurrent Liabilities:					
Compensated Absences	24,956	20,316		45,272	
Due within One Year	1,380,733	118,165		1,498,898	
Due in More Than One Year	21,698,409	1,974,303		23,672,712	
Total Noncurrent Liabilities	<u>23,104,098</u>	<u>2,112,784</u>		<u>25,216,882</u>	
Total Liabilities	<u>23,234,449</u>	<u>2,202,496</u>	<u>7,439</u>	<u>25,444,384</u>	
Net Position					
Net Investment in Capital Assets	23,845,295	7,577,104	455,626	31,878,025	
Unrestricted	5,512,262	161,715	6,131	5,680,108	73,703
Total Net Positions	<u>\$ 29,357,557</u>	<u>\$ 7,738,819</u>	<u>\$ 461,757</u>	<u>\$ 37,558,133</u>	<u>\$ 73,703</u>

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

CITY OF HUGHSON
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise funds				Governmental Activities
	Sewer Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating Revenues:					
Charges for Services	\$ 3,238,628	\$ 1,509,325	\$ 34,022	\$ 4,781,975	\$ 336
Total Operating Revenues	<u>3,238,628</u>	<u>1,509,325</u>	<u>34,022</u>	<u>4,781,975</u>	<u>336</u>
Operating Expenses:					
Personnel	415,883	322,037	7,671	745,591	
Administrative	264,794	129,000	27,677	421,471	13,329
Materials and Supplies	412,232	289,255		701,487	
Maintenance	101,089	169,624	1,921	272,634	
Depreciation	1,035,462	186,116	24,176	1,245,754	
Total Operating Expenses	<u>2,229,460</u>	<u>1,096,032</u>	<u>61,445</u>	<u>3,386,937</u>	<u>13,329</u>
Operating Income (loss)	<u>1,009,168</u>	<u>413,293</u>	<u>(27,423)</u>	<u>1,395,038</u>	<u>(12,993)</u>
Non-operating Revenues (Expenses):					
Interest Revenue		2,195		2,195	
Interest Expense	(409,172)	(103,222)		(512,394)	
Intergovernmental Revenue		20,819		20,819	
Total Non-Operating Revenue (Expenses)	<u>(409,172)</u>	<u>(80,208)</u>		<u>(489,380)</u>	
Income (Loss) before transfers	599,996	333,085	(27,423)	905,658	(12,993)
Transfers					
Transfers In		1,155	7,500	8,655	
Transfers Out	(11,000)	(11,000)	(4,500)	(26,500)	
Change in Net Position	588,996	323,240	(24,423)	887,813	(12,993)
Net Position - Beginning of Fiscal Year	<u>28,768,561</u>	<u>7,415,579</u>	<u>486,180</u>	<u>36,670,320</u>	<u>86,696</u>
Net Position - End of Fiscal Year	<u>\$ 29,357,557</u>	<u>\$ 7,738,819</u>	<u>\$ 461,757</u>	<u>\$ 37,558,133</u>	<u>\$ 73,703</u>

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

CITY OF HUGHSON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities	
	Sewer Fund	Water Fund	Nonmajor Enterprise Funds	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Users	\$ 3,236,890	\$ 1,500,606	\$ 33,487	\$ 4,770,983	\$ 336
Cash Payments to Suppliers and Contractors	(756,546)	(556,091)	(28,982)	(1,341,619)	(13,329)
Cash Payments to Employees	(413,220)	(313,136)	(7,671)	(734,027)	
Net Cash Provided (Used) By Operating Activities	2,067,124	631,379	(3,166)	2,695,337	(12,993)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in			3,966	3,966	
Transfers out	(11,000)	(9,845)		(20,845)	
Interfund Borrowing	203,786	(203,786)			
Net Cash Provided (Used) By Noncapital Financing Activities	192,786	(213,631)	3,966	(16,879)	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Received		2,195		2,195	
Net Cash Provided (Used) in Investing Activities		2,195		2,195	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal Payments on Debt Borrowings	(1,341,849)	(112,305)		(1,454,154)	
Interest Paid	(397,398)	(103,221)		(500,619)	
Acquisition of Property, Plant, and Equipment		(16,676)		(16,676)	
Net Cash Provided (Used) In Capital and Related Financing Activities	(1,739,247)	(211,383)		(1,950,630)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	520,663	208,560	800	730,023	(12,993)
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	5,096,949		12,770	5,109,719	86,696
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	\$ 5,617,612	\$ 208,560	\$ 13,570	\$ 5,839,742	\$ 73,703
Reconciliation to Statement of Net Position:					
Cash and Investments	\$ 5,617,612	\$ 208,560	\$ 13,570	\$ 5,839,742	\$ 73,703
	<u>\$ 5,617,612</u>	<u>\$ 208,560</u>	<u>\$ 13,570</u>	<u>\$ 5,839,742</u>	<u>\$ 73,703</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 1,009,168	\$ 413,293	\$ (27,423)	\$ 1,395,038	\$ (12,993)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,035,462	186,116	24,176	1,245,754	
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(1,738)	(8,719)		(10,457)	
Increase (Decrease) in Accounts Payable	21,569	31,788	616	53,973	
Increase (Decrease) in Compensated Absences	2,663	8,901		11,564	
Increase (Decrease) in Deposits Payable			(535)	(535)	
Total Adjustments	1,057,956	218,086	24,257	1,300,299	
Net Cash Provided (Used) By Operating Activities	\$ 2,067,124	\$ 631,379	\$ (3,166)	\$ 2,695,337	\$ (12,993)

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

FIDUCIARY FUNDS

Agency Funds and Private Purpose Trust Funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency fund and private purpose trust fund maintained by the City is presented below.

Water/Sewer Deposits - This fund collects deposits for water and sewer services.

RDA Successor Agency - This fund accounts for the former redevelopment agency.

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**CITY OF HUGHSON
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2014**

	Private Purpose Trust Fund	Agency Fund
	RDA Successor Agency	Water Deposits
ASSETS		
Cash and investments	\$ 151,203	\$ 38,867
Loans receivable	67,028	
Capital assets, net of accumulated depreciation	712,417	
Total Assets	930,648	\$ 38,867
LIABILITIES		
Accounts payable	2,150	
Interest payable	33,526	\$ 5,839
Deposits payable		33,028
Long-term debt, due within one year	70,000	
Long-term debt, due in more than one year	2,680,000	
Total Liabilities	2,785,676	\$ 38,867
DEFERRED INFLOWS OF RESOURCES		
Unearned Revenue - Loans/Notes	67,028	
Total Deferred Inflows of Resources	67,028	
Total Liabilities and Deferred Inflows	2,852,704	
NET POSITION		
Held in trust for others	(1,922,056)	
Total Net Position	\$ (1,922,056)	

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

CITY OF HUGHSON
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2014

	<u>Private Purpose</u> <u>Trust Fund</u> <u>RDA</u> <u>Successor</u> <u>Agency</u>
Additions:	
Tax increment	\$ 317,945
Interest	18
Total additions	<u>317,963</u>
Deductions:	
Community development	80,272
Depreciation	27,491
Interest expense	135,821
Total deductions	<u>243,584</u>
Change in net position	<u>74,379</u>
Net Position - July 1, 2013	(1,846,731)
Prior period adjustment	<u>(149,704)</u>
Net Position, July 1, 2013, Restated	<u>(1,996,435)</u>
Net Position - June 30, 2014	<u>\$ (1,922,056)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Hughson (City) was incorporated in December 1972. The City is a general law city operating under the Council-Manager form of government, with a five member City Council elected for four-year overlapping terms. The City Manager is appointed by the City Council to serve as administrator of the staff and to carry out the Council's policies.

As required by accounting principles generally accepted in the United States of America (USGAAP), these basic financial statements present the City of Hughson (the primary government) and any component units.

Individual Component Unit Disclosures

Blended Component Units. There are no component units of the City which meet the criteria of a blended component unit.

Discretely Presented Component Units. There are no entities which meet the Governmental Accounting Standards Board (GASB) Statement No.14 as amended by GASB Statement No.39 and GASB Statement No. 61 criteria for discrete disclosure within these financial statements.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. 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 charged to external parties.

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

When both restricted and unrestricted net positions are available, unrestricted resources are used only after the restricted resources are depleted.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds. 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 separately aggregated and reported as nonmajor funds.

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

The City reports four major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes activities such as public protection, public works and facilities, parks and recreation, and community development.
- The *Home Loan Special Revenue Fund* was established to account for all proceeds of grant revenues from the federal government under the First Time Home Buyer federal grant program and from the State of California's CalHome grant program. The expenditures relate to payments made to eligible recipients for buying homes subject to fulfillment of conditions.
- The *Refuse Special Revenue Fund* was established to account for monies collected on behalf of a franchise garbage collection company.
- The *Public Facilities Capital Projects Fund* was established to account for all proceeds from traffic mitigation fees, whose purpose is to defray the actual costs of constructing improvements to mitigate traffic and circulation impacts resulting from proposed new development.

The City reports the following two major enterprise funds:

- The *Sewer Fund* was established to account for the financial activity for the purpose of operation and maintenance of the City's sewer system including the wastewater treatment plant. The costs of providing these services to the general public are financed or recovered through user charges.
- The *Water Fund* was established to account for the financial activity for the purpose of operation and maintenance of City's water utility. The costs of providing these services to the general public are financed or recovered through user charges.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The City reports the following additional fund types:

Internal Service Fund account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis for insurance.

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Private Purpose Trust Fund accounts for the operations of the former redevelopment agency.

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary, and fiduciary funds financial statements except for Agency Funds (that have no measurement focus) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Property taxes, transient occupancy taxes, and interest are susceptible to accrual. Sales taxes collected and held by the state at fiscal year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

For its business-type activities and enterprise funds, the City has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes (USGAAP) for government units.

D. Assets, Liabilities, and Equity

1. Deposits and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

Investments are stated at fair value in accordance with GASB Statement No.31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Short-term investments are reported at cost, which approximates fair value. The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Interest, dividends, and realized and unrealized gains and losses, based on the specific identification method, are included in interest revenue when earned.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City's property taxes are levied on the first day of January by the County assessor, and are payable to the County tax collector in two installments. The first installment is due November 1st, and is delinquent after December 10th; the second installment is due February 1st and is delinquent after April 10th. Taxes become a lien on the property on January 1st, and on the date of the transfer of the title, and the date of new construction. Article 13A of the California Constitution states: "The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the Counties and apportioned according to law to the districts within the counties." The City has elected under State law (TEETER) to receive all of the annual property assessments in three installments as follows: 55% in December, 40% in April and 5% in June.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. As a phase 3 government under GASB Statement 34, the City has elected to restate its capital assets as of July 1, 2008, to report infrastructure assets acquired prior to June 30, 2003. The City has determined that it is preferable to report all City infrastructure to provide for more accurate reporting. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The City utilizes a capitalization threshold of \$5,000.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

4. Capital Assets (Continued)

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	30 years
Vehicles	5 years
Machinery and equipment	5 to 15 years
Infrastructure	50 to 80 years

5. Compensated Absences

Depending upon length of employment, City employees earn vacation leave, sick leave, accrued holiday and compensated time which may be either used or accumulated until paid upon termination or retirement. Upon termination, the City is obligated to compensate employees for all earned but unused vacation days. Unused sick leave may be accumulated to 125 days. The earned but unused sick leave benefits are not payable in the event of employee termination but 25% of the unused accumulated sick leave is paid upon retirement of employees with more than twenty years of continued service.

A liability is accrued for all earned but unused leave benefits in the government-wide and enterprise fund statements. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the City. In the fund financial statements governmental funds accrue current liabilities for material vacation leave benefits due on demand to governmental fund employees that have terminated prior to year-end. Non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the indebtedness using the straight line method. Notes payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

7. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first.

E. Use of Estimates

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

F. New Accounting Pronouncements

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended June 30, 2014:

Governmental Accounting Standards Board Statement No. 65

For the fiscal year June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of the GASB Statement No. 65 did have an impact on the City's financial statements for the fiscal year ended June 30, 2014. Some items reported as assets and liabilities are now reported as deferred inflows or outflows of resources.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction – 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City’s highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City’s funds that include amounts not contained in the other classifications.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City Council adopts an Annual Budget no later than the second meeting of June of each year for the fiscal year commencing the following July 1. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During May of each year, the City Manager submits to the City Council a proposed operating budget for the next following fiscal year. The operating budget includes proposed revenues and expenditures.
2. After a review by the City Council, a public hearing is conducted and further comment is received from the City Council and the general public.
3. Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted by the City Council through passage of an appropriate resolution.
4. Generally, the budget is amended in the middle of the year and at the end of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the City Council, which adopts it after due review expenditure categories within departments as deemed necessary in order to meet the City’s needs.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

5. The City Manager is authorized to transfer from time to time budget amounts of operational.
6. City Council approval is required for all fund to fund transfers, department to department transfers, fund reserve to appropriations transfers, transfers for new revenue sources with offsetting appropriations, and for transfer to/from the capital expenditure category.

B. Budget/USGAAP Reconciliation

No funds adopted project-length or budgetary basis budgets and, therefore, no schedule reconciling the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances has been prepared.

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2014, expenditures exceeded appropriations in the following funds:

Fund	Final Appropriation	Expenditures	Excess
<u>Nonmajor Funds:</u>			
Gas Tax Special Revenue Fund	\$ 78,000	\$ 79,481	\$ 1,481
Community Enhancement Special Revenue Fund	29,000	29,523	523
SLESF Special Revenue Fund	200,000	201,870	1,870

D. Deficit Fund Equity

At June 30, 2014, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Fund:</u>	
Transportation Capital Projects Fund	\$ 292,108
<u>Private Purpose Trust Fund:</u>	
RDA Successor Agency	1,922,056

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	\$	10,735,320
Fiduciary funds:		
Cash and investments		<u>190,070</u>
Total cash and investments	\$	<u><u>10,925,390</u></u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$	100
Deposits with financial institutions		1,259,676
Investments		<u>9,665,614</u>
Total cash and investments	\$	<u><u>10,925,390</u></u>

A. 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 of Hughson (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 trustee that are governed by the provisions of debt agreements of the City rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bonds issued by the City	N/A	None	None
US Treasury Obligations	5 years	None	None
Federal Agency Issues	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Bankers' Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	None	10%
Commercial Paper	270 days	25%	None
County Pool Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million
Collateralized Bank Deposits	N/A	None	None
Mortgage Pass-through Securities	5 years	20%	None
Shares of Beneficial Interest by a JPA	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
State Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Money Market Mutual Fund	N/A	None	None
Bankers Acceptances	N/A	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreements	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity 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:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool (LAIF)	\$ 78,379	\$ 78,379	\$ -	\$ -	\$ -
Money Market Funds	7,184,605	7,184,605			
Certificates of Deposit	2,402,630	2,402,630			
	<u>\$ 9,665,614</u>	<u>\$ 9,665,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	\$ 78,379	N/A	\$ -	\$ -	\$ -	\$ -	\$ 78,379
Money Market Funds	7,184,605	N/A					7,184,605
Certificates of Deposit	2,402,630	N/A					2,402,630
Total	\$ 9,665,614		\$ -	\$ -	\$ -	\$ -	\$ 9,665,614

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than money market and LAIF investment pool) that represent 5% or more of total City's investments.

G. 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 fair market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2014, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. Investment in State Investment Pool

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

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". The following presents a summary of current interfund balances at June 30, 2014.

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Nonmajor Enterprise Fund:	
General Fund	\$ 291,230	USF Community Center Fund	\$ 966
		Nonmajor Governmental Fund:	
		Transportation Capital Projects Fund	290,264
Totals	<u>\$ 291,230</u>	Totals	<u>\$ 291,230</u>

B. Transfers between Funds

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements. The following schedule briefly summarizes the City's transfer activity for the fiscal year ended June 30, 2014:

Fund	Transfers-in	Transfers-out
Major Governmental Funds:		
General Fund	\$ 88,516	\$ -
Major Enterprise Funds:		
Water Fund	1,155	11,000
Sewer Fund		11,000
Nonmajor Governmental Funds:		
Gas Tax Special Revenue Fund		50,000
Vehicle Abatement Special Revenue Fund		10,000
Community Enhancement Special Revenue Fund		1,155
Traffic Special Revenue Fund		11,600
Lighting and Landscaping Special Revenue Fund		21,940
Benefit Assessment Special Revenue Fund		5,976
IT Reserve Special Revenue Fund	30,000	
Nonmajor Enterprise Funds:		
Community Center Operations Fund	7,500	
USF Community Center Fund		4,500
Totals	<u>\$ 127,171</u>	<u>\$ 127,171</u>

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 9,197,784	\$ -	\$ -	\$ -	\$ 9,197,784
Rights of ways	2,777,617				2,777,617
Construction in progress	197,004	427,428		(276,505)	347,927
Total capital assets, not being depreciated	<u>12,172,405</u>	<u>427,428</u>		<u>(276,505)</u>	<u>12,323,328</u>
Capital assets, being depreciated:					
Buildings	919,905				919,905
Improvements	3,225,277			276,505	3,501,782
Equipment	410,980				410,980
Machinery	241,902				241,902
Rolling stock	496,249				496,249
Infrastructure	13,397,859				13,397,859
Total capital assets being depreciated	<u>18,692,172</u>			<u>276,505</u>	<u>18,968,677</u>
Less accumulated depreciation for:					
Buildings	(528,337)	(910)			(529,247)
Improvements	(640,971)	(107,509)			(748,480)
Equipment	(330,979)	(20,001)			(350,980)
Machinery	(203,551)	(25,851)			(229,402)
Rolling stock	(496,248)				(496,248)
Infrastructure	(3,333,424)	(279,416)			(3,612,840)
Total accumulated depreciation	<u>(5,533,510)</u>	<u>(433,687)</u>			<u>(5,967,197)</u>
Total capital assets, being depreciated, net	<u>13,158,662</u>	<u>(433,687)</u>		<u>276,505</u>	<u>13,001,480</u>
Governmental activities capital assets, net	<u>\$ 25,331,067</u>	<u>\$ (6,259)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,324,808</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 18,108,769	\$ -	\$ -	\$ -	\$ 18,108,769
Construction in progress	204,181				204,181
Total capital assets, not being depreciated	<u>18,312,950</u>				<u>18,312,950</u>
Capital assets, being depreciated:					
Buildings	28,068,657				28,068,657
Improvements	3,719,267				3,719,267
Equipment	57,190	16,676			73,866
Machinery	235,695				235,695
Infrastructure	19,002,924				19,002,924
Rolling stock	132,876				132,876
Total capital assets, being depreciated	<u>51,216,609</u>	<u>16,676</u>			<u>51,233,285</u>
Less accumulated depreciation for:					
Buildings	(1,105,330)	(935,621)			(2,040,951)
Improvements	(3,191,786)	(30,983)			(3,222,769)
Equipment	(33,453)	(5,935)			(39,388)
Machinery	(217,728)	(7,907)			(225,635)
Infrastructure	(6,569,672)	(265,308)			(6,834,980)
Rolling stock	(132,877)				(132,877)
Total accumulated depreciation	<u>(11,250,846)</u>	<u>(1,245,754)</u>			<u>(12,496,600)</u>
Total capital assets, being depreciated, net	<u>39,965,763</u>	<u>(1,229,078)</u>			<u>38,736,685</u>
Business-type activities capital assets, net	<u>\$ 58,278,713</u>	<u>\$ (1,229,078)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,049,635</u>

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 216,844
Public Safety	108,422
Public Works	<u>108,422</u>
Total depreciation expense – governmental functions	<u>\$ 433,687</u>

Depreciation expense was charged to business-type functions as follows:

Sewer	\$ 1,035,462
Water	186,116
Community Facilities	<u>24,176</u>
Total depreciation expense – business-type functions	<u>\$ 1,245,754</u>

NOTE 6 – NOTES RECEIVABLE

The City has established a number of housing assistance loan programs using HOME Investment Partnerships Program grant funds. These loans consist of several loans for first-time home buyers assistance and home rehabilitation assistance loans for qualified persons. The City also utilizes Community Development Block Grant (CDBG) and RDA Low/Mod Incoming Housing funds to provide business assistance loans and home rehabilitation loans to qualified persons.

NOTE 7 – LONG-TERM LIABILITIES

The following is a schedule of long-term liabilities for Governmental Activities and Business-type Activities for the fiscal year ended June 30, 2014:

	Balance at July 1, 2013	Additions	Repayments	Balance at June 30, 2014	Due Within One Year
Governmental Activities:					
PERS side fund	\$ 189,618	\$ 12,850	\$ (37,227)	\$ 165,241	\$ 38,108
Total	<u>\$ 189,618</u>	<u>\$ 12,850</u>	<u>\$ (37,227)</u>	<u>\$ 165,241</u>	<u>\$ 38,108</u>
Business-type Activities:					
Compensated absences	\$ 33,708	\$ 33,329	\$ (21,765)	\$ 45,272	\$ -
USDA Promissory Note	409,000		(9,000)	400,000	10,000
Installment note payable - Water	1,795,772		(103,305)	1,692,467	108,165
Installment note payable - Sewer	5,547,168	30,000	(290,557)	5,286,611	300,520
CSWRCB Revolving Loan	18,862,049		(1,069,518)	17,792,531	1,080,213
Total	<u>\$ 26,647,697</u>	<u>\$ 63,329</u>	<u>\$ (1,494,145)</u>	<u>\$ 25,216,881</u>	<u>\$ 1,498,898</u>

1. Governmental Activities – PERS side fund

During the 2005-2006 fiscal year, the City was required to participate in the Public Employees Retirement System (PERS) risk pool. As a result, a side fund was created to account for the difference between the funded status of the pool and funded status of the City's plan, in addition to the existing unfunded liability. The outstanding liability at June 30, 2014 was \$165,241.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 7 – LONG-TERM LIABILITIES (Continued)

1. Business -type Activities - USDA Rural Development Promissory Note

In 1998, the City executed a promissory note with the United States Department of Agriculture with the proceeds to be used for water system development. The note bears interest at 4.5%, with interest and principal (varying from \$4,500 to \$28,000) payable semi-annually beginning April 1, 1998 and continuing until April 1, 2037. The balance outstanding at June 30, 2014 is \$400,000.

Annual debt service requirements for the USDA Rural Development Promissory Note are shown below:

Fiscal Year Ended June 30,	USDA Rural Development Promissory Note		
	Principal	Interest	Total
2015	\$ 10,000	\$ 18,000	\$ 28,000
2016	10,000	17,550	27,550
2017	11,000	17,100	28,100
2018	11,000	16,606	27,606
2019	12,000	16,110	28,110
2020-2024	68,000	72,048	140,048
2025-2029	86,000	55,172	141,172
2030-2034	111,000	33,752	144,752
2035-2037	81,000	7,382	88,382
	<u>\$ 400,000</u>	<u>\$ 253,720</u>	<u>\$ 653,720</u>

2. Business -type Activities – Installment Notes Payable

On February 27, 2006 the City executed an installment note agreement with Municipal Finance Corporation for the acquisition and construction of a 750,000 gallon water storage tank to meet fire flow requirements. The note bears interest at 4.7%, with principal payments varying from \$37,010 to \$90,702, payable semi-annually beginning September 29, 2006, and continuing until March 29, 2026. The balance outstanding at June 30, 2014 is \$1,692,468.

On March 7, 2008, the City executed an installment note agreement with Municipal Finance Corporation for the acquisition and construction for a wastewater treatment plant in the amount of \$6,750,000. The note bears interest at 4.2%, with principal payments varying from \$126,472 to \$486,810, payable semi-annually beginning September 7, 2008, and continuing until March 7, 2028. The balance outstanding at June 30, 2014 is \$5,286,611.

Annual debt service requirements for the Installment Notes Payable are shown below:

Fiscal Year Ended June 30,	Installment Notes Payable - Water		
	Principal	Interest	Total
2015	\$ 108,165	\$ 77,457	\$ 185,622
2016	113,253	72,369	185,622
2017	118,581	67,041	185,622
2018	124,159	61,463	185,622
2019	129,999	55,622	185,621
2020-2024	747,683	180,425	928,108
2025-2026	350,628	20,615	371,243
	<u>\$ 1,692,468</u>	<u>\$ 534,992</u>	<u>\$ 2,227,460</u>

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 7 – LONG-TERM LIABILITIES (Continued)

2. Business -type Activities – Installment Notes Payable (Continued)

Fiscal Year Ended June 30,	Installment Notes Payable - Sewer		
	Principal	Interest	Total
2015	\$ 300,520	\$ 218,609	\$ 519,129
2016	310,825	206,572	517,397
2017	321,482	194,026	515,508
2018	332,506	180,946	513,452
2019	343,907	167,312	511,219
2020-2024	1,904,717	610,915	2,515,632
2025-2028	1,772,654	177,274	1,949,928
	<u>\$ 5,286,611</u>	<u>\$ 1,755,654</u>	<u>\$ 7,042,265</u>

3. Business -type Activities – California State Water Resources Control Board Revolving Loan

On September 10, 2009, the City entered into a project finance agreement with the California State Water Resource Control Board (Water Control Board). Through the use of ARRA funds, the Water Control Board provided funding assistance in the amount of \$23,100,000 for the rehabilitation and upgrade of the wastewater treatment plant. The City must repay the project funds at an interest rate of 1% per annum. The term of the agreement is June 16, 2009, to June 7, 2031. The balance outstanding at June 30, 2014 is \$17,792,531. Annual debt service requirements for the CSWRCB Loan are shown below:

Ended June 30,	CSWRCB Loan		
	Principal	Interest	Total
2015	\$ 1,080,213	\$ 187,811	\$ 1,268,024
2016	1,091,015	178,236	1,269,251
2017	1,101,925	168,565	1,270,490
2018	1,112,944	158,798	1,271,742
2019	1,124,074	148,933	1,273,007
2020-2024	5,791,246	593,201	6,384,447
2025-2029	6,086,657	331,347	6,418,004
2030-2031	404,457	67,590	472,047
	<u>\$ 17,792,531</u>	<u>\$ 1,834,481</u>	<u>\$ 19,627,012</u>

4. Compensated Absences

The City's policy relating to compensated absences is described in Note (1). Compensated absences are liquidated primarily by the general fund and proprietary funds. The total amount outstanding at June 30, 2014, was \$45,272 for business-type activities.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 8 – RISK MANAGEMENT

Central San Joaquin Valley Risk Management Authority

The City participates with other public entities in a joint exercise of powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes. The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$10,000 and worker's compensation losses under \$10,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$10,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$350,000 to \$500,000 and purchases excess insurance above the \$500,000 to the statutory limit. The CSJVRMA is a consortium of fifty-five (55) cities in the San Joaquin Valley of California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3-4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

NOTE 9 – PROPRIETARY FUNDS INFORMATION

The City maintains four enterprise funds. The Water and Sewer funds account for the provision of basic utility services to all citizens. The Community Center Operations fund and USF Community Center fund are utilized to maintain the operations and maintenance of the City's community center.

NOTE 10 – CONTINGENT LIABILITIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City's management, there is no pending litigation that is likely to have a material adverse effect on the financial position of the City.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

The City does not offer any other post employment benefits.

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System (PERS)

Plan Description and Funding Policy

Substantially all full-time City employees are eligible to participate in pension plans offered by California Public Employee Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. There are currently no active employees enrolled in the Safety Plan. Benefit provisions under both plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by CalPERS; the City must contribute these amounts. The current required contribution rate is 16.957% for the miscellaneous plan.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The City’s labor contracts require it to pay employee contributions for miscellaneous plan members as well as the employer required contributions. The employee contribution is 8% of their annual covered salary.

Annual Pension Cost

For the fiscal year 2013/2014, the City’s annual pension cost of \$123,919 for PERS was equal to the City’s required and actual contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) overall payroll growth of 3.25% compounded annually; and (c) an inflation rate of 3.0% compounded annually. The actuarial value of PERS was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2014, was 18 years.

Three-Year Trend Information for Miscellaneous Plan

Fiscal Year <u>Ending</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	<u>Net Pension Obligation</u>
06/30/12	\$157,966	100%	\$ -
06/30/13	129,564	100%	-
06/30/14	123,919	100%	-

NOTE 13 - SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Hughson (City) that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-001.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 13 - SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

A. Capital assets of the Successor Agency as of June 30, 2014 consisted of the following:

	July 1, 2013 Balance	Additions	Deletions	June 30, 2014 Balance
Capital assets, being depreciated:				
Buildings and Improvements	\$ 795,929	\$ -	\$ -	\$ 795,929
Infrastructure	47,930			47,930
Total capital assets, being depreciated	<u>843,859</u>			<u>843,859</u>
Less accumulated depreciation for:				
Buildings and Improvements	(98,197)	(26,532)		(124,729)
Infrastructure	(5,754)	(959)		(6,713)
Total accumulated depreciation, net	<u>(103,951)</u>	<u>(27,491)</u>		<u>(131,442)</u>
Total capital assets, net	<u>\$ 739,908</u>	<u>\$ (27,491)</u>	<u>\$ -</u>	<u>\$ 712,417</u>

B. Long-term debt of the Successor Agency as of June 30, 2014, consisted of the following:

	Balance July 1, 2013	Additions	Deletions	Prior Period Adjustment	Balance June 30, 2014	Due within one year
Tax Allocation Bonds	\$ 2,815,000	\$ -	\$ (65,000)	\$ -	\$ 2,750,000	\$ 70,000
Cost of Issuance	(149,704)			149,704	-	
Totals	<u>\$ 2,665,296</u>	<u>\$ -</u>	<u>\$ (65,000)</u>	<u>\$ 149,704</u>	<u>\$ 2,750,000</u>	<u>\$ 70,000</u>

Tax Allocation Bonds – Series 2006

The former redevelopment agency issued \$3,200,000 of tax allocation refunding bonds on February 1, 2006. The principal balance outstanding at June 30, 2014 was \$2,750,000. The remaining annual debt service requirements as of June 30, 2014 are as follows:

Fiscal Year Ended June 30,	2006 Tax Allocation Bonds		
	Principal	Interest	Total
2015	\$ 70,000	\$ 134,763	\$ 204,763
2016	70,000	131,613	201,613
2017	75,000	128,303	203,303
2018	75,000	124,834	199,834
2019	80,000	121,200	201,200
2020-2024	470,000	541,850	1,011,850
2025-2029	600,000	409,400	1,009,400
2030-2034	755,000	240,953	995,953
2035-2038	555,000	43,477	598,477
	<u>\$ 2,750,000</u>	<u>\$ 1,876,393</u>	<u>\$ 4,626,393</u>

CITY OF HUGHSON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 14 – SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the City management has reviewed all known events that have occurred after June 30, 2014, and through November 21, 2014, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustment of (\$149,704) was made to the RDA Successor Agency Fund due to the fact that cost of issuance is no longer considered a deferred outflow of resources under GASB No.65.

Prior period adjustment of \$37,919 was made to IT Reserve special revenue fund due to understatement of receivables in the prior fiscal year.

REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF HUGHSON
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 218,000	\$ 218,000	\$ 269,369	\$ 51,369
Sales and Use Taxes	475,000	475,000	577,949	102,949
Business License Taxes	25,000	25,000	21,609	(3,391)
Other Taxes	96,000	96,000	57,654	(38,346)
Licenses and Permits	162,140	162,140	102,113	(60,027)
Fines and Forfeitures	20,000	20,000	46,101	26,101
Interest	3,600	3,600	2,792	(808)
Charges for Services	140,175	140,175	165,383	25,208
Intergovernmental	483,500	483,500	520,229	36,729
Other	371,000	371,000	374,721	3,721
Total Revenues	<u>1,994,415</u>	<u>1,994,415</u>	<u>2,137,920</u>	<u>143,505</u>
Expenditures				
Current				
General Government	550,200	554,903	518,367	36,536
Public Safety	1,011,007	1,011,007	990,221	20,786
Public Works	252,430	372,430	388,398	(15,968)
Parks and Recreation	61,539	61,539	74,341	(12,802)
Total Expenditures	<u>1,875,176</u>	<u>1,999,879</u>	<u>1,971,327</u>	<u>28,552</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>119,239</u>	<u>(5,464)</u>	<u>166,593</u>	<u>172,057</u>
Other Financing Sources (uses):				
Transfers In	135,695	135,695	88,516	(47,179)
Total Other Financing Sources (Uses)	<u>135,695</u>	<u>135,695</u>	<u>88,516</u>	<u>(47,179)</u>
Net Change in Fund Balance	254,934	130,231	255,109	124,878
Fund Balance - July 1, 2013	<u>1,436,036</u>	<u>1,436,036</u>	<u>1,436,036</u>	
Fund Balance - June 30, 2014	<u>\$ 1,690,970</u>	<u>\$ 1,566,267</u>	<u>\$ 1,691,145</u>	<u>\$ 124,878</u>

CITY OF HUGHSON
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOME LOAN SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 100	\$ 100	\$ -	\$ (100)
Intergovernmental				
Total Revenues	<u>100</u>	<u>100</u>		<u>(100)</u>
Expenditures				
Current:				
Community Development	<u>2,000</u>	<u>2,000</u>		<u>2,000</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>		<u>2,000</u>
Net Change in Fund Balance	(1,900)	(1,900)		1,900
Fund Balance - July 1, 2013	<u>35,041</u>	<u>35,041</u>	<u>35,041</u>	
Fund Balance - June 30, 2014	<u>\$ 33,141</u>	<u>\$ 33,141</u>	<u>\$ 35,041</u>	<u>\$ 1,900</u>

CITY OF HUGHSON
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
REFUSE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 471,000	\$ 471,000	\$ 482,783	\$ 11,783
Total Revenues	<u>471,000</u>	<u>471,000</u>	<u>482,783</u>	<u>11,783</u>
Expenditures				
Current:				
General Government	<u>432,080</u>	<u>432,080</u>	<u>431,803</u>	<u>277</u>
Total Expenditures	<u>432,080</u>	<u>432,080</u>	<u>431,803</u>	<u>277</u>
Net Change in Fund Balance	38,920	38,920	50,980	12,060
Fund Balance (Deficit) - July 1, 2013	<u>(35,592)</u>	<u>(35,592)</u>	<u>(35,592)</u>	
Fund Balance (Deficit) - June 30, 2014	<u>\$ 3,328</u>	<u>\$ 3,328</u>	<u>\$ 15,388</u>	<u>\$ 12,060</u>

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OTHER SUPPLEMENTAL INFORMATION

CITY OF HUGHSON
PUBLIC FACILITIES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Interest	\$ 8,000	\$ 8,000	\$ 3,104	\$ (4,896)
Charges for Services	<u>250,285</u>	<u>250,285</u>	<u>245,946</u>	<u>(4,339)</u>
Total Revenues	<u>258,285</u>	<u>258,285</u>	<u>249,050</u>	<u>(9,235)</u>
Expenditures:				
Capital Outlay	<u>462,000</u>	<u>462,000</u>	<u>96,008</u>	<u>365,992</u>
Total Expenditures	<u>462,000</u>	<u>462,000</u>	<u>96,008</u>	<u>365,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(203,715)</u>	<u>(203,715)</u>	<u>153,042</u>	<u>356,757</u>
Net Change in Fund Balance	(203,715)	(203,715)	153,042	356,757
Fund Balance - July 1, 2013	<u>846,377</u>	<u>846,377</u>	<u>846,377</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 642,662</u>	<u>\$ 642,662</u>	<u>\$ 999,419</u>	<u>\$ 356,757</u>

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The Asset Forfeiture Fund was established to account for monies received from asset seizures in the City's jurisdiction. The monies are to be spent on police protection and enforcement.

The Gas Tax Fund was established to account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction, and traffic signal design and installation.

The Vehicle Abatement Fund was established to account for vehicle abatement fees, revenues, and expenditures.

The CDBG Rehab Fund was established to account for federal grants under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The CDBG Grants Fund was established to account for federal planning grants under the Housing and Community Development Act.

The Community Enhancement Fund was established to bridge the gap between old development and new development where Landscaping and Lighting Districts are set up.

The Local Transportation Authority Fund is used to account for the revenue and expenditure of funds generated by a one-half cent voter approved sales tax earmarked for street improvements.

The Storm Drain Fund was established to account for storm drain revenues.

The Traffic Fund was established to account for revenues received and expenditures made for traffic improvements.

The SLESF Fund established to account for revenues received and expenditures made for Special Law Enforcement Services.

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The Lighting and Landscaping Fund was established to account for the lighting and landscaping of specified zones in the City.

The Benefit Assessment Fund was established to account for assessments applied to certain districts within the City.

The Trench Cut Fund was established to account for trenching cutting costs to be paid with specified charges designed for that specific use.

The Public Safety Realignment Fund was established to account for public safety costs to be paid from a special intergovernmental funding source.

The IT Reserve Fund was established to account for amounts set aside and transferred from all City funds for future IT upgrades.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Transportation Fund was established to account for the 6" Street reconstruction.

The Municipal Park Fund was established to account for future expansion of City parks.

The Parks Development Impact Fees Fund was established to account for developer assessments on new home construction, with the monies to be used for construction of parks.

CITY OF HUGHSON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	<u>Special Revenue Funds</u>				
	Asset Forfeiture	Gas Tax	Vehicle Abatement	CDBG Rehab	CDBG Grants
Assets					
Cash and Investments	\$ 6,995	\$ 13,047	\$ 14,806	\$ 295,404	\$ 93,999
Accounts Receivable		37,100			
Loans Receivable				231,141	
Total Assets	<u>\$ 6,995</u>	<u>\$ 50,147</u>	<u>\$ 14,806</u>	<u>\$ 526,545</u>	<u>\$ 93,999</u>
Liabilities					
Accounts Payable	\$ -	\$ 5,099	\$ -	\$ 130	\$ -
Unearned Revenue					
Due To Other Funds					
Total Liabilities		<u>5,099</u>		<u>130</u>	
Deferred Inflows of Resources:					
Unearned Revenue - Loans/Notes				231,141	
Total Deferred Inflows of Resources				<u>231,141</u>	
Total Liabilities and Deferred Inflows of Resources		<u>5,099</u>		<u>231,271</u>	
Fund Balances (Deficits)					
Restricted	6,995	45,048	14,806	295,274	93,999
Unassigned					
Total Fund Balances (Deficits)	<u>6,995</u>	<u>45,048</u>	<u>14,806</u>	<u>295,274</u>	<u>93,999</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,995</u>	<u>\$ 50,147</u>	<u>\$ 14,806</u>	<u>\$ 526,545</u>	<u>\$ 93,999</u>

Special Revenue Funds

Community Enhancement	Local Transportation	Storm Drain	Traffic	SLESF
\$ 57,697 2,008	\$ 200,190 8,327	\$ 236,917 4,047	\$ 103,897 17,435	\$ 40,933
<u>\$ 59,705</u>	<u>\$ 208,517</u>	<u>\$ 240,964</u>	<u>\$ 121,332</u>	<u>\$ 40,933</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,910
				<u>28,910</u>
				<u>28,910</u>
59,705	208,517	240,964	121,332	12,023
<u>59,705</u>	<u>208,517</u>	<u>240,964</u>	<u>121,332</u>	<u>12,023</u>
<u>\$ 59,705</u>	<u>\$ 208,517</u>	<u>\$ 240,964</u>	<u>\$ 121,332</u>	<u>\$ 40,933</u>

Continued

**CITY OF HUGHSON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014
(CONTINUED)**

	<u>Special Revenue Funds</u>				
	Lighting and Landscaping	Benefit Assessment	Trench Cut	Public Safety Realignment	IT Reserve
Assets					
Cash and Investments	\$ 46,277	\$ 83,106	\$ 75,465	\$ 17,872	\$ 54,476
Accounts Receivable	996	809			
Loans Receivable					
Total Assets	<u>\$ 47,273</u>	<u>\$ 83,915</u>	<u>\$ 75,465</u>	<u>\$ 17,872</u>	<u>\$ 54,476</u>
Liabilities					
Accounts Payable	\$ 8,957	\$ 580			\$ 3,620
Unearned Revenue					
Due To Other Funds					
Total Liabilities	<u>8,957</u>	<u>580</u>			<u>3,620</u>
Deferred Inflows of Resources:					
Unearned Revenue - Loans/Notes					
Total Deferred Inflows of Resources					
Total Liabilities and Deferred Inflows of Resources	<u>8,957</u>	<u>580</u>			<u>3,620</u>
Fund Balances (Deficits)					
Restricted	38,316	83,335	75,465	17,872	50,856
Unassigned					
Total Fund Balances (Deficits)	<u>38,316</u>	<u>83,335</u>	<u>75,465</u>	<u>17,872</u>	<u>50,856</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 47,273</u>	<u>\$ 83,915</u>	<u>\$ 75,465</u>	<u>\$ 17,872</u>	<u>\$ 54,476</u>

<u>Capital Projects Funds</u>			Total
<u>Transportation</u>	<u>Municipal Park</u>	<u>Parks Development Impact Fees</u>	<u>Nonmajor Governmental Funds</u>
\$ -	\$ 441,872	\$ 336,160	\$ 2,119,113
	3,258	5,666	79,646
			231,141
<u>\$ -</u>	<u>\$ 445,130</u>	<u>\$ 341,826</u>	<u>\$ 2,429,900</u>
\$ 1,844	\$ -	\$ -	\$ 49,140
290,264			290,264
292,108			339,404
			231,141
			231,141
292,108			570,545
(292,108)	445,130	341,826	2,151,463
(292,108)	445,130	341,826	(292,108)
			1,859,355
<u>\$ -</u>	<u>\$ 445,130</u>	<u>\$ 341,826</u>	<u>\$ 2,429,900</u>

CITY OF HUGHSON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>Special Revenue Funds</u>				
	Asset Forfeiture	Gas Tax	Vehicle Abatement	CDBG Rehab	CDBG Grants
Revenues:					
Interest	\$ -	\$ -	\$ -	\$ 590	\$ 11
Charges for Services			12,488		
Intergovernmental		125,503			
Special Assessments					
Other				7,684	
Total Revenues	<u> </u>	<u>125,503</u>	<u>12,488</u>	<u>8,274</u>	<u>11</u>
Expenditures:					
Current:					
Public Safety					
Public Works		79,481			
Capital Outlay					
Total Expenditures	<u> </u>	<u>79,481</u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u> </u>	<u>46,022</u>	<u>12,488</u>	<u>8,274</u>	<u>11</u>
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(50,000)	(10,000)		
Total Other Financing Sources (Uses)	<u> </u>	<u>(50,000)</u>	<u>(10,000)</u>	<u> </u>	<u> </u>
Net Change in Fund Balances	<u> </u>	<u>(3,978)</u>	<u>2,488</u>	<u>8,274</u>	<u>11</u>
Fund Balances (Deficits) - July 1, 2013	6,995	49,026	12,318	287,000	93,988
Prior Period Adjustments	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances (Deficits) - July 1, 2013, Restated	<u>6,995</u>	<u>49,026</u>	<u>12,318</u>	<u>287,000</u>	<u>93,988</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 6,995</u>	<u>\$ 45,048</u>	<u>\$ 14,806</u>	<u>\$ 295,274</u>	<u>\$ 93,999</u>

Special Revenue Funds

Community Enhancement	Local Transportation Fund	Storm Drain	Traffic	SLESF
\$ -	\$ 321	\$ 445	\$ 26	\$ 15
34,743	82,900	70,025	96,535	100,963
<u>34,743</u>	<u>83,221</u>	<u>70,470</u>	<u>96,561</u>	<u>100,978</u>
			31,838	201,870
29,523	1,200 64,516	6,215	88,145	
<u>29,523</u>	<u>65,716</u>	<u>6,215</u>	<u>119,983</u>	<u>201,870</u>
5,220	17,505	64,255	(23,422)	(100,892)
<u>(1,155)</u>			<u>(11,600)</u>	
<u>(1,155)</u>			<u>(11,600)</u>	
4,065	17,505	64,255	(35,022)	(100,892)
55,640	191,012	176,709	156,354	112,915
<u>55,640</u>	<u>191,012</u>	<u>176,709</u>	<u>156,354</u>	<u>112,915</u>
<u>\$ 59,705</u>	<u>\$ 208,517</u>	<u>\$ 240,964</u>	<u>\$ 121,332</u>	<u>\$ 12,023</u>

Continued

CITY OF HUGHSON
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2014
 (CONTINUED)

	Special Revenue Funds				
	Lighting and Landscaping	Benefit Assessment	Trench Cut	Public Safety Realignment	IT Reserve
Revenues:					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services			75,465		
Intergovernmental				17,872	
Special Assessments	124,913	71,654			
Other					
Total Revenues	<u>124,913</u>	<u>71,654</u>	<u>75,465</u>	<u>17,872</u>	
Expenditures:					
Current:					
Public Safety					
Public Works	98,216	24,216			
Capital Outlay					17,063
Total Expenditures	<u>98,216</u>	<u>24,216</u>			<u>17,063</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>26,697</u>	<u>47,438</u>	<u>75,465</u>	<u>17,872</u>	<u>(17,063)</u>
Other Financing Sources (Uses):					
Transfers In					30,000
Transfers Out	(21,940)	(5,976)			
Total Other Financing Sources (Uses)	<u>(21,940)</u>	<u>(5,976)</u>			<u>30,000</u>
Net Change in Fund Balances	<u>4,757</u>	<u>41,462</u>	<u>75,465</u>	<u>17,872</u>	<u>12,937</u>
Fund Balances (Deficits) - July 1, 2013	33,559	41,873			
Prior Period Adjustments					37,919
Fund Balances (Deficits) - July 1, 2013, Restated	<u>33,559</u>	<u>41,873</u>			<u>37,919</u>
Fund Balances (Deficits) - June 30, 2014	<u>\$ 38,316</u>	<u>\$ 83,335</u>	<u>\$ 75,465</u>	<u>\$ 17,872</u>	<u>\$ 50,856</u>

Capital Project Funds			Total
Transportation	Municipal Park	Parks Development Impact Fees	Nonmajor Governmental Funds
\$ -	\$ 860	\$ 957	\$ 3,225
	58,296	100,779	351,796
211,460			635,233
			196,567
			7,684
<u>211,460</u>	<u>59,156</u>	<u>101,736</u>	<u>1,194,505</u>
			233,708
			209,328
133,357			332,604
<u>133,357</u>			<u>775,640</u>
78,103	59,156	101,736	418,865
			30,000
			(100,671)
			(70,671)
78,103	59,156	101,736	348,194
(370,211)	385,974	240,090	1,473,242
			37,919
<u>(370,211)</u>	<u>385,974</u>	<u>240,090</u>	<u>1,511,161</u>
<u>\$ (292,108)</u>	<u>\$ 445,130</u>	<u>\$ 341,826</u>	<u>\$ 1,859,355</u>

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CITY OF HUGHSON
ASSET FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 5,000	\$ -	\$ (5,000)
Total Revenues	<u>5,000</u>	<u> </u>	<u>(5,000)</u>
Net Change in Fund Balance	5,000		(5,000)
Fund Balance - July 1, 2013	<u>6,995</u>	<u>6,995</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 11,995</u>	<u>\$ 6,995</u>	<u>\$ (5,000)</u>

CITY OF HUGHSON
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 100	\$ -	\$ (100)
Intergovernmental	<u>95,700</u>	<u>125,503</u>	<u>29,803</u>
Total Revenues	<u>95,800</u>	<u>125,503</u>	<u>29,703</u>
Expenditures:			
Current:			
Public Works	<u>78,000</u>	<u>79,481</u>	<u>(1,481)</u>
Total Expenditures	<u>78,000</u>	<u>79,481</u>	<u>(1,481)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,800</u>	<u>46,022</u>	<u>28,222</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u> </u>
Net Change in Fund Balance	(32,200)	(3,978)	28,222
Fund Balance - July 1, 2013	<u>49,027</u>	<u>49,027</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 16,827</u>	<u>\$ 45,049</u>	<u>\$ 28,222</u>

CITY OF HUGHSON
 VEHICLE ABATEMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Charges For Services	\$ 10,000	\$ 12,488	\$ 2,488
Total Revenues	<u>10,000</u>	<u>12,488</u>	<u>2,488</u>
Other Financing Sources (Uses):			
Transfers Out	(10,000)	(10,000)	
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	
Net Change in Fund Balance		2,488	2,488
Fund Balance - July 1, 2013	<u>12,318</u>	<u>12,318</u>	
Fund Balance - June 30, 2014	<u>\$ 12,318</u>	<u>\$ 14,806</u>	<u>\$ 2,488</u>

CITY OF HUGHSON
 CDBG REHAB SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 550	\$ 590	\$ 40
Other Revenue	<u>12,700</u>	<u>7,684</u>	<u>(5,016)</u>
Total Revenues	<u>13,250</u>	<u>8,274</u>	<u>(4,976)</u>
Net Change in Fund Balance	13,250	8,274	(4,976)
Fund Balance - July 1, 2013	<u>287,000</u>	<u>287,000</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 300,250</u>	<u>\$ 295,274</u>	<u>\$ (4,976)</u>

CITY OF HUGHSON
 CDBG GRANTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 250	\$ 11	\$ (239)
Total Revenues	<u>250</u>	<u>11</u>	<u>(239)</u>
Net Change in Fund Balance	250	11	(239)
Fund Balance - July 1, 2013	<u>93,988</u>	<u>93,988</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 94,238</u>	<u>\$ 93,999</u>	<u>\$ (239)</u>

CITY OF HUGHSON
COMMUNITY ENHANCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 500	\$ -	\$ (500)
Charges For Services	35,280	34,743	(537)
Total Revenues	<u>35,780</u>	<u>34,743</u>	<u>(1,037)</u>
Expenditures:			
Capital Outlay	29,000	29,523	(523)
Total Expenditures	<u>29,000</u>	<u>29,523</u>	<u>(523)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,780</u>	<u>5,220</u>	<u>(1,560)</u>
Other Financing Sources (Uses):			
Transfers Out	_____	(1,155)	(1,155)
Total Other Financing Sources (Uses)	_____	(1,155)	(1,155)
Net Change in Fund Balance	6,780	4,065	(2,715)
Fund Balance - July 1, 2013	<u>55,640</u>	<u>55,640</u>	_____
Fund Balance - June 30, 2014	<u>\$ 62,420</u>	<u>\$ 59,705</u>	<u>\$ (2,715)</u>

CITY OF HUGHSON
 LOCAL TRANSPORTATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ -	\$ 321	\$ 321
Intergovernmental	50,000	82,900	32,900
Total Revenues	<u>50,000</u>	<u>83,221</u>	<u>33,221</u>
Expenditures:			
Current:			
Public Works	3,500	1,200	2,300
Capital Outlay	65,000	64,516	484
Total Expenditures	<u>68,500</u>	<u>65,716</u>	<u>2,784</u>
Net Change in Fund Balance	(18,500)	17,505	36,005
Fund Balance - July 1, 2013	<u>191,012</u>	<u>191,012</u>	
Fund Balance - June 30, 2014	<u>\$ 172,512</u>	<u>\$ 208,517</u>	<u>\$ 36,005</u>

CITY OF HUGHSON
 STORM DRAIN SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 445	\$ 345
Charges for Services	<u>61,908</u>	<u>70,025</u>	<u>8,117</u>
Total Revenues	<u>62,008</u>	<u>70,470</u>	<u>8,462</u>
Expenditures:			
Current:			
Public Works	<u>50,000</u>	<u>6,215</u>	<u>43,785</u>
Total Expenditures	<u>50,000</u>	<u>6,215</u>	<u>43,785</u>
Net Change in Fund Balance	12,008	64,255	52,247
Fund Balance - July 1, 2013	<u>176,709</u>	<u>176,709</u>	<u></u>
Fund Balance - June 30, 2014	<u>\$ 188,717</u>	<u>\$ 240,964</u>	<u>\$ 52,247</u>

CITY OF HUGHSON
 TRAFFIC SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 26	\$ (74)
Intergovernmental	<u>66,000</u>	<u>96,535</u>	<u>30,535</u>
Total Revenues	<u>66,100</u>	<u>96,561</u>	<u>30,461</u>
Expenditures:			
Current:			
Public Works	31,500	31,838	(338)
Capital Outlay	<u>98,145</u>	<u>88,145</u>	<u>10,000</u>
Total Expenditures	<u>129,645</u>	<u>119,983</u>	<u>9,662</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(63,545)</u>	<u>(23,422)</u>	<u>40,123</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(11,600)</u>	<u>(11,600)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>(11,600)</u>	<u>(11,600)</u>	<u> </u>
Net Change in Fund Balance	(75,145)	(35,022)	40,123
Fund Balance - July 1, 2013	<u>156,354</u>	<u>156,354</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 81,209</u>	<u>\$ 121,332</u>	<u>\$ 40,123</u>

CITY OF HUGHSON
SLESF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 700	\$ 15	\$ (685)
Intergovernmental	<u>100,000</u>	<u>100,963</u>	<u>963</u>
Total Revenues	<u>100,700</u>	<u>100,978</u>	<u>278</u>
Expenditures:			
Current:			
Public Safety	<u>200,000</u>	<u>201,870</u>	<u>(1,870)</u>
Total Expenditures	<u>200,000</u>	<u>201,870</u>	<u>(1,870)</u>
Net Change in Fund Balance	(99,300)	(100,892)	(1,592)
Fund Balance - July 1, 2013	<u>112,915</u>	<u>112,915</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 13,615</u>	<u>\$ 12,023</u>	<u>\$ (1,592)</u>

CITY OF HUGHSON
 LIGHTING AND LANDSCAPING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special Assessments	\$ 125,848	\$ 124,913	\$ (935)
Total Revenue	<u>125,848</u>	<u>124,913</u>	<u>(935)</u>
Expenditures:			
Current:			
Public works	<u>128,436</u>	<u>98,216</u>	<u>30,220</u>
Total Expenditures	<u>128,436</u>	<u>98,216</u>	<u>30,220</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,588)</u>	<u>26,697</u>	<u>29,285</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(21,938)</u>	<u>(21,940)</u>	<u>2</u>
Total Other financing Sources (Uses)	<u>(21,938)</u>	<u>(21,940)</u>	<u>(2)</u>
Net Change in Fund Balance	(24,526)	4,757	29,283
Fund Balance - July 1, 2013	<u>33,559</u>	<u>33,559</u>	<u></u>
Fund Balance - June 30, 2014	<u>\$ 9,033</u>	<u>\$ 38,316</u>	<u>\$ 29,283</u>

CITY OF HUGHSON
 BENEFIT ASSESSMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 73,448	\$ 71,654	\$ (1,794)
Total Revenue	<u>73,448</u>	<u>71,654</u>	<u>(1,794)</u>
Expenditures:			
Current:			
Public Works	<u>36,716</u>	<u>24,216</u>	<u>12,500</u>
Total Expenditures	<u>36,716</u>	<u>24,216</u>	<u>12,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,732</u>	<u>47,438</u>	<u>10,706</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(5,977)</u>	<u>(5,976)</u>	<u>1</u>
Total Other financing Sources (Uses)	<u>(5,977)</u>	<u>(5,976)</u>	<u>1</u>
Net Change in Fund Balance	30,755	41,462	10,707
Fund Balance - July 1, 2013	<u>41,873</u>	<u>41,873</u>	<u></u>
Fund Balance - June 30, 2014	<u>\$ 72,628</u>	<u>\$ 83,335</u>	<u>\$ 10,707</u>

CITY OF HUGHSON
TRENCH CUT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 75,000	\$ 75,465	\$ 465
Total Revenue	<u>75,000</u>	<u>75,465</u>	<u>465</u>
Net Change in Fund Balance	75,000	75,465	465
Fund Balance - July 1, 2013	_____	_____	_____
Fund Balance - June 30, 2014	<u>\$ 75,000</u>	<u>\$ 75,465</u>	<u>\$ 465</u>

CITY OF HUGHSON
PUBLIC SAFETY REALIGNMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 18,000	\$ 17,872	\$ (128)
Total Revenue	<u>18,000</u>	<u>17,872</u>	<u>(128)</u>
Net Change in Fund Balance	18,000	17,872	(128)
Fund Balance - July 1, 2013	_____	_____	_____
Fund Balance - June 30, 2014	<u>\$ 18,000</u>	<u>\$ 17,872</u>	<u>\$ (128)</u>

CITY OF HUGHSON
IT RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Expenditures:			
Capital Outlay	25,000	17,063	7,937
Total Expenditures	<u>25,000</u>	<u>17,063</u>	<u>7,937</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(17,063)</u>	<u>7,937</u>
Other Financing Sources (Uses)			
Transfers In	<u>30,000</u>	<u>30,000</u>	
Total Other financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	
Net Change in Fund Balance	5,000	12,937	7,937
Fund Balance (Deficit) - July 1, 2013			
Prior Period Adjustment	<u>37,919</u>	<u>37,919</u>	
Fund Balance - July 1, 2013, Restated	<u>37,919</u>	<u>37,919</u>	
Fund Balance (Deficit) - June 30, 2014	<u>\$ 42,919</u>	<u>\$ 50,856</u>	<u>\$ 7,937</u>

CITY OF HUGHSON
TRANSPORTATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 150	\$ -	\$ (150)
Intergovernmental	961,000	211,460	(749,540)
Total Revenues	<u>961,150</u>	<u>211,460</u>	<u>(749,690)</u>
Expenditures:			
Capital Outlay	365,550	133,357	232,193
Total Expenditures	<u>365,550</u>	<u>133,357</u>	<u>232,193</u>
Net Change in Fund Balance	595,600	78,103	(517,497)
Fund Balance (Deficit) - July 1, 2013	<u>(370,211)</u>	<u>(370,211)</u>	<u> </u>
Fund Balance (Deficit) - June 30, 2014	<u>\$ 225,389</u>	<u>\$ (292,108)</u>	<u>\$ (517,497)</u>

CITY OF HUGHSON
MUNICIPAL PARK CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 1,200	\$ 860	\$ (340)
Charges for Services	<u>69,685</u>	<u>58,296</u>	<u>(11,389)</u>
Total Revenues	<u>70,885</u>	<u>59,156</u>	<u>(11,729)</u>
Net Change in Fund Balance	70,885	59,156	(11,729)
Fund Balance - July 1, 2013	<u>385,974</u>	<u>385,974</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 456,859</u>	<u>\$ 445,130</u>	<u>\$ (11,729)</u>

CITY OF HUGHSON
PARKS DEVELOPMENT IMPACT FEES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 500	\$ 957	\$ 457
Charges for Services	<u>93,345</u>	<u>100,779</u>	<u>7,434</u>
Total Revenues	<u>93,845</u>	<u>101,736</u>	<u>7,891</u>
Net Change in Fund Balance	93,845	101,736	7,891
Fund Balance - July 1, 2013	<u>240,090</u>	<u>240,090</u>	<u> </u>
Fund Balance - June 30, 2014	<u>\$ 333,935</u>	<u>\$ 341,826</u>	<u>\$ 7,891</u>

NONMAJOR PROPRIETARY FUNDS

PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - for these funds, it is the intent of the City Council that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Community Center Operations - This fund is used to account for revenues and expenses associated with the maintenance and operations of the City's Community Centers.

USF Community Center - This fund is used to account for funds designated for maintenance and operations of the City's Community Centers.

**CITY OF HUGHSON
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2014**

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Community Center Operations Fund	USF Community Center Fund	
Assets			
Current Assets:			
Cash and Investments	\$ 13,570	\$ -	\$ 13,570
Total Current Assets	<u>13,570</u>		<u>13,570</u>
Noncurrent Assets:			
Capital Assets:			
Land	105,073		105,073
Buildings	725,283		725,283
Less:			
Accumulated Depreciation	<u>(374,730)</u>		<u>(374,730)</u>
Total Noncurrent Assets	<u>455,626</u>		<u>455,626</u>
Total Assets	<u>469,196</u>		<u>469,196</u>
Liabilities			
Current Liabilities:			
Accounts Payable	4,957	511	5,468
Due to Other Funds		966	966
Deposits Payable	<u>1,005</u>		<u>1,005</u>
Total Liabilities	<u>5,962</u>	<u>1,477</u>	<u>7,439</u>
Net Position			
Net Investment in Capital Assets	455,626		455,626
Unrestricted	<u>7,608</u>	<u>(1,477)</u>	<u>6,131</u>
Total Net Position	<u>\$ 463,234</u>	<u>\$ (1,477)</u>	<u>\$ 461,757</u>

CITY OF HUGHSON
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Community Center Operations Fund	USF Community Center Fund	
Operating Revenues			
Charges for Services	\$ 17,463	\$ 16,559	\$ 34,022
Total Operating Revenues	<u>17,463</u>	<u>16,559</u>	<u>34,022</u>
Operating Expenses			
Personnel		7,671	7,671
Administrative	20,788	6,889	27,677
Maintenance	1,784	137	1,921
Depreciation	24,176		24,176
Total Operating Expenses	<u>46,748</u>	<u>14,697</u>	<u>61,445</u>
Income (Loss) Before Transfers	(29,285)	1,862	(27,423)
Transfers			
Transfers In	7,500		7,500
Transfers Out		(4,500)	(4,500)
Changes in Net Assets	(21,785)	(2,638)	(24,423)
Net Position - Beginning of Fiscal Year	<u>485,019</u>	<u>1,161</u>	<u>486,180</u>
Net Position - End of Fiscal Year	<u>\$ 463,234</u>	<u>\$ (1,477)</u>	<u>\$ 461,757</u>

CITY OF HUGHSON
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Community Center Operations Fund	USF Community Center Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Users	\$ 16,928	\$ 16,559	\$ 33,487
Cash Payments to Suppliers and Contractors	(22,001)	(6,981)	(28,982)
Cash Payments to Employees		(7,671)	(7,671)
Net Cash Provided (Used) By Operating Activities	<u>(5,073)</u>	<u>1,907</u>	<u>(3,166)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	<u>7,500</u>	<u>(3,534)</u>	<u>3,966</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>7,500</u>	<u>(3,534)</u>	<u>3,966</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,427	(1,627)	800
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>11,143</u>	<u>1,627</u>	<u>12,770</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 13,570</u>	<u>\$ -</u>	<u>\$ 13,570</u>
Reconciliation to Statement of Net Positions:			
Cash and Cash Equivalents	<u>\$ 13,570</u>	<u>\$ -</u>	<u>\$ 13,570</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	<u>\$ (29,285)</u>	<u>\$ 1,862</u>	<u>\$ (27,423)</u>
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	24,176		24,176
Changes in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	571	45	616
Increase (Decrease) in Deposits Payable	(535)		(535)
Total Adjustments	<u>24,212</u>	<u>45</u>	<u>24,257</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (5,073)</u>	<u>\$ 1,907</u>	<u>\$ (3,166)</u>



**CITY OF HUGHSON
PARKS & RECREATION COMMISSION MEETING
CITY HALL COUNCIL CHAMBERS
7018 Pine Street, Hughson, CA**

**AGENDA
TUESDAY, DECEMBER 9, 2014 – 6:00 P.M.**

CALL TO ORDER: Chair Billy Redding

ROLL CALL: Chair Billy Redding
Commissioner Raymond Lopez
Commissioner Matt House
Commissioner Tamara Thomas
Commissioner Hans Picinich

FLAG SALUTE: Chair Billy Redding

1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):

Members of the audience may address the Commission on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the Commission cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

2. PRESENTATIONS:

2.1: Stanislaus Advocacy Action Team (StAAT) and Protecting Health and Slamming Tobacco (PHAST), Ross Middle School Presentation on Smoke Free Parks.

3. NEW BUSINESS:

3.1: Approve the Minutes of the August 12, 2014 Parks and Recreation Meeting. (Continued from the last meeting)

- 3.2: Approve the Minutes of the November 12, 2014 Parks and Recreation Meeting.

4. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.

5. INFORMATIONAL ITEMS:

- 5.1: Community Park Update.
- 5.2: Starn Park Playground Update.
- 5.3: Goals and Objectives Workshop, January 2015.

5. COMMENTS:

- 5.1: Staff Reports and Comments: (Information Only – No Action)

Community Development Director:

- 5.2: Commissioner Comments: (Information Only – No Action)

ADJOURNMENT:

WAIVER WARNING

If you challenge a decision/direction of the Commission in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

UPCOMING EVENTS:

December 16	▪ Planning Commission Meeting, City Hall Council Chambers, 6:00 P.M.
Dec 24 – Jan 1	▪ Winter Closure- City Hall Closed, will reopen Friday, January 2, 2015
January 12	▪ City Council Meeting, City Hall Council Chambers, 7:00 P.M.
January 13	▪ Parks & Recreation Meeting, City Hall Council Chambers, 7:00 P.M.
January 20	▪ Planning Commission Meeting, City Hall Council Chambers, 6:00 P.M.
January 26	▪ City Council Meeting, City Hall Council Chambers, 7:00 P.M.

RULES FOR ADDRESSING THE COMMISSION

Members of the audience who wish to address the Commission are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT
NOTIFICATION FOR THE CITY OF HUGHSON

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

AFFIDAVIT OF POSTING

DATE: December 5, 2014 **TIME:** 6:00pm
NAME: Dominique Spinale **TITLE:** City Clerk

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson Commission shall be in English and anyone wishing to address the Commission is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Hughson Parks & Recreation Commission meets in the Council Chambers on the second Tuesday of each month at 6:00 p.m., unless otherwise noticed.

Commission Agendas: The Commission agenda is now available for public review at the City's website at www.hughson.org and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Questions: Contact the City Clerk at (209) 883-4054