



# City of Los Banos

At the Crossroads of California

[www.losbanos.org](http://www.losbanos.org)

## AGENDA

### CITY COUNCIL MEETING

CITY HALL COUNCIL CHAMBERS  
520 J Street  
Los Banos, California

**FEBRUARY 5, 2014**

*If you require special assistance to attend or participate in this meeting, please call the City Clerk's Office @ (209) 827-7000 at least 48 hours prior to the meeting.*

*The City of Los Banos complies with the Americans with Disabilities Act (ADA) of 1990.*

\* \* \* \* \*

*Si requiere asistencia especial para atender o participar en esta junta por favor llame a la oficina de la Secretaria de la ciudad al (209) 827-7000 a lo menos de 48 horas previas de la junta.*

*La Ciudad de Los Banos cumple con la Acta de Americanos con Deshabilidad (ADA) de 1990.*

*Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the meeting and in the City Clerk's office located at City Hall, 520 J Street, Los Banos, California during normal business hours. In addition, such writings and documents may be posted on the City's website at [www.losbanos.org](http://www.losbanos.org).*

\* \* \* \* \*

*Cualquier escritura o los documentos proporcionaron a una mayoría del Ayuntamiento respecto a cualquier artículo en este orden del día será hecho disponible para la inspección pública en la reunión y en la oficina de la Secretaria de la ciudad en City Hall, 520 J Street, Los Banos, California durante horas de oficina normales. Además, tales escrituras y los documentos pueden ser anunciados en el website de la ciudad en [www.losbanos.org](http://www.losbanos.org).*

1. CALL TO ORDER. **7:00 PM**
2. PLEDGE OF ALLEGIANCE.
3. ROLL CALL: (City Council Members)  
  
Faria \_\_\_\_, Lewis \_\_\_\_, Silveira \_\_\_\_, Stonegrove \_\_\_\_, Villalta \_\_\_\_
4. CONSIDERATION OF APPROVAL OF AGENDA.
5. PUBLIC FORUM. (Members of the public may address the City Council Members on any item of public interest that is within the jurisdiction of the City Council; includes agenda and non-agenda items. No action will be taken on non-agenda items. Speakers are limited to a five (5) minute presentation. Detailed guidelines are posted on the Council Chamber informational table.)

6. CONSIDERATION OF APPROVAL OF CONSENT AGENDA. (Items on the Consent Agenda are considered to be routine and will be voted on in one motion unless removed from the Consent Agenda by a City Council Member.)

- A. Check Register for #145376 – #145689 in the Amount of \$3,433,326.67.

*Recommendation: Approve the check register as submitted.*

- B. Minutes for the January 29, 2014 Adjourned City Council Meeting.

*Recommendation: Approve the minutes as submitted.*

- C. City Council Resolution No. 5549 – Authorizing the Reimbursement of Traffic Impact Fee Funds to California Gold Development Corporation in the Amount of \$166,180.82 for the Offsite Improvements at the AM/PM & McDonald's Project on the Corner of Pacheco Boulevard and Badger Flat Road.

*Recommendation: Adopt the resolution as submitted.*

- D. City Council Resolution No. 5550 – Authorizing the Release of Unclaimed Checks Pursuant to California Government Code Section 50050 and 50053 to the City of Los Banos in the Amount of \$1,962.51.

*Recommendation: Adopt the resolution as submitted.*

- E. City Council Resolution No. 5551 – Adopting a Revised Budget for the 2013-2014 Fiscal Year as it Pertains to Expenditures in the City Hall Impact Fees Building and Structures Account in the amount of \$100,000.

*Recommendation: Adopt the resolution as submitted.*

- F. City Council Resolution No. 5552 – Adopting a Revised Budget for the 2013-2014 Fiscal Year as it Pertains to Expenditures in the Fire Department Special Activities Account in the Amount of \$1,200.

*Recommendation: Adopt the resolution as submitted.*

- G. City Council Resolution No. 5553 – Authorizing the City Manager to Award the Bid for the Purchase of One (1) New Fire Command Vehicle (1500 Crew Cab Pickup 4x4) From Santos Ford in the Amount of \$33,586.36.

*Recommendation: Adopt the resolution as submitted.*

- H. City Council Resolution No. 5554 – Authorizing the City Manager to Award the Bid for the Purchase of Two (2) New Heavy Duty Police Patrol Vehicles From Winner Chevrolet in the Amount of \$60,486.70.

*Recommendation: Adopt the resolution as submitted.*

- I. City Council Resolution No. 5555 – Appointing Members to the Measure P Citizens Oversight Committee.

*Recommendation: Approve the request as submitted.*

7. PUBLIC HEARING. (If you challenge the proposed action as described herein in court, you may be limited to raising only those issues you or someone else raised at the public hearing described herein or in written correspondence delivered to the City at, or prior to, the public hearing.)

A. Public Hearing – To Receive To Receive Public Comment and Consideration of an Ordinance of the City of Los Banos Temporarily Suspending the Collection of the Regional Transportation Impact Fee (RTIF) Established by Ordinance No. 1031.

1) Ordinance No. 1115 – Extending the Temporary Suspension of the Collection of Regional Transportation Impact Fees Established by Ordinance No. 1031 as Amended and Codified in Title 3 Chapter 18 of the Los Banos Municipal Code. **(First Reading & Introduction)**

*Recommendation: Receive staff report, open public hearing, close the public hearing, waive the first reading, and introduce the ordinance.*

B. Public Hearing – To Receive Public Comment and Consideration of Adoption by Reference the 2013 Edition of the California Building Standards Code and Related 2013 Edition Codes to the City of Los Banos Building Code Ordinance.

1) Ordinance No. 1116 – Adopting by Reference the 2013 Edition of the California Building Code, the 2013 Edition of the California Energy Code, the 2013 Edition of the California Historical Building Code, the 2013 Edition of the California Referenced Standards Code, the 2013 Edition of the California Electrical Code, the 2013 Edition of the California Mechanical Code, the 2013 Edition of the California Administrative Code, the 2013 Edition of the California Existing Building Code, the 2013 Edition of the California Green Building Standards Code, the 2013 Edition of the California Residential Code, the 2013 Edition of the California Plumbing Code; By Amendment to Title 8, Chapter 1 of the Los Banos Municipal Code. **(First Reading & Introduction)**

*Recommendation: Receive staff report, open public hearing, close the public hearing, waive the first reading, and introduce the ordinance.*

C. Public Hearing – To Receive Public Comment and Consideration of Adoption by Reference the 2013 Edition of the California Fire Code and Local Amendments to the City of Los Banos Fire Prevention Code Ordinance.

1) Ordinance No. 1117 – Adopting by Reference the 2013 Edition of the California Fire Code by Amendment to Title 4 Chapter 3 of the Los Banos Municipal Code and Adoption of Local Amendments Thereto. **(First Reading & Introduction)**

*Recommendation: Receive staff report, open public hearing, close the public hearing, waive the first reading, and introduce the ordinance.*

8. CONSIDERATION OF ADOPTION OF CITY COUNCIL RESOLUTION NO. 5556 – ACCEPTING THE 2012-2013 FISCAL YEAR AUDIT REPORTS CONSISTING OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, THE SINGLE AUDIT REPORT, THE MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS, AND THE TRANSPORTATION DEVELOPMENT ACT PROGRAM FINANCIAL STATEMENTS.

*Recommendation: Receive staff report and adopt the resolution as submitted.*

9. APPOINTMENT OF COMMISSION MEMBERS FOR THE FOLLOWING:

- A. Parks & Recreation Commission – Two (2) Vacancies.

*Recommendation: Appointments made by the Mayor with the consensus of the Council.*

- B. Airport Advisory Commission – One (1) Vacancy.

*Recommendation: Appointments made by the Mayor with the consensus of the Council.*

10. POLICE DEPARTMENT UPDATE AND PRESENTATION OF 2013 CRIME STATISTICS.

*Recommendation: Informational item, no action to be taken.*

11. ADVISEMENT OF PUBLIC NOTICES. (No Report)

12. CITY MANAGER REPORT.

13. CITY COUNCIL MEMBER REPORTS.

- A. Elizabeth Stonegrove

- B. Tom Faria

- C. Deborah Lewis

- D. Scott Silveira

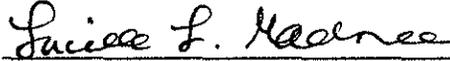
- E. Mayor Mike Villalta

14. CLOSED SESSION.

- A. Conference with Labor Negotiators, Pursuant to Government Code Section 54957.6, Agency Designated Representatives: City Manager Carrigan, City Attorney Vaughn, City Clerk/Human Resources Director Mallonee, Police Chief Brizzee, Finance Director Williams, Legal Counsel Tuffo; Employee Organizations: Los Banos Police Officers Association (LBPOA), Los Banos Police Sergeants Association (LBPSA), Los Banos Police Dispatchers/Community Services Officers Association (LBPDCSOA), Los Banos Fire Fighters Association (LBFFA).

15. ADJOURNMENT.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.



Lucille L. Mallonee, City Clerk

Dated this 30<sup>th</sup> day of January 2014

Bank Reconciliation

Checks By Date



City of  
**Los Banos**  
At the Crossroads of California

01/27/2014 - 4:24 PM

User: jdemelo

Cleared and Not Cleared Checks

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
145376	01/10/2014	ABS Direct, Inc.		AP			1,265.17
145377	01/10/2014	Anderson Pump Company Inc		AP			2,165.80
145378	01/10/2014	BJ's Consumers Choice		AP			68.00
145379	01/10/2014	Borelli Real Estate Service		AP			90.00
145380	01/10/2014	Bruce's Tire Inc		AP			43.93
145381	01/10/2014	California Building Standards		AP			134.00
145382	01/10/2014	Castek, Inc.		AP			25,250.00
145383	01/10/2014	CSJVRMA		AP			197,239.00
145384	01/10/2014	Coleman Lock & Key		AP			281.60
145385	01/10/2014	CSG Consultants Inc.		AP			268.25
145386	01/10/2014	Miriam Curiel		AP			252.00
145387	01/10/2014	Roy Couto		AP			131.00
145388	01/10/2014	Dell Marketing L P		AP			3,879.56
145389	01/10/2014	Dept of Conservation		AP			147.15
145390	01/10/2014	Department of Public Health		AP			70.00
145391	01/10/2014	Dept. of Industrial Relations		AP			225.00
145392	01/10/2014	Electrical Distributors Co.		AP			175.72
145393	01/10/2014	Eric Espindola		AP			155.00
145394	01/10/2014	Cathy Edwards		AP			131.00
145395	01/10/2014	Fast Track Car Wash		AP	Void		38.13
145396	01/10/2014	Galls Inc		AP			91.80
145397	01/10/2014	Great Valley Supply		AP			92.28
145398	01/10/2014	Grey House Publishing		AP			148.60
145399	01/10/2014	Helena Chemical Co Inc		AP			738.18
145400	01/10/2014	Holt of California		AP			667.72
145401	01/10/2014	The Iron Rod		AP			205.30
145402	01/10/2014	Jennifer Karwowski		AP			20.00
145403	01/10/2014	Lehigh Hanson HeidelbergCement		AP			584.21
145404	01/10/2014	Los Banos Vet Clinic		AP			1,907.00
145405	01/10/2014	Lucas Business Systems		AP			343.15
145406	01/10/2014	Marfab Inc		AP			47.97
145407	01/10/2014	Merced County Regional Waste M		AP			2,025.93
145408	01/10/2014	Merced County Dept Of Agricult		AP			169.00
145409	01/10/2014	Merced Uniform & Accessories		AP			1,158.57
145410	01/10/2014	Napa Auto Parts		AP			12.63
145411	01/10/2014	NFPA		AP			1,258.75
145412	01/10/2014	The Office City		AP			1,483.39
145413	01/10/2014	OSE		AP			2,632.74
145414	01/10/2014	O'Reilly Auto Parts		AP			849.03
145415	01/10/2014	P G & E Company		AP			84,995.93
145416	01/10/2014	PERS - Public Employees		AP			113,036.50
145417	01/10/2014	Revtune Cycles		AP			380.85
145418	01/10/2014	Riggs Ambulance Service		AP			456.36
145419	01/10/2014	SJVUAPCD		AP			117.00
145420	01/10/2014	Santos Ford Lincoln Mercury, I		AP			43.05
145421	01/10/2014	Save Mart Supermarkets		AP			65.79
145422	01/10/2014	Springbrook Software, Inc.		AP			1,000.00
145423	01/10/2014	Sorensens True Value		AP			851.45
145424	01/10/2014	Thomas Ochoa		AP			406.40
145425	01/10/2014	Thomson Reuters Tax & Accounti		AP			233.55

Check No	Check Date	Name	Comment	Module Void	Clear Date	Amount
145426	01/10/2014	Tractor Supply Credit Plan		AP		154.38
145427	01/10/2014	Triangle Rock Products		AP		678.78
145428	01/10/2014	U.S. Bank Equipment Finance		AP		1,373.69
145429	01/10/2014	USA Blue Book		AP		244.84
145430	01/10/2014	Manuel Medeiros		AP		71.05
145431	01/10/2014	John Tran		AP		100.00
145432	01/10/2014	Jiangan He		AP		41.15
145433	01/10/2014	Melch G Flores		AP		27.84
145434	01/10/2014	Gloria Lopez Mendoza		AP		7.22
145435	01/10/2014	Keith Moffatt		AP		45.87
145436	01/10/2014	Hector and Rosa Ortiz		AP		22.68
145437	01/10/2014	Maria Perez		AP		27.84
145438	01/10/2014	Kaushal Sharma		AP		2.07
145439	01/10/2014	Raymond & Connie Villa		AP		56.18
145440	01/10/2014	Randall Ware, II		AP		13.64
145441	01/10/2014	Ramon & Lucia Zamora		AP		45.87
145442	01/10/2014	Jorge & Amparo Munoz		AP		84.54
145443	01/10/2014	Blossom Valley Realty, JR Souz		AP		7.22
145444	01/10/2014	Home Sweet Home Property Mana		AP		69.08
145445	01/10/2014	Charles Rodgers		AP		22.68
145446	01/10/2014	Gabriella Benedict		AP		22.68
145447	01/10/2014	Jagrup Pannu		AP		27.83
145448	01/10/2014	Melissa and Salvador Zaragosa		AP		7.22
145449	01/10/2014	Roger Cervantes, Realtor		AP		9.79
145450	01/10/2014	Don Newton		AP		35.57
145451	01/10/2014	Sloan Realty - Richard Angel		AP		53.60
145452	01/10/2014	Rose Johnson		AP		4.64
145453	01/10/2014	Jose Sanchez Hernandez		AP		7.22
145454	01/10/2014	Maria Silva		AP		54.48
145455	01/10/2014	Chen Luojian		AP		45.87
145456	01/10/2014	Francisco Alvarez		AP		60.66
145457	01/10/2014	Westside Water Conditioning		AP		19.50
145458	01/10/2014	Windecker Inc		AP		1,422.95
145460	01/14/2014	Bank of America		AP		331.00
145461	01/14/2014	Bank of America		AP		13.47
145462	01/14/2014	Bank of America		AP		7.81
145463	01/15/2014	Bank of America		AP		2,000,000.00
145464	01/16/2014	Dept of Housing & Community De		AP		114,675.00
145484	01/17/2014	Aflac-Customer Service		AP		161.32
145485	01/17/2014	Aflac-Customer Service		AP		158.15
145486	01/17/2014	Aflac-Customer Service		AP		41.26
145487	01/17/2014	Aflac-Customer Service		AP		92.34
145488	01/17/2014	Bank of America		AP		84,811.40
145489	01/17/2014	Bank of America		AP		2,584.78
145490	01/17/2014	Bank of America		AP		10,632.66
145491	01/17/2014	Hartford Life Ins Co		AP		1,132.69
145492	01/17/2014	Hartford Life Ins Co		AP		4,670.00
145493	01/17/2014	Los Banos Fitness &		AP		655.00
145494	01/17/2014	Los Banos Police Assn		AP		2,029.00
145495	01/17/2014	Nationwide Retirement Solut		AP		1,590.00
145496	01/17/2014	PERS Long Term Care		AP		88.45
145497	01/17/2014	Professional Fire Fighter		AP		630.00
145498	01/17/2014	State Disbursement Unit		AP		1,895.00
145499	01/17/2014	Vantagepoint Transfer Agents -		AP		105.00
145500	01/17/2014	Vantagepoint Transfer Agents -		AP		25.00
145501	01/17/2014	Vantagepoint Transfer Agents -		AP		775.00
145502	01/17/2014	Westamerica Bank - Cafeteria P		AP		2,094.57
145503	01/17/2014	A & A Portables Inc		AP		105.75
145504	01/17/2014	ABS Direct, Inc.		AP		1,169.95
145505	01/17/2014	Allied Waste Services #917		AP		286,235.69
145506	01/17/2014	Ameripride Valley Uniform Serv		AP		426.24
145507	01/17/2014	Anthony Gomes Electric Service		AP		95.51

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
145508	01/17/2014	Aramark Uniform Ser Inc		AP			1,082.21
145509	01/17/2014	Ascent Aviation Group, Inc.		AP			26,709.95
145510	01/17/2014	AT&T		AP			854.18
145511	01/17/2014	Baker Supplies & Repair		AP			112.00
145512	01/17/2014	Barton Overhead Door Inc		AP			110.00
145513	01/17/2014	BJ's Consumers Choice		AP			68.00
145514	01/17/2014	Black's Irrigation Systems, In		AP			64.26
145515	01/17/2014	Board of Equalization		AP			1,023.00
145516	01/17/2014	BSK		AP			8,050.21
145517	01/17/2014	BSK Analytical Laboratories		AP			1,825.00
145518	01/17/2014	CDW Government, Inc		AP			10.34
145519	01/17/2014	Ca Dept of Justice		AP			371.00
145520	01/17/2014	Cal Traffic		AP			1,459.69
145521	01/17/2014	Cen Cal Machinery Co Inc		AP			32.07
145522	01/17/2014	Century MFG		AP			133.93
145523	01/17/2014	Cit Technology Fin Serv, Inc.		AP			1,251.13
145524	01/17/2014	Central Concrete		AP			244.62
145525	01/17/2014	Clark Pest Control Inc		AP			90.00
145526	01/17/2014	Comcast		AP			10.56
145527	01/17/2014	CSG Consultants Inc.		AP			6,206.89
145528	01/17/2014	Jelene de Melo - Petty Cash		AP			227.10
145529	01/17/2014	Robert Downey		AP			155.00
145530	01/17/2014	Electrical Distributors Co.		AP			108.94
145531	01/17/2014	Fastenal Company		AP			77.53
145532	01/17/2014	Fast Track Car Wash		AP			17.50
145533	01/17/2014	Goodger's Shell & Food Mart, I		AP			175.55
145534	01/17/2014	Hach Company		AP			2,903.92
145535	01/17/2014	Holt of California		AP			728.10
145536	01/17/2014	Home Depot		AP			1,457.22
145537	01/17/2014	J W Professional Janitor		AP			1,424.00
145538	01/17/2014	Kulwindei Kaur		AP			500.00
145539	01/17/2014	Language Line Services		AP			21.49
145540	01/17/2014	Los Banos Express Oil & Lube		AP			75.10
145541	01/17/2014	Lucas Business Systems		AP			249.03
145542	01/17/2014	Marfab Inc		AP			234.52
145543	01/17/2014	Matson Alarm Co Inc		AP			180.00
145544	01/17/2014	Maze & Associates		AP			5,034.00
145545	01/17/2014	McNamara Sports Inc		AP			5,762.66
145546	01/17/2014	Merced Chevrolet Inc.		AP			61,451.25
145547	01/17/2014	Merced Sun Star		AP			389.20
145548	01/17/2014	Merced Radiator Shop, Inc.		AP			195.00
145549	01/17/2014	Merced Uniform & Accessories		AP			1,214.53
145550	01/17/2014	N & S Dos Palos Tractor		AP			48.07
145551	01/17/2014	Napa Auto Parts		AP			232.20
145552	01/17/2014	National Fire Protection Assoc		AP			165.00
145553	01/17/2014	Nextel		AP			679.83
145554	01/17/2014	North Central Laboratories		AP			346.13
145555	01/17/2014	The Office City		AP			1,544.83
145556	01/17/2014	OSE		AP			265.58
145557	01/17/2014	OnTrac		AP			86.16
145558	01/17/2014	Roxanne Ocamp		AP			450.00
145559	01/17/2014	P G & E Company		AP			23.87
145560	01/17/2014	The Paper		AP			80.00
145561	01/17/2014	Provost and Pritchard Engineer		AP			900.00
145562	01/17/2014	Pro Clean Supply		AP			252.02
145563	01/17/2014	Protech Security & Electronics		AP			315.00
145564	01/17/2014	Recall Secure Destruction Serv		AP			326.72
145565	01/17/2014	Rick's Auto Body		AP			12,855.54
145566	01/17/2014	San Joaquin River Exchange Con		AP	Void		663.80
145567	01/17/2014	Santos Ford Lincoln Mercury, I		AP			509.17
145568	01/17/2014	Save Mart Supermarkets		AP			119.02
145569	01/17/2014	Sauceda Vehicle		AP			350.00

Check No	Check Date	Name	Comment	Module Void	Clear Date	Amount
145570	01/17/2014	Henry Schein Inc.		AP		239.65
145571	01/17/2014	Sharpening Shop		AP		437.02
145572	01/17/2014	Sherwin Williams Co		AP		117.74
145573	01/17/2014	Silveria Electric		AP		503.94
145574	01/17/2014	Sorensens True Value		AP		669.70
145575	01/17/2014	Spriggs Inc.		AP		692.83
145576	01/17/2014	Stonecreek Properties		AP		5,808.43
145577	01/17/2014	Triangle Rock Products		AP		988.20
145578	01/17/2014	Tulare Firestone		AP		1,051.79
145579	01/17/2014	US Bank Corp Pymt System		AP		11,425.72
145580	01/17/2014	Westhill Property Mgmt		AP		9.79
145581	01/17/2014	Blossom Valley Realty, JR Souza		AP		81.96
145582	01/17/2014	Blossom Valley Realty, JR Souza		AP		38.14
145583	01/17/2014	Home Sweet Home Property Mana		AP		53.60
145584	01/17/2014	Laures Lopez		AP		89.70
145585	01/17/2014	DLP Real Estate, Inc.		AP		12.41
145586	01/17/2014	Pratap Kurra		AP		20.99
145587	01/17/2014	George Shankhour		AP		11.30
145588	01/17/2014	Michelle Sanchez		AP		12.38
145589	01/17/2014	James Siegel		AP		48.45
145590	01/17/2014	Sloan Realty - Richard Angel		AP		61.34
145591	01/17/2014	Stephen Kandeh		AP		2.06
145592	01/17/2014	Elvia Lopez		AP		51.03
145593	01/17/2014	Manuel Farias		AP		40.71
145594	01/17/2014	Home Sweet Home Property Mana		AP		74.23
145595	01/17/2014	Home Sweet Home Property Mana		AP		35.57
145596	01/17/2014	Home Sweet Home Property Mana		AP		63.92
145597	01/17/2014	BellaMia Real Estate		AP		18.73
145598	01/17/2014	Law Offices of William A Vaugh		AP		4,373.75
145599	01/17/2014	Westside Water Conditioning		AP		70.95
145600	01/17/2014	Windecker Inc		AP		1,464.18
145601	01/17/2014	Young's Air Conditioning		AP		6,187.95
145602	01/17/2014	Young's Automotive		AP		2,072.82
145625	01/24/2014	ABS Direct, Inc.		AP		5,000.00
145626	01/24/2014	Alert-O-Lite, Inc.		AP		640.25
145627	01/24/2014	Ameripride Valley Uniform Serv		AP		142.08
145628	01/24/2014	Anthony Gomes Electric Service		AP		675.86
145629	01/24/2014	Aramark Uniform Ser Inc		AP		441.63
145630	01/24/2014	AT&T		AP		635.83
145631	01/24/2014	BJ's Consumers Choice		AP		382.00
145632	01/24/2014	Brinks Inc.		AP		538.59
145633	01/24/2014	BSK Analytical Laboratories		AP		1,000.00
145634	01/24/2014	Butler Web & Design		AP		2,847.00
145635	01/24/2014	Brian Butler		AP		348.00
145636	01/24/2014	Chevron Usa Inc		AP		557.24
145637	01/24/2014	Central Concrete		AP		355.59
145638	01/24/2014	Central Sanitary Supply		AP		655.39
145639	01/24/2014	Comcast		AP		92.14
145640	01/24/2014	Comcast		AP		420.00
145641	01/24/2014	Comcast		AP		180.80
145642	01/24/2014	Cook's Communications Corp.		AP		64.99
145643	01/24/2014	Department of Public Health		AP		120.00
145644	01/24/2014	Dutra's		AP		200.00
145645	01/24/2014	Electrical Distributors Co.		AP		76.91
145646	01/24/2014	Employee Relations, Inc.		AP		50.00
145647	01/24/2014	Federal Licensing, Inc.		AP		119.00
145648	01/24/2014	Ferguson Enterprises Inc DBA		AP		251.02
145649	01/24/2014	Fire Dept Training Network		AP		240.00
145650	01/24/2014	Aundre Garcia		AP		60.00
145651	01/24/2014	Mary Lou Gilardi		AP		51.64
145652	01/24/2014	Josefina Guerrero		AP		500.00
145653	01/24/2014	Jason Hedden		AP		24.00

Check No	Check Date	Name	Comment	Module Void	Clear Date	Amount
145654	01/24/2014	Hi Tech Emergency Vehicle Serv		AP		1,183.53
145655	01/24/2014	Claudio La Cerva		AP		5,000.00
145656	01/24/2014	Life Line Screening of America		AP		250.00
145657	01/24/2014	Marfab Inc		AP		176.52
145658	01/24/2014	Merced County Regional Waste M		AP		834.69
145659	01/24/2014	Merced County Regional Waste M		AP		3,522.89
145660	01/24/2014	Merced Sun Star		AP		94.99
145661	01/24/2014	Merced Truck & Trailer Inc		AP		1,013.17
145662	01/24/2014	North Central Laboratories		AP		93.72
145663	01/24/2014	The Office City		AP		113.38
145664	01/24/2014	OSE		AP		895.62
145665	01/24/2014	P G & E Company		AP		3,580.86
145666	01/24/2014	PERS - Public Employees		AP		111,554.93
145667	01/24/2014	Pinnacle Medical Group		AP		1,966.00
145668	01/24/2014	Pitney Bowes Inc		AP		22.94
145669	01/24/2014	Provost and Pritchard Engineer		AP		1,772.50
145670	01/24/2014	Radio Shack Accounts Rec		AP		283.73
145671	01/24/2014	SJVUAPCD		AP		320.00
145672	01/24/2014	San Joaquin River Exchange Con		AP		663.88
145673	01/24/2014	Save Mart Supermarkets		AP		202.75
145674	01/24/2014	Sherwin Williams Co		AP		199.93
145675	01/24/2014	Sign Solutions		AP		157.68
145676	01/24/2014	Sorensens True Value		AP		643.66
145677	01/24/2014	Stanislaus County Sheriff		AP		702.94
145678	01/24/2014	Stericycle, Inc.		AP		817.72
145679	01/24/2014	Thomson West Barclays		AP		32.94
145680	01/24/2014	Triangle Rock Products		AP		1,965.60
145681	01/24/2014	Verizon Wireless		AP		843.51
145682	01/24/2014	Verizon Wireless		AP		104.56
145683	01/24/2014	Verizon Wireless		AP		13.72
145684	01/24/2014	Sylvia Veloz		AP		350.00
145685	01/24/2014	Walmart		AP		259.58
145686	01/24/2014	Young's Air Conditioning		AP		736.00
145687	01/24/2014	Zee Medical Service Co		AP		92.61
145688	01/24/2014	Merced County Regional Waste M		AP		63,741.51
145689	01/24/2014	Westamerica Bank - Cafeteria P		AP		53,681.87

Total for Valid Checks: 3,433,326.67

Total Valid Checks: 270

Total Void Checks: 2

Total Checks: 272

Break in Check Sequence due to the following  
 Check # 145459, 145465-145483 (payroll checks)  
 Check# 145603-145624 (blank unused checks)

**CITY OF LOS BANOS**  
**ADJOURNED CITY COUNCIL MEETING MINUTES**  
**JANUARY 29, 2014**

*ACTION MINUTES – These minutes are prepared to depict action taken for agenda items presented to the City Council. For greater detail of this meeting refer to the electronic media (CD and/or audio) kept as a permanent record.*

**CALL TO ORDER:** Mayor Villalta called the City Council Meeting to order at the hour of 8:09 a.m.

**ROLL CALL – MEMBERS OF THE CITY COUNCIL PRESENT:** Council Members Tom Faria, Deborah Lewis (8:20 a.m.), Scott Silveira, Elizabeth Stonegrove, Mayor Michael Villalta; Absent: None.

**STAFF MEMBERS PRESENT:** City Attorney Vaughn, City Clerk/Human Resources Director Mallonee, City Manager Carrigan, Police Chief Brizzee, Fire Chief Guintini, Public Works Director/City Engineer Fachin, Finance Director Williams; Information Technology Director Spalding, City Treasurer/Accountant II Brazil, Accountant I Souto, Accountant I Tomas, Police Commander Reyna, Policy Commander Hedden

**CONSIDERATION OF APPROVAL OF AGENDA:** Motion by Silveira, seconded by Stonegrove to approve the agenda as submitted. The motion carried by the affirmative action of all City Council Members present, Lewis absent.

**PUBLIC FORUM: MEMBERS OF THE PUBLIC MAY ADDRESS THE CITY COUNCIL MEMBERS ON ANY ITEM OF PUBLIC INTEREST THAT IS WITHIN THE JURISDICTION OF THE CITY; INCLUDES AGENDA AND NON-AGENDA ITEMS. NO ACTION WILL BE TAKEN ON NON-AGENDA ITEMS. SPEAKERS ARE LIMITED TO A FIVE (5) MINUTE PRESENTATION. DETAILED GUIDELINES ARE POSTED ON THE COUNCIL CHAMBER INFORMATIONAL TABLE.** No one came forward to speak and the public forum was closed.

**CITY COUNCIL GOALS & OBJECTIVES WORKSHOP.** City Manager Carrigan conducted the workshop, which included a PowerPoint presentation.

Council Member Faria left the room during the Chamber of Commerce discussion.

Council Member Stonegrove left the meeting at 12:44 p.m.

**ADJOURNMENT.** The meeting was adjourned at the hour of 1:15 p.m.

APPROVED:

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Michael Villalta, Mayor

ATTEST:

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Lucille L. Mallonee, City Clerk



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor and City Council Members

**FROM:** Mark Fachin, P.E., Public Works Director/City Engineer

A handwritten signature in black ink, appearing to read "Mark Fachin", is written over the printed name.

**DATE:** February 5, 2014

**SUBJECT:** AM/PM & McDonald's Traffic Impact Fee Reimbursement

**TYPE OF REPORT:** Consent Agenda

---

**Recommendation:**

That the City Council adopts the Resolution authorizing the Reimbursement of Traffic Impact Fee (TIF) funds to California Gold Development Corporation (Developer) in the amount of \$166,180.82 for the offsite improvements at the AM/PM & McDonald's project on the corner of Pacheco Blvd and Badger Flat Road.

**Discussion:**

Developer has requested reimbursement for TIF eligible Badger Flat Road improvements which they constructed. The reimbursement is for the following:

- a) Badger Flat Road improvements east of the travel lane closest to the project site, including the median area fronting Ronny's Landscaping property; the through lane at the point separate from the right turn lane; the left turn lanes and painted median up to Caltrans right of way, as stated in Condition #48 of the Conditions of Approval for this project; and
- b) Offsite dry utilities underground construction associated with Badger Flat Road, including underground of dry utilities east of the project site and north of the project site.

Developer submitted adequate documentation for expenses incurred for the above described improvements. After a review of documentation for these improvements, staff has verified the Developer's request.

**Fiscal Impact:**

Developer paid TIF amounts of \$116,180.82 to the City. Subsequently, Developer and City staff agreed to an additional \$50,000.00 to the Developer for the undergrounding of overhead utility lines west and north of the project site. Funding expenditures identified in the TIF for a new traffic signal will not be realized in the current fiscal budget. As such, the reimbursement of \$166,180.82 will be expended from fund 230-430-220-716.

**Reviewed by:**

  
\_\_\_\_\_  
Steve Carrigan, City Manager

**Attachments:**

- Resolution
- TIF Budget Sheet
- AM/PM & McDonald's Conditions of Approval, Item #48
- Offsite Improvements Summary Sheet

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS AUTHORIZING THE REIMBURSEMENT OF TRAFFIC IMPACT FEE FUNDS TO CALIFORNIA GOLD DEVELOPMENT CORPORATION IN THE AMOUNT OF \$166,180.82 FOR THE OFFSITE IMPROVEMENTS AT THE AM/PM & McDONALD'S PROJECT ON THE CORNER OF PACHECO BLVD AND BADGER FLAT ROAD**

WHEREAS, the City of Los Banos has an approved Traffic Impact Fee Program that identifies improvement costs that are eligible for reimbursement; and

WHEREAS, Badger Flat Road north of Pacheco Boulevard has been identified as a public right of way in the Traffic Impact Fee Program; and

WHEREAS, the Public Works Department determined the necessary right of way improvements associated with the AM/PM & McDonald's project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby authorize reimbursement of Traffic Impact Fee funds to California Gold Development Corporation in the amount of \$166,180.82 for the offsite improvements at the AM/PM & McDonald's project on the corner of Pacheco Blvd and Badger Flat Road.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 5th day of February 2014, by Council Member \_\_\_\_\_ who moved its adoption, which motion was duly seconded by Council Member \_\_\_\_\_ and the Resolution adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk

# City of Los Banos

## Special Revenue Funds 2013-2014 Adopted Budget

	<u>2010-2011</u> <u>Actual</u>	<u>2011-2012</u> <u>Actual</u>	<u>2012-2013</u> <u>Projected</u>	<u>2013-2014</u> <u>Adopted</u>
<b>Traffic Impact Fee - Fund 230</b>				
<b>Road - Department 430</b>				
<b>Construction - Activity 220</b>				
238 Technical Services	\$19,617	\$8,342	\$1,700	\$15,000
Supplies & Services	\$19,617	\$8,342	\$1,700	\$15,000
* 716 Road Construction / Imp.	\$0	\$6,658	\$166,907	\$790,000 *
Capital Outlay	\$0	\$6,658	\$166,907	\$790,000
<b>Total: Construction</b>	<u>\$19,617</u>	<u>\$15,000</u>	<u>\$168,607</u>	<u>\$805,000</u>
<b>Total: Traffic Impact Fee</b>	<u>\$19,617</u>	<u>\$15,000</u>	<u>\$168,607</u>	<u>\$805,000</u>
<b>CMAQ/SR2S Grant - Fund 249</b>				
<b>Road - Department 431</b>				
<b>Maintenance - Activity 210</b>				
715 Street Improvements	\$0	\$0	\$3,822	\$301,296
743 Monitor/Detect/Test Equip	0	0	130,800	132,550
753 Specialized Equipment	0	0	0	769,000
Capital Outlay	<u>\$0</u>	<u>\$0</u>	<u>\$134,622</u>	<u>\$1,202,846</u>
<b>Total: CMAQ/SR2S Grant</b>	<u>\$0</u>	<u>\$0</u>	<u>\$134,622</u>	<u>\$1,202,846</u>

## AM/PM & McDonald's Conditions of Approval

utility connection fees for water, sanitary sewer and for future access into the storm drainage system.

43. Annex all site parcel and remainder parcel so Storm Basin will be in City limits and can be regulated by City. Separate development agreement required to develop remainder parcel.
44. Storm Basin to remain intact and operational as originally designed and approved until Master Plan improvements are installed. Storm Basin shall be privately owned and maintained by the property owner. Property owner shall provide an operation and maintenance plan for the Storm Basin to the City.
45. Developer shall provide an outlet for Storm Basin Drainage and Overflow, which includes Site Drainage as well as Pacheco Blvd. and Badger Flat Rd. street drainage to City storm drainage system as approved by the City Engineer. Developer shall pay storm drainage connection fee.
46. Developer to size and install storm drain line along the Badger Flat right of way along the length of the new construction. Storm line will remain unused until the surrounding areas develop allowing the storm line to be continued north to master planned detention basin. No reimbursement for installing this portion of storm main as it will only benefit proposed development.
47. Sanitary sewer main proposed to be installed south through Badger Flat Rd. to existing main shall serve only the proposed AM/PM & McDonald's site. Sewer main shall be installed as a gravity flow main with no pumping or lifting facility. The remainder parcel if and when developed shall drain as per the sanitary sewer master plan.
48. The following items can be reimbursable through the Traffic Impact Fund (TIF). However, project reimbursement of TIF funds will be limited up to the maximum amount paid by the developer of Traffic Impact Fees:
  - a. Center two lanes on Badger Flat Rd. north of Pacheco Blvd.
  - b. Traffic Signal Improvements
  - c. Northwest corner return improvements which are the corner curb, gutter and sidewalk.
49. The applicant shall provide the Public Works Department an estimate of water usage (gallons per day) for each proposed occupancy.
50. All work performed within/adjacent to the State Right-of-Way shall be subject to Caltrans Standards and Specifications, including an encroachment permit. No City permit shall be issued until a Caltrans encroachment permit is obtained.

**ARCO Los Banos Off Site Improvements**

TASK ITEM	REIMBURSABLE EXPENSES	RESOURCE	TOTAL	NOTES
1 Civil Engineering - Design	19,211.70	Odell Engineering	96,058.50	This is 100% of Civil Design Fee. Our estimation is that Badger Flat Reimbursable Portion is 20% .
2 Underground Utility Engineering - Design	5,625.00	California Utility Consultants	11,250.00	This is 100% of Power and Phone U.G. Design Cost. Our estimation is that Badger Flat Reimbursable Portion is 50%
3 Surveying	2,021.40	Odell Engineering	10,107.00	This is 100% of Construction Staking Fee. Our estimation is that Badger Flat Reimbursable Portion is 20% .
4 Traffic Studies	3,053.50	KD Anderson Engineering	15,267.50	This is 100% of Traffic Study Fee. Our estimation is that Badger Flat Reimbursable Portion is 20%
5 Construction Staking	656.00	Odell Engineering	3,280.00	This is 100% of Survey Staking Proposal. Our estimation is that Badger Flat Reimbursable Portion is 20%
6 Special Testing	8,387.00	Krazan	41,935.00	This is 100% of Testing Costs. Our estimation is that Badger Flat Reimbursable Portion is 20%
7 PG&E Fee - Electric Contract	75,736.99	PG&E	151,473.98	This is 100% of PG&E Power Costs. Our estimation is that Badger Flat Reimbursable Portion is 50%
8 PG&E Fee - Gas Contract	5,174.72	PG&E	6,087.91	This is 100% of PG&E Gas Costs. Our estimation is that Badger Flat Reimbursable Portion is 85%
9 AT&T Fee - Phone Contract	45,526.85	AT&T	60,702.46	This is 100% of AT&T Costs. Our estimation is that Badger Flat Reimbursable Portion is 75%
10 Excavation, Export, Grading and Paving	94,408.50	DA Woods	125,878.00	This is 100% of DA Woods Badger Flat Costs. Our estimation is that Badger Flat Reimbursable Portion is 75% of this.
11 Striping	3,292.28	Womack	6,584.55	This is 100% of Hwy 152 and Badger Flat Road Striping. Our estimation is that Badger Flat Reimbursable Portion is 50%
12 Underground Power and Phone	112,833.50	MCH Electric	225,667.00	This is 100% of the MCH U.G. Off Site Power and Phone. Our estimation is that the Badger Flat Reimbursable Portion is 50%.
13 Underground Gas	10,139.65	MCH Electric	11,929.00	This is 100% of MCH U.G. Gas Costs. Our estimation is that Badger Flat Reimbursable Portion is 85%
14 SWPPP/Erosion Control	495.00	DA Woods	4,950.00	This is 100% of DA Woods SWPPP costs. Our estimation is that Badger Flat Reimbursable Portion is 10%.
15 Superintendent/Project Manager	17,987.73	CA Gold Development Corp.	89,938.63	This is 100% of CA Gold Superintendence/Project Manager Costs for Site Work (not building). Our estimation is that Badger Flat Reimbursable Portion is 20%.
<b>SUB TOTAL</b>	<b>404,549.81</b>			
<b>General Contractor Overhead and Profit 15%</b>	<b>60,682.47</b>	CA Gold Development Corporation		
<b>TOTAL</b>	<b>465,232.28</b>			



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor & City Council Members

**FROM:** Rosemarie Souto, Accountant I *rsouto*

**DATE:** February 5, 2014

**SUBJECT:** Authorizing the Release of Unclaimed Checks Pursuant to California Government Code Section 50050 and 50053 to the City of Los Banos

**TYPE OF REPORT:** Consent Agenda

---

**Recommendation:**

That the City Council authorize the release of attached unclaimed checks to the City of Los Banos.

**Background:**

Section 50053 of the California Government Code allows for unclaimed checks held over three (3) years to become the property of the local agency after notice if not claimed or if no verified complaint is filed and served.

Section 50050 of the California Government Code outlines the process for the notification process of the unclaimed checks, and section 50052 describes the claiming process by a party of interest.

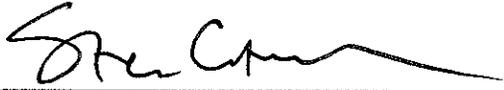
Staff has reviewed all outstanding checks and has determined that the checks on the attached list meets this criteria.

Per section 50050 public notice was posted in The Los Banos Enterprise on December 13 & 20, 2013. In the forty-five (45) Days given for claiming \$1,962.51 in unclaimed checks, no checks were claimed.

**Fiscal Impact:**

This will increase the Funds upon which the original checks were drawn, in the amount of \$1,962.51.

**Reviewed by:**

A handwritten signature in black ink, appearing to read "Steve Carrigan", written over a horizontal line.

Steve Carrigan, City Manager

**Attachments:**

Resolution

List of Unclaimed Checks

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

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LOS BANOS AUTHORIZING THE  
RELEASE OF UNCLAIMED CHECKS PURSUANT  
TO CALIFORNIA GOVERNMENT CODE  
SECTION 50050 AND 50053 TO THE CITY OF  
LOS BANOS**

WHEREAS, Section 50053 of the California Government Code allows for unclaimed checks held over three (3) years to become the property of the local agency after notice if not claimed or if no verified complaint is filed and served; and

WHEREAS, Section 50050 of the California Government Code outlines the process for the notification process of the unclaimed checks, and section 50052 describes the claiming process by a party of interest; and

WHEREAS, Staff has reviewed all outstanding checks and had determined that the checks on the attached list meets this criteria.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby transfer the unclaimed checks on the attached list in the total amount of \$1,962.51 to the City of Los Banos Funds upon which the original checks were drawn in accordance with Section 50053 of the California Government Code.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 05 day of February 2014, by Council Member \_\_\_\_\_ who moved its adoption, which motion was duly seconded by Council Member \_\_\_\_\_ and the Resolution adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk

Unclaimed Checks To Be Released To The City Of Los Banos

<u>Check Date</u>	<u>Check Number</u>	<u>Fund</u>	<u>Amount</u>	<u>Payee</u>
12/04/2009	119310	100	\$ 147.00	Steve Macillas
12/10/2009	119442	501	\$ 55.14	Harmony Homes Real estate
12/10/2009	119448	501	\$ 49.33	Maria de Carmen Plata
12/10/2009	119450	501	\$ 22.65	Celia Pulido
12/17/2009	119730	501	\$ 20.39	Moreno Beauty Salon
01/22/2010	120226	100	\$ 50.00	Pedro Martinez Lopez
02/05/2010	120539	501	\$ 27.13	Anita Guerrero
03/12/2010	121155	501	\$ 44.31	Fernando Hernandez
04/16/2010	121694	100	\$ 325.00	Richard A Blak Phd
04/30/2010	121992	601	\$ 244.68	Grant Enterprise
04/30/2010	122037	501	\$ 28.63	Juan & Patricia Zamodio
05/14/2010	122202	501	\$ 59.31	Nissi & Maura Lopez
06/04/2010	122529	100	\$ 56.55	Los Banos Feed & Ranch Supplies
07/09/2010	123139	501	\$ 61.45	Peter Mc Williams
08/13/2010	123901	501	\$ 15.30	Jalou Vang
08/27/2010	124236	100	\$ 250.00	West Coast Connections
09/10/2010	124447	100	\$ 25.00	Santos Rivera Trucking
10/01/2010	124773	100	\$ 120.00	Linda A Brown
10/08/2010	124932	501	\$ 48.79	Rose Lu
11/05/2010	125502	501	\$ 59.09	Jalou Vang
11/05/2010	125507	501	\$ 81.30	Abbas Nourpouri
11/12/2010	125608	501	\$ 71.97	Kulwant Bajwa
11/12/2010	125634	501	\$ 78.34	Peng Zhang
11/24/2010	125864	501	\$ 21.15	Imani Wilson



City of  
**Los Banos**  
*At the Crossroads of California*

## **Agenda Staff Report**

**To:** Mayor Villalta and City Council Members

**From:** Sonya Williams, Finance Director

**Date:** February 5, 2014

**Subject:** Budget Adjustment

**Type of Report:** Consent Agenda

---

### **Recommendation:**

Staff recommends that the City Council adopt a resolution to revise the budget for the 2013-2014 Fiscal Year as it pertains to changes in expenditures.

### **Background:**

The City Council may amend the budget by resolution adjusting the overall appropriation levels in each fund at any time during the fiscal year if there are available funds and council is in agreement with the request to adjust the budget.

### **Discussion:**

In November of 2013 the air conditioning unit in the server room at City Hall began to malfunction. Staff realized it would be more efficient to replace the unit than to repair it. This lead staff to evaluate other needs associated with the server room. Small server rooms are typically warm, unorganized, and have space constraints. These conditions can lead to system downtime interrupting critical business operations. The best ways to address the challenges that a physical infrastructure can bring is to identify which areas need improvements. Staff considered making improvements to the current system, power, wiring, and cooling. There are several cost effective solutions to the issues addressed above. These solutions include:

- Replacing the air conditioning unit - \$5,000
  - New energy efficient equipment with a longer lifespan than the previous unit.
- Purchasing an emergency generator - \$10,000-\$12,000

- Ensure uninterrupted power to both the server equipment and the air conditioning unit in the event of a long-term power outage.
- Network recabling - \$10,000-\$12,000
  - Rewiring will decrease "downtime" and prepare City Hall to utilize new technologies that rely on a better network infrastructure.
- Server Replacement - \$70,000
  - The server replacement is already included in the 2013-2014 IT budget. Staff is asking to move the associated costs into the City Hall Impact Fee Fund.
  - The server replacement will eliminate four older servers and replace them with two new servers.

**Fiscal Impact:**

The impact would increase the City Hall Impact Fee Fund, account 304-410-100-720 by \$100,000.

**Reviewed by:**



---

Steve Carrigan, City Manager

**Attachments:**

Resolution

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

**A RESOLUTION OF THE CITY OF LOS BANOS ADOPTING A  
REVISED BUDGET FOR THE 2013-2014 FISCAL YEAR AS IT  
PERTAINS TO EXPENDITURES**

WHEREAS, the City Council of the City of Los Banos has been presented an amendment to the 2013-2014 Fiscal Year budget; and

WHEREAS, the City Council of the City of Los Banos may adjust the overall appropriation levels in each fund at any time during the Fiscal Year by action to amend the budget; and

WHEREAS, the proposed budget increase is \$100,000 in expenditures for the City Hall Impact Fees Building and Structures account (304-410-100-720); and

WHEREAS, the funds are available in the City Hall Impact Fees Fund and has been authorized by the City Council;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos hereby amends the 2013-2014 Fiscal Year Budget to include an increase of \$100,000 in expenditures to the City Hall Impact Fees Building and Structures account (304-410-100-720).

The foregoing resolution was introduced at a regular meeting of the Los Banos City Council held on the 5<sup>th</sup> day of February 2014, by Council Member \_\_\_\_\_ who moved for its adoption, which motion was duly seconded by Council Member \_\_\_\_\_, and the Resolution was adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**To:** Mayor Villalta and City Council Members

**From:** Sonya Williams, Finance Director

**Date:** February 5, 2014

**Subject:** Budget Adjustment

**Type of Report:** Consent Agenda

---

**Recommendation:**

Staff recommends that the City Council adopt a resolution to revise the budget for the 2013-2014 Fiscal Year as it pertains to changes in expenditures.

**Background:**

The City Council may amend the budget by resolution adjusting the overall appropriation levels in each fund at any time during the fiscal year if there are available funds and council is in agreement with the request to adjust the budget.

**Discussion:**

At the beginning of this current budget year, the Finance Department estimated the Volunteer Firefighters Length of Service Awards to remain constant from the prior year. However, four additional volunteers were eligible to receive the Length of Service Award, resulting in a need to increase the budget.

**Fiscal Impact:**

The impact would increase the General Fund by \$1,200 to account number 100-422-100-274.

**Reviewed by:**

  
\_\_\_\_\_  
Steve Carrigan, City Manager

**Attachments:**

Resolution

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

**A RESOLUTION OF THE CITY OF LOS BANOS ADOPTING A  
REVISED BUDGET FOR THE 2013-2014 FISCAL YEAR AS IT  
PERTAINS TO EXPENDITURES**

WHEREAS, the City Council of the City of Los Banos has been presented an amendment to the 2013-2014 Fiscal Year budget; and

WHEREAS, the City Council of the City of Los Banos may adjust the overall appropriation levels in each fund at any time during the Fiscal Year by action to amend the budget; and

WHEREAS, the proposed budget increase is \$1,200 in expenditures for the Fire Departments Special Activities account (100-422-100-274); and

WHEREAS, the funds are available in the General Fund and has been authorized by the City Council;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos hereby amends the 2013-2014 Fiscal Year Budget to include an increase of \$1,200 in expenditures to the Fire Department Special Activities account (100-422-100-274).

The foregoing resolution was introduced at a regular meeting of the Los Banos City Council held on the 5<sup>th</sup> day of February 2014, by Council Member \_\_\_\_\_ who moved for its adoption, which motion was duly seconded by Council Member \_\_\_\_\_, and the Resolution was adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor and City Council Members  
**FROM:** Tim Marrison, Assistant Fire Chief   
**DATE:** February 5, 2014  
**SUBJECT:** Fire Department Acceptance of Bid for one (1) Fire Command Vehicle  
**TYPE OF REPORT:** Consent Agenda

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**Recommendation:**

That the City Council adopt a Resolution authorizing the City Manager to award the bid for the purchase of one (1) Fire Command Vehicle to Santos Ford in the amount of \$33,586.36.

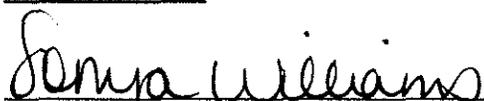
**Discussion:**

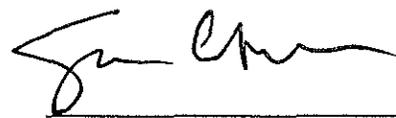
The Fire Department has requested bids for the purchase of one (1) new Fire Command Vehicle (1500 Crew Cab Pickup 4X4). The Department received sealed bids from three dealerships. Santos Ford of Los Banos was the second lowest bidder; however, they have submitted the necessary documentation to claim "Local Business Preference" which allows a local bidder to be granted a preference in an amount equal to five (5%) percent of the lowest responsible bid, if that low bid has been submitted by a non-local bidder. Santos Ford's bid was 1.45% higher than the lowest bid that was submitted by a non-local bidder (Salinas). The total cost for the vehicle, including California Sales Tax, is \$33,586.36

**Fiscal Impact:**

The 2013/2014 approved fiscal year budget identified the purchase of this vehicle from the Departments Capital Improvement account.

**Reviewed by:**

  
Sonya Williams, Finance Director

  
Steve Carrigan, City Manager

**Attachments:**

Bid Opening Sheet  
Resolution



City of  
**Los Banos**  
*At the Crossroads of California*

**BID OPENING**

**PURCHASE OF ONE (1) 2014 FIRE COMMAND VEHICLE**  
**(1500 CREW CAB PICKUP 4X4)**  
**TUESDAY, JANUARY 21, 2014 @ 2:00 PM**

- |                                     |             |
|-------------------------------------|-------------|
| 1. MY Jeep – Chrysler – Dodge – Ram | \$33,099.31 |
| 2. Steve's Chevrolet                | \$38,302.15 |
| 3. Santos Ford                      | \$33,586.36 |
|                                     | \$35,106.14 |

Signed: *Lucille L. Mallonee*  
Lucille L. Mallonee, MMC, City Clerk

Dated: January 21, 2014

Signed: *Tim Marrison*  
Tim Marrison, Assistant Fire Chief

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS AUTHORIZING THE CITY MANAGER TO AWARD THE BID FOR THE PURCHASE OF ONE (1) NEW FIRE COMMAND VEHICLE (1500 CREW CAB PICKUP 4x4) FROM SANTOS FORD IN THE AMOUNT OF \$33,586.36.**

WHEREAS, THE City Council of the City of Los Banos has the ultimate responsibility for fleet procurement; and

WHEREAS, the request for sealed bids for one (1) new Fire Command Vehicle (1500 Crew Cab Pickup 4X4) were officially opened on January 21, 2014; and

WHEREAS, Santos Ford of Los Banos California was the second lowest bidder; however, they have submitted the necessary documentation to claim "Local Business Preference" which allows a local bidder to be granted a preference in an amount equal to five (5%) percent of the lowest responsible bid, if that low bid has been submitted by a non-local bidder. Santos Ford's bid was 1.45% higher than the lowest bid that was submitted by a non-local bidder (Salinas); and

WHEREAS, funding to purchase this vehicle was approved during the Fiscal Year 2013-2014 budget for use through the Fire Departments Capital Improvement fund.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby authorize the City Manager to award the bid for the purchase of one (1) new Fire Command Vehicle (1500 Crew Cab Pickup 4X4) to Santos Ford, Los Banos California in the amount of \$33,586.36

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 5th day of February 2014, by Council Member \_\_\_\_\_ who moved its adoption, which motion was duly seconded by Council Member \_\_\_\_\_ and the Resolution adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor and City Council Members

**FROM:** Ray Reyna, Police Commander 

**DATE:** February 5, 2014

**SUBJECT:** Police Department Acceptance of Bid for Two (2) Police Patrol Vehicles

**TYPE OF REPORT:** Consent Agenda

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**Recommendation:**

That the City Council adopt a Resolution authorizing the City Manager to award the bid for the purchase of two (2) Police Patrol Vehicles to Winner Chevrolet in the amount of \$60,486.70.

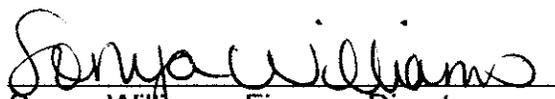
**Discussion:**

The Police Department has requested bids for the purchase of two (2) new Heavy Duty Police Package Patrol Vehicles to replace two 2006 and 2007 models still in service. The Department received sealed bids from four dealerships, the lowest being Winner Chevrolet in Elk Grove California. The total cost for both vehicles, including California Sales Tax, is \$60,486.70.

**Fiscal Impact:**

The 2013/2014 approved fiscal year budget identified the purchase of these vehicles from the Departments Capital Improvement account.

**Reviewed by:**

  
Sonya Williams, Finance Director

  
Steve Carrigan, City Manager

**Attachments:**

Bid Opening Sheet  
Resolution



City of  
**Los Banos**  
At the Crossroads of California

**BID OPENING**

**PURCHASE OF TWO (2) NEW**  
**2014 HEAVY DUTY POLICE PATROL SEDANS**  
**TUESDAY, JANUARY 21, 2014 @ 2:00 PM**

1. MY Jeep – Chrysler – Dodge – Ram	\$63,962.50
2. Merced Chevrolet	\$63,517.74
3. Winner Chevrolet	\$60,486.70
4. Chase Chevrolet	\$64,363.90

Signed: Lucille L. Mallonee  
Lucille L. Mallonee, MMC, City Clerk

Dated: January 21, 2014

Signed: Ray Reyna  
Ray Reyna, Police Commander

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS AUTHORIZING THE CITY MANAGER TO AWARD THE BID FOR THE PURCHASE OF TWO (2) NEW HEAVY DUTY POLICE PATROL VEHICLES FROM WINNER CHEVROLET IN THE AMOUNT OF \$60,486.70**

WHEREAS, THE City Council of the City of Los Banos has the ultimate responsibility for fleet procurement; and

WHEREAS, the request for sealed bids for two (2) new Heavy Duty Police Patrol Vehicles were officially opened on January 21, 2014; and

WHEREAS, Winner Chevrolet of Elk Grove California was the low bidder; and

WHEREAS, funding to purchase these two vehicles was approved during the Fiscal Year 2013-2014 budget for use through the Police Departments Capital Improvement fund.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos does hereby authorize the City Manager to award the bid for the purchase of two (2) new Heavy Duty Police Patrol Vehicles to Winner Chevrolet of Elk Grove California in the amount of \$60,486.70

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 5th day of February 2014, by Council Member \_\_\_\_\_ who moved its adoption, which motion was duly seconded by Council Member \_\_\_\_\_ and the Resolution adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mailonee, City Clerk



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor & City Council Members  
**FROM:** Chet Guintini, Fire Chief   
**DATE:** February 5, 2014  
**SUBJECT:** Measure P Citizens Oversight Committee  
**TYPE OF REPORT:** Consent Agenda

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**Recommendation:**

It is recommended that Council approve the attached Resolution approving the re-appointment of Arlene Cardoza, Tom Neeb and Gerald Giesel to the Measure P Citizens Oversight Committee.

**Background:**

Ordinance No. 1020 (Measure P) established a seven (7) member Citizens Oversight Committee to represent the community and to insure that Measure P monies are expended as specified in the Ordinance.

The Ordinance also requires the Fire Chief and Police Chief to submit Committee Member names to the City Council for ratification.

**Discussion:**

The City advertised in the local newspaper for persons interested in serving on the Measure P Citizens Oversight Committee. Staff received four requests from citizens wishing to serve on the Measure P Citizens Oversight Committee, with three of those requests coming from current Committee Members (Arlene Cardoza, Tom Neeb and Gerald Giesel) requesting re-appointment to the Measure P Committee to serve a

ORDINANCE NO. 1020

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF LOS BANOS, CALIFORNIA, AMENDING TITLE 3, "REVENUE AND FINANCE," OF THE LOS BANOS MUNICIPAL CODE BY ADDING CHAPTER 12.1, "LOS BANOS POLICE, FIRE, PUBLIC SAFETY/911 SPECIAL TRANSACTIONS (SALES) AND USE TAX," TO THE LOS BANOS MUNICIPAL CODE**

The People of the City of Los Banos do ordain as follows:

**Section 1. AMENDMENT TO CODE.** Title 3, "Revenue and Finance," of the Los Banos Municipal Code is hereby amended by the addition of Chapter 12.1, "**LOS BANOS POLICE, FIRE, PUBLIC SAFETY/911 SPECIAL TRANSACTIONS (SALES) AND USE TAX**" to read as follows:

"CHAPTER 12.1"

Los Banos Police, Fire, Public Safety/911 Special Transactions (Sales) and Use Tax

Sections:

3-12.1.005	Chapter Title
3-12.1.010	Purposes
3-12.1.020	Operative Date
3-12.1.030	Special Transactions (Sales) Tax
3-12.1.040	Special Use Tax
3-12.1.050	Citizens Oversight Committee
3-12.1.060	Account and Report
3-12.1.070	Maintenance of Effort
3-12.1.080	Revenue Distribution
3-12.1.090	Disposition of Monies Collected; Expenditure Plan
3-12.1.100	Advancement of Funds
3-12.1.110	Specially-Funded Personnel and Purchases Authorization
3-12.1.120	State Requirements
3-12.1.130	Contract with State
3-12.1.140	Place of Sale
3-12.1.150	Additional Permits Not Required
3-12.1.160	Adoption of Provisions of State Law – Generally
3-12.1.170	Adoption of Provisions of State Law – Limitations
3-12.1.180	Exemptions and Exclusions
3-12.1.190	Amendments to State Law
3-12.1.200	Non-Exclusivity
3-12.1.210	Enjoining Collection Forbidden
3-12.1.220	Authority to Amend
3-12.1.230	Termination Date

**3-12.1.005 Chapter Title.** This Chapter shall be known as the "**LOS BANOS POLICE, FIRE, PUBLIC SAFETY/911 SPECIAL TRANSACTIONS (SALES) AND USE TAX**," (the 'Act'). This Chapter shall be applicable in the incorporated territory of the City.

**3-12.1.010 Purposes.** The People of the City of Los Banos declare that this Chapter is adopted for the special purpose of funding additional public safety personnel, supplies and services, capital outlay items, equipment, facilities and technology improvements over the term of the tax imposed under this Chapter and paying for all incidental costs of operating this special transactions (sales) and use tax program, including administration and collections costs reimbursable to the State Board of Equalization, with any unused revenue committed to police and firefighting equipment and services.

**3-12.1.020 Operative Date.** This Chapter shall be effective ten (10) days after certification by the City Council of the returns of the election indicating approval by voters by a two-thirds margin of the Ordinance enacting this Chapter, and the special transactions (sales) and use tax imposed hereunder shall be operative the first day of the first calendar quarter commencing more than 110 days after the adoption of this Chapter. Based on a November 2, 2004 election, the special transactions (sales) and use tax imposed hereunder shall be operative April 1, 2005. Upon notice

**3-12.1.080 Revenue Distribution.** Net revenues received under Section 3-12.1.090 shall be distributed as follows:

- A. Tax proceeds sufficient to hire 3 additional firefighter/emt's in year one and 3 additional firefighter/emt's in year two for a total of 6 firefighter/emt's which shall include start up equipment and protective gear not to exceed \$4,000 per firefighter, salaries and benefits, merit based wage increases, and up to a 2% annual cost of living adjustment as negotiated per labor agreements and rank adjustments in year two, transitioning 3 firefighters to the rank of Captain to accommodate span of control and training needs.
- B. Tax proceeds sufficient to hire 2 additional sworn police officers in year one and 1 additional sworn police officer in year twelve for a total of 3 sworn police officers which shall include start up equipment and protective gear not to exceed \$4,000 per officer, salaries and benefits, merit based wage increases, and up to a 2% annual cost of living adjustment as negotiated per labor agreements and 2 police cruisers.
- C. Tax proceeds sufficient to hire additional support police staff as follows; 1 additional community services officer in year one and 1 additional community services officer in year eighteen and 1 additional police crime analyst in year three which shall include salaries and benefits, merit based wage increases, and up to a 2% annual cost of living adjustment as negotiated per labor agreements.
- D. Tax proceeds will be collected for police and fire facility upgrades and new construction of police, jail, fire and related training facilities. Police facility funding starts at \$450,000 per year in year two, and increases by a 2% cost of living adjustment annually. Fire facility funding starts at \$200,000 per year in year three, and increases by a 2% cost of living adjustment annually.
- E. Tax proceeds not to exceed \$90,000 in year one and \$90,000 in year two will be utilized for specialty fire safety equipment including but not limited to upgrades to "SCBA" breathing apparatus.
- F. Tax proceeds will be utilized to acquire and support 911/dispatch capabilities to dispatch emergency and routine police and fire calls through a mobile display computerized process. After initial acquisition of the mobile display dispatch system \$100,000 will be allocated in year two and each year thereafter with a 2% cost of living adjustment to support this process and to fund additional technology, equipment, and vehicle upgrades.

**3-12.1.090 Disposition of Monies Collected; Expenditure Plan.** After deduction of all incidental costs of operating this special transactions (sales) and use tax program, including, but not limited to, administration and collection costs reimbursable to the State Board of Equalization, and in accordance with the distribution allocation set forth in Section 3-12.1.080, all remaining monies collected under and pursuant to the provisions of this Chapter shall not be deposited into the City's general fund, but shall, instead, be deposited and paid into a special account of the City, which is hereby established, and earmarked for the purposes as outlined section 3-12.1.080, and which shall be paid only from the revenues of this account and not from the City's general fund.

Additional funds [after allocating funds as outlined in section 3-12.1.080] will be allocated to augment public safety services. Additional manpower, equipment, services and supplies, capital outlay items and facility needs will be submitted by the police and fire chiefs to the oversight committee and the committee will make funding suggestions to the city manager and City Council. The City Council will then approve and authorize additional expenditures to the benefit of public safety services.

The balance on this special account shall earn interest, which shall be deposited back into the account.

has more than one place of business, the place or places at which retail sales are consummated shall be determined under the rules and regulations to be prescribed and adopted by the State Board of Equalization.

**3-12.1.150 Additional Permit Not Required.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional seller's permit shall not be required by this Chapter.

**3-12.1.160 Adoption of Provisions of State Law - Generally.** Except as otherwise provided in this Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

**3-12.1.170 Adoption of Provisions of State Law - Limitations.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:
  1. The word 'State' is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
  2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Chapter.
  3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
    - a. Provide an exemption from this special sales tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
    - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.
  4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
- B. The word 'City' shall be substituted for the word 'State' in the phrase 'retailer engaged in business in this State' in Section 6203 and in the definition of that phrase in Section 6203 of the Revenue and Taxation Code.

**3-12.1.180 Exemptions and Exclusions.**

- A. There shall be excluded from the measure of the special transactions (sales) and use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any State-administered transactions or use tax.
- B. There are exempted from the computation of the amount of the special transactions (sales) tax the gross receipts from:

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
  6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
  7. A retailer engaged in business in the City' shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this Chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

**3-12.1.190 Amendments to State Law.** All amendments subsequent to the effective date of this Chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Chapter.

**3-12.1.200 Non-Exclusivity.** The special sales tax levied under this Chapter is in addition to, not in lieu of, any and all other applicable taxes already in existence.

**3-12.1.210 Enjoining Collection Forbidden.** No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Chapter, of any tax or any amount of tax required to be collected hereunder.

**3-12.1.220 Authority to Amend.** In order to further the purposes and intent of this Chapter, the City Council is authorized to amend this Chapter in the following areas without a further vote of the People:

- A. The composition of the Citizens Oversight Committee;
- B. Any change required by the State of California as a precondition to the collection of the special tax authorized hereunder; and,
- C. The appropriateness to raise and increase, but not to decrease, the number of Specially-Funded Personnel Supplies and Services and Capital Outlay Items authorized under Section 3-12.1.110.

Notwithstanding any provision to the contrary, any proposed change to the tax rate or the disposition of the revenue generated under this Chapter shall be submitted to the "vote of the People."

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF LOS BANOS APPOINTING MEMBERS TO THE  
MEASURE P CITIZENS OVERSIGHT COMMITTEE**

WHEREAS, on November 2, 2004 the voters of the City of Los Banos by more than a two thirds margin approved the Los Banos Police, Fire, Public Safety/911 Special Transactions (Sales) and Use Tax known as "Measure P"; and

WHEREAS, City Council Ordinance 1020 established a Citizens Oversight Committee to review the revenues and expenditures generated and spent under the Los Banos Police, Fire, Public Safety/911 Special Transactions and Use Tax; and

WHEREAS, the Citizens Oversight Committee shall consist of seven (7) individuals who are registered voters within the City of Los Banos; and

WHEREAS, the Police Chief and Fire Chief shall together nominate each committee member to be appointed by a motion of the City Council and adopted by majority vote; and

WHEREAS, the members so appointed shall serve without compensation for a term of three (3) years.

NOW, THEREFORE, BE IT RESOLVED that Arlene Cardoza, Tom Neeb and Gerald Giesel have been nominated by the Police Chief and Fire Chief to serve on the Los Banos Measure P Citizens Oversight Committee for a second term.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Los Banos does hereby appoint the following individuals to serve on the Los Banos Measure P Citizens Oversight Committee:

Arlene Cardoza	term ending December 31, 2016
Tom Neeb	term ending December 31, 2016
Gerald Giesel	term ending December 31, 2016

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 5<sup>th</sup> day of February 2014, by Council Member \_\_\_\_\_ who moved its adoption, which motion was duly seconded by Council Member \_\_\_\_\_ and the Resolution adopted by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor & City Council Members

**FROM:** Mark Fachin, P.E., Public Works Director/City Engineer *Mark Fachin*

**DATE:** February 5, 2014

**SUBJECT:** An Ordinance of the City Council of the City of Los Banos Extending the Temporary Suspension of the Collection of Regional Transportation Impact Fees (RTIF) established by Ordinance No. 1031 as Amended and Codified in Title 3, Chapter 18 of the Los Banos Municipal Code

**TYPE OF REPORT:** Public Hearing

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**Recommendation:**

That the City Council open the Public Hearing, receive public comment, waive the first reading, and introduce a new Ordinance extending the temporary suspension of the collection of Regional Transportation Impact Fees (RTIF) for a period of twelve months.

**Background:**

In August of 2008, the City Council adopted a Resolution approving the implementation of the updated RTIF study. On April 15, 2009, the City Council adopted Ordinance No. 1086 that established new non-residential RTIF fees, per the approved updated RTIF study.

**The Fee Program**

The current RTIF fees that were adopted per Ordinance No. 1086 are:

- Residential, single-family                      \$3,115 per dwelling unit
- Residential, multi-family                      \$1,892 per dwelling unit
- Retail commercial, general                      \$4,146 per 1,000 sq. ft.                      (Suspended until 3/22/14  
floor area                      Ordinance No. 1107)



- *“Retail Commercial, General”* = Retail uses, including but not limited to, discount stores, nurseries, automobile sales and service, supermarkets, drugstores, stores selling electronics, toys, apparel, etc., video rentals, and other similar uses.
- *“Commercial/High Turnover”* = Sit-down and fast food restaurants with or without drive-up windows, drinking establishments, convenience markets, gas stations, quick lubes, and banks (walk-in and drive-through).
- *“Commercial/Low Turnover”* = Specialty retail or strip centers, factory outlets, tire stores, home improvement stores, furniture stores, and other similar uses.
- *“Commercial/Greater Than 50,000 Square Feet”* = Shopping centers and commercial uses defined above with more than 50,000 square feet of floor area.
- *“Office/Commercial”* = Professional offices, business parks, business or administrative offices, insurance/financial/real estate services, research & development, medical or dental services, government offices, and similar uses.
- *“Industrial/Agricultural Processing”* = Light and heavy industrial uses, including but not limited to: manufacturing, assembly, bottling, printing, cabinet/machine shop, wholesale business, warehouses, corporation yards, moving/storage services, utilities, lumberyards, canneries, and agricultural food processing.

**Adoption of Ordinance No. 1105**

The Los Banos City Council, on February 1, 2012, adopted Ordinance No. 1105 which temporarily suspended the collection of Regional Transportation Impact Fees (RTIF) for a period of twelve months from the effective date of the Ordinance for the following land use categories:

Retail commercial, general  
 Retail commercial, high turnover  
 Retail commercial, low turnover  
 Retail commercial, over 50,000 sq. ft.  
 Office commercial  
 Industrial/Ag processing

Ordinance No. 1105, which temporarily suspended the collection of RTIF fees for twelve months in six land use categories expired on March 2, 2013.

**Adoption of Ordinance No. 1107**

The Los Banos City Council, on February 20, 2013, adopted Ordinance No. 1107 which temporarily suspended the collection of Regional Transportation Impact Fees (RTIF) for a period of twelve months from the effective date of the Ordinance for the following land use categories:

Retail commercial, general  
Retail commercial, high turnover  
Retail commercial, low turnover  
Retail commercial, over 50,000 sq. ft.  
Office commercial  
Industrial/Ag processing

Ordinance No. 1107, which temporarily suspended the collection of RTIF fees for twelve months in six land use categories will expire on March 22, 2014.

At the City Council meeting on January 15, 2014, Council directed staff to prepare an Ordinance that would extend the temporary suspension of the collection of Regional Transportation Impact Fees (RTIF) for an additional twelve months for the same six land use categories as designated in Ordinance No. 1107. This Ordinance, if adopted, would go into effect 30 days after its final passage and adoption.

**Discussion:**

The Ordinance that is attached allows for the following:

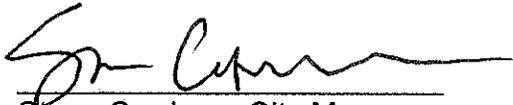
- A) The collection of RTIF fees charged for six land use categories pursuant to Title 3 Chapter 18 of the Los Banos Municipal Code is temporarily suspended for a period of twelve months from the effective date of this Ordinance.
- B) This Ordinance would not repeal Ordinance No. 1031, as amended by Ordinance No. 1073 and Ordinance No. 1086, nor would it amend the rates set forth by prior Ordinances or affect the operation of said prior Ordinances, except as specifically set forth herein.
- C) No person who has already paid Regional Transportation Impact Fees would be entitled to receive a refund, credit, or reimbursement of such payment.
- D) As of twelve months of the effective date of this Ordinance, this Ordinance would be repealed without further action by the City Council, unless the City Council repeals or amends this Ordinance prior to that date.

A Public Hearing notice was published in the Los Banos Enterprise on January 24, 2014.

**Fiscal Impact:**

Since the development impact fees pay for planned infrastructure, the result of this fee suspension would be a decrease in the amount of planned regional transportation infrastructure that can be funded by the Regional Transportation Impact Fee (RTIF) program. The magnitude of the impact to the RTIF would largely be dependent on the pace of development during the fee suspension period.

**Reviewed by:**

A handwritten signature in black ink, appearing to read "Steve Carrigan", written over a horizontal line.

Steve Carrigan, City Manager

**Attachments:**

RTIF Suspension Ordinance

Public Hearing Notice

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LOS BANOS EXTENDING THE  
TEMPORARY SUSPENSION OF THE COLLECTION  
OF REGIONAL TRANSPORTATION IMPACT FEES  
ESTABLISHED BY ORDINANCE NO. 1031 AS  
AMENDED AND CODIFIED IN TITLE 3 CHAPTER 18  
OF THE LOS BANOS MUNICIPAL CODE**

WHEREAS, Development Impact Fees are levied on new development to cover the cost of infrastructure or facilities necessitated by that development pursuant to the Mitigation Fee Act; and

WHEREAS, on May 4, 2005, the Los Banos City Council adopted Ordinance No. 1031 establishing a Regional Transportation Impact Fee – RTIF; and

WHEREAS, since the adoption of Ordinance 1031 the City of Los Banos and the rest of Merced County have experienced an economic recession that has impacted new development in the City of Los Banos; and

WHEREAS, on February 1, 2012, the Los Banos City Council adopted Ordinance No. 1105 temporarily suspending the collection of fees charged pursuant to Title 3 Chapter 18 of the Los Banos Municipal Code (Regional Transportation Impact Fee – RTIF) for specified land use categories for a period of twelve months from the effective date of the Ordinance:

WHEREAS, on February 20, 2013, the Los Banos City Council adopted Ordinance No. 1107 temporarily suspending the collection of fees charged pursuant to Title 3 Chapter 18 of the Los Banos Municipal Code (Regional Transportation Impact Fee – RTIF) for specified land use categories for an additional period of twelve months from the effective date of the Ordinance:

WHEREAS, Ordinance No. 1107 will expire on March 22, 2014; and

WHEREAS, the City Council believes that an extension of the temporary suspension of the Regional Transportation Impact Fee for the specified land use categories will have a positive impact on the community and new development; and

WHEREAS, the Ordinance is exempt from the provisions of CEQA, in that it is not a project under CEQA pursuant to subdivision (b) (4) of section 15378 of CEQA Guidelines, Title 14 of the California Code of Regulations.

NOW THEREFORE, the City Council of the City of Los Banos does hereby ordain as follows:

1. Recitals: The above stated recitals are true and correct.
2. Temporary Suspension of Regional Transportation Impact Fee: The collection of fees charged pursuant to Title 3 Chapter 18 of the Los Banos Municipal Code (Regional Transportation Impact Fee – RTIF) for the following land use categories is temporarily suspended for a period of twelve months from the effective date of this Ordinance:

Retail commercial, general  
Retail commercial, high turnover  
Retail commercial, low turnover  
Retail commercial, over 50,000 sq. ft.  
Office commercial  
Industrial/Ag processing

3. Relationship to Prior Ordinances: This Ordinance does not repeal Ordinance No. 1031 as amended by Ordinance No. 1073 and Ordinance No. 1086, amend the rates set forth by said prior Ordinances, alter any finding by said prior Ordinances, or otherwise affect the operation of said prior Ordinances except as specifically set forth herein.
4. Effect: No provision of this Ordinance shall entitle any person who has already paid Regional Transportation Impact Fees to receive a refund, credit or reimbursement of such payment.
5. Expiration: As of twelve months from the effective date of this Ordinance, this Ordinance is repealed without further action by the City Council, unless the City Council repeals or amends this Ordinance prior to that date.
6. CEQA: The City Council finds that the Ordinance is exempt from the provisions of CEQA, in that it is not a project under CEQA pursuant to subdivision (b) (4) of section 15378 of CEQA Guidelines, Title 14 of the California Code of Regulations, because this Ordinance only relates to a governmental funding mechanism, or fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment.
7. Severability: If any section, subsection, subdivision, paragraph, sentence, clause or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof.
8. Effective Date: This Ordinance shall go into effect and be in full force and operation thirty (30) days after its final passage and adoption. The City Clerk shall

certify to the adoption of this Ordinance and cause the same to be posted and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the Los Banos City Council on the \_\_\_\_ day of \_\_\_\_\_ 2014 and was adopted at a regular meeting of the Los Banos City Council on the \_\_\_\_ day of \_\_\_\_\_ 2014 by the following vote:

AYES: Council Members:  
NOES: Council Members:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk

**CITY OF LOS BANOS  
NOTICE OF PUBLIC HEARING**

TO RECEIVE PUBLIC COMMENT ON THE CONSIDERATION OF AN ORDINANCE OF  
THE CITY OF LOS BANOS TEMPORARILY SUSPENDING THE COLLECTION OF THE  
REGIONAL TRANSPORTATION IMPACT FEE ESTABLISHED BY ORDINANCE NO.1031

Where:	City Council Chambers 520 J Street Los Banos, California	When:	Wednesday, February 5, 2014 7:00 PM
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Notice is hereby given that the City of Los Banos will conduct a Public Hearing to receive public comment on the consideration of an Ordinance of the City of Los Banos temporarily suspending the collection of the Regional Transportation Impact Fee established by Ordinance No. 1031 as amended and codified in Title 3 Chapter 18 of the Los Banos Municipal Code.

The proposed Ordinance will temporarily suspend the collection of the Regional Transportation Impact Fee (RTIF) for a period to be determined by the Los Banos City Council, effective thirty days after adoption of the Ordinance. After the suspension period, the Ordinance is repealed without further action by the City Council, unless the City Council repeals or amends the Ordinance prior to that date. The proposed Ordinance will not amend the rates set by prior Ordinances or affect the operation of prior Ordinances. The proposed Ordinance will not entitle any person who has already paid Regional Transportation Impact Fees to receive a refund, credit, or reimbursement of payment.

The Public Hearing will be held at the regular meeting of the Los Banos City Council on Wednesday, February 5, 2014 at 7:00 p.m. in the Council Chambers at Los Banos City Hall located at 520 J Street, or as near as possible thereafter, at which time and place interested persons may appear and be heard thereon. Questions regarding the above-referenced item may be directed to Mark Fachin, Public Works Director/City Engineer at the Public Works Department, 411 Madison Avenue or at (209) 827-7056.

All interested persons will be given an opportunity to comment on this item at the Public Hearing. In addition, written comments may be submitted to the City Council at or prior to the hearing, mailed to 411 Madison Avenue, Los Banos, CA 93635, Attention: Mark Fachin, Public Works Director/City Engineer. Please reference hearing title and date of hearing in any correspondence. If no comments are received prior to or on the above date, it will be assumed that no comment is being offered. The public is also informed that should the action by the City Council be challenged in court, court testimony may be limited to only those issues raised at the Public Hearing, or by written correspondence received at or prior to the Public Hearing, per Government Code Section 65009.

It is the intention of the City to comply with the Americans with Disabilities Act (ADA). If you require special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (209) 827-7000 at least 48 hours prior to the meeting to inform us of your particular needs.

THE CITY OF LOS BANOS  
MARK FACHIN  
PUBLIC WORKS DIRECTOR/CITY ENGINEER

Legal January 24, 2014



City of  
**Los Banos**  
*At the Crossroads of California*

## **Agenda Staff Report**

**TO:** Mayor and City Council Members

**FROM:** Tim Marrison, Assistant Fire Chief

A handwritten signature in black ink, appearing to be 'T. Marrison', is written over the printed name.

**DATE:** February 5<sup>th</sup> 2014

**SUBJECT:** Introduction of an Ordinance Adopting the 2013 California Building Standards Code

**TYPE OF REPORT:** Public Hearing

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### **Recommendation:**

Waiving of the first reading and introduction of an ordinance to the City Council of the City of Los Banos, adopting by reference the 2013 Edition of the California Building Standards Code

### **Discussion:**

The California Building Standards Code (California Code of Regulations, Title 24, Parts 1, 2, 2.5, 3, 4, 5, 6, 7, 8, 9, 10, 11, & 12) is published in its entirety every three years and is applicable to all buildings that submit an application for a building permit during its effective period. The Building Standards Code incorporates all of the regulations applicable to all disciplines of the construction industry including the Building, Electrical, Mechanical, and Plumbing Codes.

The California Building Standard Codes are based on model codes written by the International Code Council, the National Fire Protection Association, and the International Association of Plumbing and Mechanical Officials. The publication of code updates by these organizations triggers State consideration, amendment, and adoption of an updated set of codes to be used by jurisdictions within the state. Each triennial

edition of the California Building Standards Code becomes effective 180 days after its publication date of July 1. Therefore, the 2013 Building Standards Codes go into effect on January 1, 2014 and all building permit submittals after January 1, 2014 will be subject to the Codes.

### **Local Amendment**

The California Health and Safety Code enables local jurisdictions to modify the California Building Standards Code and adopt different or more restrictive requirements with the caveat that:

- The local modifications must be substantially equivalent to, or more stringent than, building standards published in the California Building Standards Code; and
- The local jurisdiction is required to make specific or express findings that such changes are reasonably necessary because of local geological, climatic, or topographic conditions.

Staff is not recommending the adoption of any new local amendments to the Building Code.

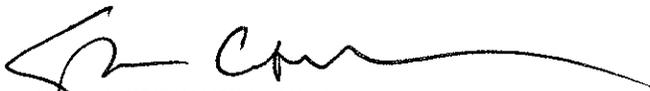
### **Synopsis**

Title 8, Building Codes, of the City of Los Banos Municipal Code, incorporates the Building Standards Code plus locally adopted amendments to the codes and is known as the Building Codes of the City of Los Banos. The Building Code of the City of Los Banos applies to the construction of any building or structure in the city on public or private land except for structures constructed in the public right of way. The proposed ordinance adopts all parts of the 2013 California Standards Building Code with the exception of Part 9. Part 9 is the California Fire Code that is adopted by separate ordinance.

### **Fiscal Impact:**

There will be no fiscal impact on the City of Los Banos for adopting the proposed Ordinance.

### **Reviewed by:**



Steve Carrigan,  
City Manager

### **Attachments:**

Proposed Ordinance

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS BANOS, ADOPTING BY REFERENCE THE 2013 EDITION OF THE CALIFORNIA BUILDING CODE, THE 2013 EDITION OF THE CALIFORNIA ENERGY CODE, THE 2013 EDITION OF THE CALIFORNIA HISTORICAL BUILDING CODE, THE 2013 EDITION OF THE CALIFORNIA REFERENCED STANDARDS CODE, THE 2013 EDITION OF THE CALIFORNIA ELECTRICAL CODE, THE 2013 EDITION OF THE CALIFORNIA MECHANICAL CODE, THE 2013 EDITION OF THE CALIFORNIA ADMINISTRATIVE CODE, THE 2013 EDITION OF THE CALIFORNIA EXISTING BUILDING CODE, THE 2013 EDITION OF THE CALIFORNIA GREEN BUILDING STANDARDS CODE, THE 2013 EDITION OF THE CALIFORNIA RESIDENTIAL CODE, THE 2013 EDITION OF THE CALIFORNIA PLUMBING CODE; BY AMENDMENT TO TITLE 8 CHAPTER 1 OF THE LOS BANOS MUNICIPAL CODE.**

**THE CITY COUNCIL OF THE CITY OF LOS BANOS MAKES THE FOLLOWING FINDINGS:**

**WHEREAS**, California Health & Safety Code Section 18938 provides that the building standards contained in the California Building Code, 2013 Edition, and incorporates, by adoption, the 2012 Edition of the International Building Code of the International Code Council with the California amendments, shall apply to all occupancies throughout the state and shall become effective 180 days after publication in the California Buildings Standards Code by the California Building Standards Commission; and

**WHEREAS**, the City Council of the City of Los Banos has previously adopted the “Uniform Building Code, 2010 Edition,” including the appendix, which was prepared by the International Conference of Building Officials and Western Fire Chief’s Association, with certain amendments as the Building Code of the City; and

**WHEREAS**, after due consideration, the City Council of the City of Los Banos hereby finds that it desires to adopt the most recent version of the California Building Code as the City’s Building Code, with certain amendments to provide further safety protections to the citizens of the City of Los Banos; and

**WHEREAS**, California Health & Safety Code Section 18941.5 provides that if a city makes an express finding that building standards that are more restrictive than those standards provided in the international codes are reasonably necessary because of local climatic, geological, or topographical conditions, a city may establish more restrictive building standards; and

**WHEREAS**, the City Council of the City of Los Banos hereby finds the amendments to the “California Building Code, 2013 Edition,” are reasonably necessary to provide sufficient and effective protection of life, health, and property in consideration of the local climatic, geologic and topographic conditions as stated below; and

A. During winter months, the San Joaquin Valley experiences thick fog, heavy rains and extreme wind conditions that in past experience has caused structural damage within the City.

B. Merced County is located within an area with potential seismic activity. The proposed amendments will increase the ability of the structural components to sustain their functionality.

C. The City of Los Banos to a great extent lies on a level plain, as a result, heavy rains have historically threatened flooding throughout the City, which can cause delays for emergency response, or in some situations, make it impossible for responders to get to certain areas of the City. Flooding is both a climatic and topographic problem.

D. The City of Los Banos is located in an area subject to a climatic condition of high winds. This environment is conducive to rapidly spreading fires; control of such fires requires rapid response. Obstacles generated by a strong wind, such as fallen trees, streetlights and utility poles, may greatly impact the response time to reach an incident scene; and

E. Due to the topographical conditions of sprawling development separated by two congested state highways, it is prudent to rely on measures to allow for rapid access and entry to an incident scene.

THE CITY COUNCIL OF THE CITY OF LOS BANOS DOES ORDAIN AS FOLLOWS:

**Section 1.** Section 8-1.01 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.01 Adoption of the California Building Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Building Code, 2013 Edition, Volumes 1 & 2 (Part 2 of Title 24 of the California Code of Regulations), based on the 2012 International Building Code as published by the International Code Council, together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Building Code of the City of Los Banos.

**Section 2.** Section 8-1.04 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.04 Adoption of the California Energy Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Energy Code, 2013 Edition (Part 6 of Title 24 of the California Code of Regulations), published by the International Code Council, together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Energy Code of the City of Los Banos.

**Section 3.** Section 8-1.05 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.05 Adoption of California Historical Building Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Historical Building Code, 2013 Edition (Part 8 of Title 24 of the California Code of Regulations), as published by the International Code Council, together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Historical Building Code of the City of Los Banos.

**Section 4.** Section 8-1.06 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.06 Adoption of California Referenced Standards Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Referenced Standards Code, 2013 Edition (Part 12 of Title 24 of the California Code of Regulations, published by the International Code Council together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and

deletions set forth in this chapter, and said Code shall be known as the Referenced Standards Code of the City of Los Banos.

**Section 5.** Section 8-1.07 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.07 Adoption of California Electrical Code 2013 Edition.**

For the purpose of prescribing regulations governing the installation, erection, construction, enlargement, alteration, repair, maintenance and inspection of electrical facilities within the City, the California Electrical Code, 2013 Edition (Part 3 of Title 24 of the California Code of Regulations), including appendix, based on the 2011 National Electrical Code as published by the National Fire Protection Association, together with its Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter, and said Code shall be known as the Electrical Code of the City of Los Banos.

**Section 6.** Section 8-1.09 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.09 Adoption of California Mechanical Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Mechanical Code, 2013 Edition (Part 4 of Title 24 of the California Code of Regulations), including appendix, based on the 2012 Uniform Mechanical Code as published by the International Association of Plumbing and Mechanical Officials, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Mechanical Code of the City of Los Banos.

**Section 7.** Section 8-1.10 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.10 Adoption of the California Administrative Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Administrative Code, 2013 Edition (Part 1 of Title 24 of the California Code of Regulations), as published by the International Code Council, together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and

deletions set forth in this chapter, and said Code shall be known as the Administrative Code of the City of Los Banos.

**Section 8.** Section 8-1.11 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.11 Adoption of the California Existing Building Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Existing Building Code, 2013 Edition (Part 10 of Title 24 of the California Code of Regulations), based on the 2012 International Existing Building Codes published by the International Code Council, together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Existing Building Code of the City of Los Banos.

**Section 9.** Section 8-1.12 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.12 Adoption of the California Green Building Standards Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Green Building Standards Code, 2013 Edition (Part 11 of the Title 24 of the California Code of Regulations), as published by the California Buildings Standards Commission, together with all Appendices, and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Green Building Standards Code of the City of Los Banos.

**Section 10.** Section 8-1.13 of Title 8, Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1. 13 Adoption of the California Residential Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, that certain Code designated as the "California Residential Code, 2013 Edition (Part 2.5 of Title 24 of the California Code of Regulations), based on the 2012 International Residential Code and as published by the International Code Council, together with all Appendices, and subsequent additions and editions

thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Residential Code of the City of Los Banos.

**Section 11.** Section 8-1.15 of Title 8 Chapter 1 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.15 Adoption of the California Plumbing Code 2013 Edition.**

For the purpose of prescribing regulations governing the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and structures within the City, the California Plumbing Code, 2013 Edition (Part 5 of Title 24 of the California Code of Regulations), including appendix, based on the 2012 Uniform Plumbing Code as published by the International Association of Plumbing and Mechanical Officials, , one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Plumbing Code of the City of Los Banos.

**Section 12.** Section 8-1.18 of Title 8, Chapter 3 of the Los Banos Municipal Code is retitled and amended to read as follows:

**Sec. 8-1.18 Amendments to the California Plumbing Code 2013 Edition.**

The following amendments, additions, and deletions are made to the California Plumbing Code 2013 Edition, as adopted by this Chapter.

**A. Amendment: Section 504 Water Heater Prohibited Locations**

Section 504.1 of the California Plumbing Code is hereby amended to add Section 504.1(3) to read as follows:

(3) Prohibited Locations: No water heater which depends on the combustion of fuel for heat shall be installed in any room designed to be used for sleeping purposes, or in any garage, bathroom, or clothes closet, or in any closet or other confined space opening in any bath or bathroom.

**B. Amendment: Section 507 Water Heater Protection From Damage**

Section 507.13 (1) of the California Plumbing Code is hereby amended to read as follows:

Section 507.13 (1) Protection from Damage:

- (a) Water heaters generating a glow, spark, or flame capable of igniting flammable vapors may be installed in a residential garage constructed on or before August 4, 1973,

provided the pilots and burners, or heating elements and switches, are at least eighteen (18") inches above the floor level.

- (b) Where such water heaters installed within a garage are enclosed in a separate, approved compartment having access only from outside of the garage, such water heaters may be installed at floor level provided the required combustion air is also taken from the exterior of the garage. Fuel burning water heaters having sealed combustion chambers need not be elevated.
- (c) All water heaters installed in areas where they may be subjected to mechanical damage shall be suitably guarded against such damage by being installed behind adequate barriers or by being elevated or located out of the normal path of a vehicle using and such garage."

**Section 13** The City Council finds that the changes made to the uniform codes are enacted to mitigate the threats posed to public peace, health and safety from earthquakes and fire. In this regard, the recitals set forth in this Ordinance are incorporated herein by reference a findings.

**Section 14.** To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior city ordinance, motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with the respect to the subject matter thereof and such inconsistent or conflicting provisions of prior ordinances, motions, resolutions, rules or regulations are hereby repealed.

**Section 15.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses or phrases are declared unconstitutional, invalid or ineffective.

**Section 16.** This Ordinance shall go into effect and be in full force and operation thirty (30) days after its final passage and adoption. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in this Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, and aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

Introduced by Council Member \_\_\_\_\_ and seconded by Council Member \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Passed on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

APPROVED:

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MAYOR – City of Los Banos

ATTEST:

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CITY CLERK – City of Los Banos

**CITY OF LOS BANOS  
NOTICE OF PUBLIC HEARING**

TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF ADOPTION BY  
REFERENCE THE 2013 EDITION OF THE CALIFORNIA BUILDING STANDARDS  
CODE AND RELATED 2013 EDITION CODES TO THE CITY OF LOS BANOS'  
BUILDING CODE ORDINANCE

**WHERE:** City Council Chambers  
520 J Street  
Los Banos, California

**WHEN:** February 5, 2014  
7:00 PM

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Notice is hereby given that the City of Los Banos will conduct a Public Hearing to receive public comment and consider amendments to the City Building Code Ordinance by adoption by reference the California Building Code 2013 Edition and related 2013 Edition Codes.

Title 8, Chapter 1, Building Codes, of the City of Los Banos Municipal Code, incorporates the California Building Code plus locally adopted amendments to the codes and is known as the Building Codes of the City of Los Banos. The Los Banos City Council will consider an ordinance, which if adopted will substantially revise Title 8 chapter 1 of the Los Banos Municipal Code as it relates to the California Building Code by adoption by reference the California Building Standards Code 2013 Edition; the California Building Code 2013 Edition; the California Energy Code 2013 Edition; the California Historical Building Code 2013 Edition; the California Referenced Standards Code 2013 Edition; the California Electrical Code 2013 Edition; the California Mechanical Code 2013 Edition; the California Administrative Code 2013 Edition; the California Existing Building Code 2013 Edition; the California Green Building Standards Code 2013 Edition; and the California Residential Code 2013 Edition; California Plumbing Code 2013 Edition.

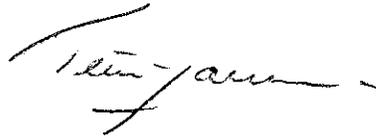
The Public Hearing will be held at the regular meeting of the Los Banos City Council on Wednesday, February 5, 2014 at 7:00 p.m. in the Council Chambers at Los Banos City Hall located at 520 J Street, or as near as possible thereafter, at which time and place interested persons may appear and be heard thereon. Questions regarding the above-referenced item may be directed to Tim Marrison, Assistant Fire Chief, Main Fire Station, 333 7<sup>th</sup> Street or at (209) 827-7025. Copies of the primary code and also copies of the secondary codes, if any, being considered for adoption, are on file with the City Clerk, and are open for public inspection.

All interested persons will be given an opportunity to comment on this item at the Public Hearing. In addition, written comments may be submitted to the City Council at or prior to the hearing, mailed to 333 7<sup>th</sup> Street, Los Banos, CA 93635, Attention: Tim Marrison, Assistant Fire Chief. Please reference hearing title and date of hearing in any correspondence. If no comments are received prior to or on the above date, it will be assumed that no comments are being offered. Please note that if you challenge the City's final decision on the above matter in court, you may be limited to raising only those factual and legal issues you or someone else raised at the public hearing

described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. In light of the foregoing, all interested members of the public are encouraged to voice their concerns regarding the above matter either in person at the hearing or in writing through correspondence addressed to the City Council and submitted to the City Council at or prior to the date of the above hearing.

It is the intention of the City to comply with the Americans with Disabilities Act (ADA). If you require special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (209) 827-7000 at least 48 hours prior to the meeting to inform us of your particular needs.

THE CITY OF LOS BANOS  
TIM MARRISON  
ASSISTANT FIRE CHIEF

A handwritten signature in black ink, appearing to read "Tim Marrison", written in a cursive style.



City of  
**Los Banos**  
*At the Crossroads of California*

## **Agenda Staff Report**

**TO:** Mayor and City Council Members

**FROM:** Tim Marrison, Assistant Fire Chief 

**DATE:** February 5<sup>th</sup> 2014

**SUBJECT:** Introduction of an Ordinance Adopting the 2013 California Fire Code

**TYPE OF REPORT:** Public Hearing

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### **Recommendation:**

Waiving of the first reading and introduction of an ordinance to the City Council of the City of Los Banos, adopting by reference the 2013 Edition of part 9 (California Fire Code) of the California Building Standards Code.

### **Discussion:**

The request is to adopt the 2013 edition of the California Code of Regulations, Title 24, Part 9, also referred to as the California Fire Code, with local amendments. The 2013 California Fire Code incorporates, by adoption, the 2012 edition of the International Fire Code of the International Code Council, with California amendments. A local City or County may make more restrictive standards necessary for local conditions.

Part 9 (The California Fire Code) is the official triennial compilation and publication of the adoptions, amendments, and repeal of administrative regulations to the California Code of Regulations, Title 24, also referred to as the California Building Standards Code. The California Building Standards Code is published every three years by order of the California legislature, with supplements published in intervening years. The California legislature delegated authority to various state agencies, boards, commissions and departments to create building regulations to implement the state statutes. These building regulations or standards have the same force of law, and take effect 180 days after their publication.

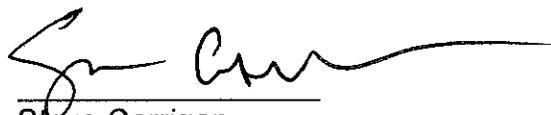
Attached is the proposed Ordinance that identifies the language and numbering necessary for adoption of the 2013 California Fire Code and the local amendments that have been identified as enhancements desirable for the safety of the citizens and preservation of property.

The Los Banos Fire Department is recommending some small modifications to Amendment No. 6. Chapter 9: Section 903 AUTOMATIC FIRE SPRINKLER SYSTEMS (a)–(b)(i)-(ii) & (iii). The intent of the modifications are to more clearly explain the requirements of the amendment regarding the City of Los Banos 5000 square foot fire sprinkler Ordinance that was adopted in 1991. The changes to the text do not make the existing Ordinance more restrictive. The Fire Department is also recommending some small modifications to Amendment No. 6. Chapter 9: Section 903 AUTOMATIC FIRE SPRINKLER SYSTEMS (e)-(f)-(g) & (l). The 2010 version of the California Residential Code began the requirement of the installation of residential fire sprinkler systems in all NEW single family dwellings. The City of Los Banos adopted local amendments to provide sufficient and effective protection of life, health and property. Since the implementation of the 2010 amendments, the Los Banos Fire Department has networked with the California State Fire Marshal’s office and determined that some of our local amendments may be slightly more restrictive than intended and are in need of modification. The proposed modifications align our local amendments with the true intent of the code.

**Fiscal Impact:**

There will be no fiscal impact on the City of Los Banos for adopting the proposed Ordinance.

**Reviewed by:**



Steve Carrigan,  
City Manager

**Attachments:**

Proposed Ordinance

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF LOS BANOS ADOPTING BY REFERENCE THE 2013 EDITION OF  
THE CALIFORNIA FIRE CODE BY AMENDMENT TO TITLE 4 CHAPTER 3 OF THE  
LOS BANOS MUNICIPAL CODE AND ADOPTION OF LOCAL AMENDMENTS  
THERE TO.**

**THE CITY COUNCIL OF THE CITY OF LOS BANOS MAKES THE  
FOLLOWING FINDINGS:**

**WHEREAS**, the California Building Standards Code, Title 24, which incorporates the California Fire Code, is adopted every three years by order of the California Legislature with supplements published in intervening years; and

**WHEREAS**, pursuant to California Government Code Section 50022.1 et seq. the City of Los Banos (“City”) may adopt by reference the 2013 California Fire Code, based on the International Fire Code, 2012 Edition, with errata, published by International Code Council (ICC), as adopted by the State of California pursuant to Title 24, Part 9 of the California Code of Regulations; and

**WHEREAS**, the City Council of the City of Los Banos has previously adopted the “California Fire Code, 2010 Edition,” including the appendix, which was prepared by the International Conference of Building Officials and Western Fire Chiefs Association, with certain amendments as the Fire Code of the City; and

**WHEREAS**, after due consideration, the City Council of the City of Los Banos hereby finds that it desires to adopt the most recent version of the California Fire Code as the City’s Fire Prevention Code, with certain amendments to provide further safety protections to the citizens of the City of Los Banos; and

**WHEREAS**, California Health & Safety Code Section 18941.5 provides that if a city makes an express finding that building standards that are more restrictive than those standards provided in the international codes are reasonably necessary because of local climatic, geological, or topographical conditions, a city may establish more restrictive building standards; and

**WHEREAS**, the City Council of the City of Los Banos hereby finds the amendments to the “California Fire Code, 2013 Edition,” are reasonably necessary to provide sufficient and effective protection of life, health, and property in consideration of the local climatic, geologic and topographic conditions as stated below; and

A. During winter months, the San Joaquin Valley experiences thick fog that is a danger to emergency personnel responding to fires and other emergencies and delays response time of emergency vehicles by two to three minutes the normal response time. Fire engines and

trucks must greatly reduce their speed in the fog to compensate for appropriate braking distances because of the weight of the vehicles; and

B. Merced County is located within an area with potential seismic activity. After a large seismic event, the potential for multiple fires occurring simultaneously will tax available firefighting resources. Built-in fire protection will assist in extinguishing or controlling fires in larger structures, which will increase the availability of firefighting resources after seismic activity; and

C. The City of Los Banos to a great extent lies on a level plain, as a result, heavy rains have historically threatened flooding throughout the City, which can cause delays for emergency response, or in some situations, make it impossible for responders to get to certain areas of the City. Flooding is both a climatic and topographic problem; and

D. The City of Los Banos is located in an area subject to a climatic condition of high winds. This environment is conducive to rapidly spreading fires; control of such fires requires rapid response. Obstacles generated by a strong wind, such as fallen trees, streetlights and utility poles, may greatly impact the response time to reach an incident scene; and

E. Due to the topographical conditions of sprawling development separated by two congested state highways, it is prudent to rely on measures to allow for rapid access and entry to an incident scene.

THE CITY COUNCIL OF THE CITY OF LOS BANOS DOES ORDAIN AS FOLLOWS:

**Section 1.** Section 4-3.01 of Title 4, Chapter 1 of the Los Banos Municipal Code is hereby retitled and amended to read as follows:

**Sec. 4-3.01 Adoption of the California Fire Code 2013 Edition.**

For the purpose of prescribing regulations governing conditions hazardous to life and property from fire, hazardous materials or explosion, that certain Code known as the 2013 California Fire Code (Part 9 of Title 24 of the California Code of Regulations), as published by the International Code Council, together with all Appendices and subsequent additions and editions thereto, one copy of which is on file in the Office of the City Clerk for public record and inspection, is hereby adopted by reference and made a part of this chapter as though set forth in this chapter in full, subject, however, to the amendments, additions, and deletions set forth in this chapter, and said Code shall be known as the Fire Prevention Code of the City of Los Banos.

**Section 2.** Section 4-3.07 of Title 4, Chapter 1 of the Los Banos Municipal Code is hereby retitled and amended to read as follows:

**Sec. 4-3.07 Amendments to the California Fire Code 2013 Edition.**

The California Fire Code is hereby amended as follows:

## **Amendment No. 1**

### **Chapter 1: Section [A] 102.8 Subjects not regulated by this code.**

Section [A] 102.8, Chapter 1 of the California Fire Code, 2013 Edition is amended to read as follows:

Section [A] 102.8. **Subjects not regulated by this code.** Where no applicable standards or requirements are set forth in this code, or contained within other laws, codes, regulations, ordinances or bylaws adopted by the jurisdiction, compliance with applicable standards of the National Fire Protection Association or other nationally recognized fire safety standards as are approved shall be deemed as prima facie evidence of compliance with the intent of this Code. Nothing herein shall derogate from the power of the Fire Chief to determine compliance with codes or standards for those activities or installations within the Fire Chief's jurisdiction or responsibility.

EXCEPTION: Recognized standards shall not include any standard which attempts to regulate local authority as to minimum daily staffing levels and incident response levels. These standards include, but are not limited to NFPA 1710 & 1720.

## **Amendment No. 2**

### **Chapter 1: [A] Section 104.1 General.**

Section [A] 104.1 of the 2013 Edition of the California Fire Code is hereby amended to add Section 104.1.1 as follows:

Section 104.1.1 **Permits, Fire Suppression, and Inspection Recovery of Costs.** The Fire Department shall recover cost that reasonably constitute the cost of fire suppression, inspections, clean-up of chemical spills, the cost of suppression chemicals, material and/or equipment used to mitigate the hazard. Cost recovery against a property owner and/or other responsible person when the act is a result of that person's willful negligence and/or negligence, violation of federal or state statute, or local ordinance.

## **Amendment No. 3**

### **Chapter 1: [A] Section 104.10.1 Assistance from other agencies.**

Section [A] 104.10.1, Chapter 1 of the California Fire Code, 2013 Edition, is amended to read as follows:

Section 104.10.1. **Assistance from other agencies.** The Fire Chief, Fire Chief Officers and the fire investigation team who have been designated by the Fire Chief shall have the powers of a police officer in performing their duties under this code.

Police and other enforcement agencies shall have authority to render necessary assistance in the investigation of fires when requested to do so.

#### **Amendment No 4**

##### **Chapter 1: [A] Section 105 Permits: Application for Permit**

Section [A] 105.6 of the 2013 Edition of the California Fire Code is hereby amended to read as follows:

Section 105.6. The requirements of this article shall be subject to the permits specified in the California Fire Code as adopted and amended. Permits, Inspections, and Plan review fees may be provided by resolution by the City Council or as provided by the California Building Code and/or California Fire Code and/or Reference to the Building Standards. All required plans and permits shall be submitted to the Fire Department for review and approval prior to issuance of any permits required by this Article and/or required by the City.

#### **Amendment No 5**

##### **Chapter 5: Section 506**

Section 506.1 of the 2013 Edition of the California Fire Code is hereby amended to add Section 506.1(a) to read as follows:

When access to or within a structure or an area is unduly difficult because of secure openings, where immediate access is necessary for life saving or fire fighting purposes, or where an automatic fire suppression and/or standpipe system is installed, or where an automatic alarm system is installed, or where a gate or cross arm impedes ingress through a fire lane, or where the area or building is protected by a locked gate, a key box or a security padlock shall be installed in an accessible location unless otherwise authorized by the Chief. The approved City of Los Banos Fire Department key box shall be a "Knox Box." The Knox Box and security padlock shall be obtained through the City of Los Banos Fire Department. The key boxes shall contain, but not be limited to the following items as designated by the Chief: (i) labeled keys to locked points of egress, whether interior or exterior; (ii) labeled keys to locked mechanical rooms; (iii) labeled keys to any gate or secured areas not installed with a Knox Box or Security Padlock; (iv) labeled keys to any other areas that may be required by the Chief; (v) a list with the names and telephone numbers for the emergency contact persons; (vi) floor plan of the interior building showing locations of shut offs; decals shall be installed/displayed as required by the Chief.

When hazardous materials as defined in Chapter 27 of the California Fire Code are stored or dispensed or other conditions exist on the premises where information is necessary for life saving or fire fighting purposes as determined by the Fire Chief, a Document Storage Box shall be installed in an accessible location unless otherwise authorized by the Chief.

The approved City of Los Banos Fire Department document storage box shall be a “Knox Document Storage Cabinet”. The “Knox Document Storage Cabinet” shall be obtained through the City of Los Banos Fire Department. The box shall contain, but not be limited to the following items as designated by the Chief: (i) blueprints; (ii) floor plans; (iii) MSDS hazardous materials information; (iv) any other emergency response related items as required by the Chief.

## **Amendment No 6**

### **Chapter 9: Section 903 AUTOMATIC SPRINKLER SYSTEMS Automatic Fire Extinguishing Systems**

Section 903.2 of the 2013 Edition of the California Fire Code is hereby amended to add Sections 903.2(a) through (m) to read as follows:

(a) Notwithstanding any less restrictive provision of Section 903, an automatic sprinkler system shall be provided in the locations described in Sections 903.2.1 through 903.2.12 where the fire area exceeds 5,000 square feet unless the specific section requires an automatic sprinkler system for a fire area of less than 5,000 square feet which in that case the more restrictive provision shall apply.

(b) (i) In the case of a remodel of an existing building or structure an automatic sprinkler system shall be provided in the locations described in Sections 903.2.1 through 903.2.12 where the fire area exceeds 5,000 square feet, unless the specific section requires an automatic sprinkler system for a fire area of less than 5,000 square feet which in that case the more restrictive provision shall apply, and the total construction cost for the remodel exceeds \$100,000 as determined by the City.

(ii) In the case of an addition to an existing building or structure an automatic sprinkler system shall be provided in the locations described in Sections 903.2.1 through 903.2.12 where the fire area exceeds 5,000 square feet or the addition causes the fire area to exceed 5,000 square feet, unless the specific section requires an automatic sprinkler system for a fire area of less than 5,000 square feet, which in that case the more restrictive provision shall apply.

(iii) In the case of a change in the type of use or occupancy an automatic sprinkler system shall be provided in the locations described in Sections 903.2.1 through 903.2.12 where the fire area exceeds 5,000 square feet unless the specific section requires an automatic sprinkler system for a fire area of less than 5,000 square feet which in that case the more restrictive provision shall apply.

(c) Fire Control Room. An approved fire control room shall be provided for all buildings protected by an automatic fire extinguishing system. Said room shall contain all system control valves, fire alarm control panels, HVAC duct detector test and reset switches and other fire equipment required by the chief. Fire control rooms shall be located within the building at a location approved by the chief, and shall be provided with a means to access

the room directly from the exterior. Durable signage shall be provided on the exterior side of the access door to identify the "Fire Control Room".

(d) When residential units require the installation of a NFPA 13D system, the systems water supply will be configured in accordance with the City of Los Banos Improvement Standards.

(e) When residential units require the installation of a NFPA 13D system, the system will be a "Stand Alone" wet pipe system.

(f) When residential units require the installation of a NFPA 13D system, the system riser must be located within an exterior wall, with access to the system riser through an exterior access panel door.

(g) When residential units require the installation of a NFPA 13D system, a waterflow alarm is required to be installed on the exterior of the dwelling in the area of the Master Bedroom window. This waterflow alarm will activate anytime the water flow switch is activated.

(h) When residential units require the installation of a NFPA 13D system, all pendent sprinkler heads within the living areas will be Concealed pendent sprinklers, flat plate 4.9 K-factor heads.

(i) When residential units require the installation of a NFPA 13D system, an inspector test/drain valve must be located on the system at the furthest point of the system from the riser. The inspector's test connections shall contain an orifice equal to or smaller than the smallest sprinkler installed in the system. This valve must be accessible to the home occupant and located behind a metal door cover. A sign attached to the front of the door must state "Fire Sprinkler Test/Drain."

(j) When residential units require the installation of a NFPA 13D system, a single upright "pilot" head will be installed at the highest point within the attic area. These heads shall be Intermediate-rated sprinklers. Multiple high peaked roof assemblies and/or area separation walls may require additional pilot heads.

(k) When residential units require the installation of a NFPA 13D system, fire sprinkler piping located in unheated attic spaces shall be completely covered with insulation per the NFPA 13D ANNEX A recommendations.

(l) When residential units require the installation of a NFPA 13D system, complete coverage must be provided within the enclosed garage area.

(m) Locking Devices Fire Department Connections. Every building equipped with a fire sprinkler system shall be required to install lockable type devices on Fire Department Connection. Said device shall be approved by the Fire Department (Knox Fire Department Connection).

### **EXCEPTIONS:**

1. Where the California Fire Code and/or California Building are more restrictive, the most restrictive occupancy requirements will be followed.
2. Area separation walls, the extent and location of such wall shall provide a complete separation or division to limit the floor area to 5,000 square feet. Separation shall be of Four-hour fire-resistive construction. Four-hour separation walls shall be constructed in accordance with the current California Building Code.

### **Amendment No 7**

#### **Chapter 9: Section 904 ALTERNATIVE AUTOMATIC FIRE EXTINGUISHING SYSTEMS Installation of fixed Fire Protection Systems**

Section 904 of the 2013 Edition of the California Fire Code is hereby amended to add Section 904(a) to read as follows:

- (a) All fire extinguishing system required in this code and/or the California Building code shall be installed in accordance with the requirements of this Article, and the National Fire Protection Association standards and/or Factory Mutual Engineering.

### **Amendment No 8**

#### **Chapter 9: Section 906 PORTABLE FIRE EXTINGUISHERS**

Section 906.1 of the 2013 Edition of the California Fire Code is hereby amended to add Section 906.1(a) as follows:

- (a) The minimum approved portable fire extinguisher size for all occupancies shall be, 2-A:10-B:C rated. Unless more restrictive by code.

### **Amendment No. 9**

#### **Chapter 9: Section 907 FIRE ALARM AND DETECTION SYSTEMS Sprinkler System Supervision**

Section 907.1 of the 2013 Edition of the California Fire Code is hereby amended to add Sections 907.1(a) through (f) to read as follows.

- (a) All automatic sprinkler systems shall be supervised by an approved central station, proprietary or remote station service or a local alarm which will give an audible signal at a constantly attended location. All automatic fire sprinkler systems installed in Group R Division 1 occupancies as outlined in the 2013 California Building Code are required to be monitored by an approved central alarm monitoring station.

(b) Supervisory signal service alarms. Flow switches and/or tamper switches shall be installed on all fire sprinkler system to include gate valves, post indicator valves.

(c) Annunciator Panel. Annunciator panel means any arrangement of luminaries that indicate a fire condition by location or zone and is activated by a water flow or detection of the products of combustion.

(d) Equipment. Every building equipped with a fire alarm system activated by smoke detectors, rate of heat rise detection, water flow alarms, tamper switches, or pull station shall be equipped with an annunciator panel located within the Fire Control Room.

(e) When required in Section 907.1 (a) the fire alarm systems will meet the following occupancy requirements:

1. Strip malls & structures with multiple occupancies – All suites located within a structure equipped with a fire sprinkler system will be required to have a minimum of one (1) audio/visual notification device and one (1) manual pull station located in the area designated by the Los Banos Fire Department.

2. Suites or areas 5000 square feet or greater – All suites or areas 5000 square feet or greater, located within a building equipped with a fire sprinkler system are required to install a full occupant notification fire alarm system. This system will include an approved manual, combination automatic and manual or automatic fire alarm system in accordance with the provisions of this code and NFPA 72.

(f) Anytime an HVAC is required to be equipped with an automatic smoke detector as per the Uniform Mechanical Code, said smoke detector is required to have a remote test/reset switch located within the Fire Control Room.

#### **Amendment No. 10**

### **Chapter 28: Section 2803 LUMBER YARDS AND WOOD WORKING FACILITIES Wood Products, Pallet Storage and Use.**

Section 2803.1 of the 2013 Edition of the California Fire Code is hereby amended to add Sections 2803.1.1 through 2803.1.5 to read as follows.

2803.1.1 Pallets and Palletized Packing boxes. Required permit to store pallets and or palletized items in excess of 30,000 board feet.

2803.1.2 Piles. Pallets shall be piled with due regard to the stability of piles and in no case higher than 12 feet in height. Where pallets are piled next to a property line the distance from the property line shall not be less than one half of the height of the pile and in no case less than five feet.

2803.1.3 Driveways. Driveways between and around storage piles shall be a minimum of 20 feet wide. And maintained free from accumulation of rubbish, weeds, equipment and materials. Driveways shall be so spaced that a maximum grid system unit of 50 feet by 50 feet is produced. Note exception: Modification of the driveways, clearance or widths required by this section shall be increased or decreased when, in the opinion of the Fire Chief, Clearances of widths are not adequate to provide fire apparatus access.

2803.1.4 Storage. Pallet storage, operating under permit, shall be surrounded with a suitable chain link fence of at least 6 feet in height.

2803.1.5 Fire Protection. An approved water supply and fire hydrants capable of supplying the required fire flows shall be provided to within 150 feet of all portions of the storage piles.

### **Amendment No. 11**

#### **Chapter 56: Section 5608 EXPLOSIVES AND FIREWORKS Fireworks and Pyrotechnic Special Effects Material (Definitions)**

Section 5608 of the 2013 Edition of the California Fire Code is hereby amended to add Sub Section 5608.2 through 5608.5 to read as follows.

5608.2 **Fireworks - Purpose.**It is the intent of the City to reasonably regulate the sale, use, display, and discharge of dangerous and safe and sane fireworks within the City to protect the public health, safety, and general welfare.

5608.2.1. **Definitions.** For the purposes of this section, unless otherwise apparent from the context, certain words and phrases used in this section are defined as follows.

A. "Dangerous fireworks" means any fireworks specified as such in the State Fireworks Law, Section 12505 and 12561 of the Health and Safety Code of the State Of California, and such other fireworks as may be determined to be dangerous by the state fire marshal.

B. "Safe and Sane Fireworks" as defined in Section 12529 of the Health and Safety Code the State of California, means any fireworks, which do not come within the definition of "dangerous fireworks" or "exempt fireworks".

C. "Eligible Organization" means an organization which has met all of the following criteria for a continuous period of not less than two full years preceding submittal of an application for permit required by this section 16 (and which continues to do so thereafter).

1. Internal Revenue Code Sections 501 (c) 3, 4, 6, 7, 8, 10, 19, 23, or 26, Section 501 (d), Section 501 (e);

2. The organization must be headquartered within and clearly affiliated or identified with the City of Los Banos;
3. The organization must be one which provides direct and regular community services and benefits to the citizens of the City of Los Banos;
4. The organization must hold its regularly scheduled meeting within the City of Los Banos; and
5. Has a minimum membership of ten (10) members continuously.

D. "Fireworks Stand" means any building, counter, or other structure of a temporary nature used in the sale or offering for sale of Safe and Sane fireworks pursuant to a permit duly issued.

**5608.2.2. Possession, Sale, Use, Display, Discharge of Dangerous Fireworks.**

A. It shall be unlawful to possess, sell, use, display, or discharge within the City of Los Banos "dangerous fireworks" except as permitted by the provisions of this Section.

B. It shall be unlawful for any person having lawful possession or control of private property, including but not limited to an owner, renter, lessee, to permit any person to possess, sell, use, display, or discharge within the City of Los Banos "dangerous fireworks" except as permitted by the provisions of this Section.

**5608.2.3. Possession, Sale, Or Use Of Safe and Sane Fireworks.** It shall be unlawful to possess, sell, use, display, or discharge within the City of Los Banos "safe and sane fireworks" except as permitted by the provisions of this Section.

**5608.2.4. Permit for Sale of Safe and Sane Fireworks.** It shall be unlawful for any person to possess, store, to offer for sale, or sell safe and sane fireworks within the City of Los Banos without a valid permit from the fire department. The fire chief shall have the authority to adopt reasonable rules and regulations for the granting of permits for the sale of safe and sane fireworks by eligible organizations. The fire chief shall also have the authority to adopt reasonable rules and regulations for the safe operation of firework stands.

**5608.2.5. Application for Permit to Sell Safe and Sane Fireworks. Permits to sell safe and sane fireworks shall be issued by the fire department as follows:**

A. All applications for permits shall be in writing and delivered to the fire chief on forms supplied by the fire department, and shall include all documentation and proof required by the rules and regulations established by the state fire marshal and the fire chief. All application materials must be complete to be accepted by the fire department.

B. Applications may be filed beginning the first business day of August of each year up to and including 5 p.m. the last working day in September of the same year or at other dates and times as determined by the fire chief... No application shall be received after 5 p.m.

C. Applications shall be signed by a bona fide officer of the non-profit organization wherein the officer, on behalf of the organization and its agent, shall agree to abide by all state laws, all administrative regulations, all city ordinances, all rules and regulations promulgated by the fire chief and the terms and conditions of the permit.

D. Applications shall identify the name of the organization, the organization charter or mission statement, the address of the principal meeting place and mailing address, number of members, the purpose of the organization and the date it came into existence.

E. Application fees: the applicant shall pay a non-refundable twenty-five \$25.00 dollar fee. The fee is required to be paid at the time application is submitted.

F. Permit Fee: \$250.00 paid prior to permit issuance.

G. Except as provided in subsection (H), the maximum number of permits which may be issued and the maximum number of "safe and sane fireworks" stands that will be permitted pursuant to this section 16 during any one calendar year shall not exceed one permit for each five thousand (5,000) residents of the City of Los Banos, or fraction thereof, based on the State of California Census Estimate. The official Census Estimate shall be the latest estimate published before the end of the filing period.

H. The Los Banos Chamber of Commerce, Fourth of July Committee shall be exempted from the maximum number of permits set forth in subsection (G) and shall receive one permit (in addition to the maximum number of permits) for the sale of safe and sane fireworks upon meeting all other requirements set forth in this section, and so long as it continues to sponsor the Los Banos Fourth of July Celebration.

**5608.2.6. Issuance of Permits.** Only eligible organizations that have submitted a timely and complete application accepted by the fire chief and that have been drawn from a pool of accepted applications will be permitted to sell safe and sane fireworks.

A. If the number of accepted applications exceeds the maximum number of permits which may be issued in a calendar year; accepted applicants for a permit will be selected by lot on the first working day of October at 1 p.m. at Fire Station One or at another time and location as determined by the fire chief. Successful and unsuccessful applicants will be notified by mail.

B. By April 1, each successful applicant shall provide to the fire chief; a site plan with the location of the fireworks stand; a written letter from the property owner indicating permission to sell safe and sane fireworks on the site; the permit fee; proof of insurance, one million dollars public liability, property damage, and product liability insurance

policies with riders attached to the policies designating the City of Los Banos as an additional insured. Applicants that do not submit the required information by the April 1 deadline shall not be issued a permit.

C. Permits will be effective only when delivered by the fire department after the final inspection of the fireworks stand shows compliance with all the requirements established by the fire chief or this section for the operation of a fireworks stand.

D. A permit entitles the holder of the permit to one fireworks stand, which shall operate on the location identified on the permit.

E. Two or more qualified applicants may be issued a permit as a joint venture.

F. Permits issued pursuant to this section are valid only during the calendar year issued.

G. Permits issued pursuant to this section are not transferable.

**5608.2.7. Fireworks Stands.** When all application requirements have been completed, fees have been paid and the stand location has been approved, the fire department shall authorize the erection of the stand. The stand shall be inspected and approved by the fire chief or his/her designee, prior to the sale of any fireworks from said stand. The sale of fireworks from any other building or structure is prohibited. Temporary fireworks stands shall be subject to the following provisions:

A. Fireworks stands shall be located only upon property that is zoned for commercial or industrial uses.

B. Fireworks stands shall be located on improved property, i.e. paved, cement parking lots.

C. Fireworks stands shall be 35 feet from the public right-of-way and 35 feet away from existing structures.

D. No smoking signs shall be posted on all four sides and inside the fireworks stand indicating "No Smoking within 35 feet".

E. Fireworks stands shall not interfere with normal traffic patterns in private parking lots.

F. Fireworks stands shall be constructed of substantial material to provide security and safe sales operation.

G. Permits to sell safe and sane fireworks shall be posted in a conspicuous location within the interior portion of the fireworks stand.

H. A sign shall be affixed to the front of the exterior portion of the fireworks stand in letters at least six inch in height, identifying the name of the nonprofit organization to which the permit to sell safe and sane fireworks was issued.

I. No electrical service shall be allowed in or within 25 feet of the firework stand, to include fuel powered generators or similar equipment.

J. Fireworks stands shall have two working, currently serviced, two and one-half gallon water extinguishers. Extinguishers shall be readily accessible.

K. During hours of non operation fireworks shall be stored in an enclosed locked cargo container on site, in a location approved by the fire chief. The storage container shall have placards on all four sides and have signage posted indicating "No Smoking" within 35 feet.

L. Wholesale storage of safe and sane fireworks importer/distributors is not allowed in the city.

M. The fireworks stand shall be removed from the temporary location and all unsold stock and accompanying litter shall be removed from the location by five p.m., on July 5th. Failure to dismantle and/or remove any fireworks stand may result in the removal of the fireworks stand by the fire department or designee at the sole expense of the holder of the permit.

#### **5608.2.8. Regulations.**

A. Fireworks stands may be operated only from the hours of 8 a.m. to 8 p.m.

B. No safe and sane fireworks shall be sold before 12 noon on the twenty-eighth (28th) day of June or later than 8 p.m. on the fourth (4th) day of July.

C. It shall be unlawful to sell fireworks to persons under the age of 18 years old.

D. It shall be unlawful for the permitted organization to permit any person other than the permitted organization to operate the fireworks stand for which the permit is issued or to otherwise participate in the profits of the operation of such stand.

E. It shall be unlawful for the permitted organization to permit any person other than the individuals who are members of the permitted organization, their spouses or adult children, or volunteers whom no compensation is paid, to sell or otherwise participate in the sale of safe and sane fireworks at such stand.

F. No one under the age of 16 years old shall be allowed in the fireworks stand at any time.

G. Each organization which receives a permit must have at least two of its members attend an operator safety seminar provided by the fireworks company.

#### **5608.2.9. Revocation of Permits**

A. Any violation of this section or other city ordinances or policies, or the terms and conditions of the permit, or state laws or administrative regulation, or safety rules of the fire department, shall be grounds for the immediate revocation of the permit. All officers and members of the organization shall be responsible for compliance with all of the provisions of this section.

B. The fire chief or his designee shall be authorized to suspend immediately and without notice or formal hearing the permit of any holder of a permit which violates any rule, regulation or ordinance while operating or preparing to operate a fireworks stand during or immediately preceding any period of sale. If the fire chief or his designee establishes that a violation has occurred too late to suspend the permit during the period of sale, he shall have power to suspend the holder of the permit from applying for future permits.

C. The decision of the fire chief or his designee to suspend the permit shall be subject to review by the city manager, forthwith. In view of the limited sales period each year, for suspensions affecting the sale period, such hearing shall be held at the earliest possible time that the holder of the permit, city manager or his designee, and the representative of the fire chief can schedule a meeting for such review. For suspensions after the sale period the hearing shall be within one month after the request for hearing, which request must be made within fifteen days after notice of the suspension. The city manager or his designee is authorized to set aside the suspension, or to modify the suspension by limiting its effect to only one or more days, or by setting aside the forfeiture for future years. The decision of the city manager or his designee shall be final.

#### **5608.2.10. Seizure of Fireworks**

The fire chief or the designee thereof, shall seize, take, remove, or cause to be removed, at the expense of the owner, all stocks of fireworks offered or exposed for sale, stored, or held in violation of this section.

#### **5608.2.11. Restrictions.**

A. It is unlawful for individuals under eighteen years of age to sell, purchase, or possess, "safe and sane fireworks."

B. It is unlawful for individuals under eighteen years of age to discharge, explode, fire, or set off any "safe and sane fireworks" unless such minor does so under the direct supervision of a person over 18 years of age and during the hours and on the days permitted by this section.

C. It shall be unlawful to discharge any "safe and sane fireworks" except from the first day of July to the fourth day of July during the hours of 9:00 a.m. to 10:00 p.m.

D. It shall be unlawful to ignite or otherwise use any "safe and sane fireworks," or permit the discharge thereof, upon, over, or onto the property of another without his/her consent.

E. It shall be unlawful for any person having the care, custody, or control of a minor (under 18 years old) to permit such minor to discharge, explode, fire, or set off any "dangerous fireworks," at any time, or to permit such minor to discharge or set off any "safe and sane fireworks" unless such minor does so under the direct supervision of a person over 18 years of age and during the hours and on the days permitted by this section.

F. It shall be unlawful to discharge any "safe and sane fireworks" except on private property and as otherwise provided in this section. No fireworks shall be discharged on public, semipublic, or private open areas such as parking lots, vacant properties, or in a public street or right-of-way, or in public parks.

**Exception:** It shall be lawful to discharge Safe and Sane Fireworks in the public street only if street closure has been approved by the City Council for a block party. The applicant shall provide a site plan with the Street Closure application indicating the location in the street where Safe and Sane Fireworks are to be discharged. Said location shall be approved by the Fire Department.

G. Person or persons in violation of this section will be caused for immediate seizure of fireworks and citation. Improper use of fireworks or unsafe use of fireworks or use of fireworks in an area considered hazardous by the fire chief or designee shall cause immediate seizure of fireworks and citation.

**5608.2.12. Permit for Public Displays of Fireworks.** Public Display of fireworks, as defined in the State Fireworks Law, Section 12500 et seq of the Health and Safety Code, may be conducted subject to all the terms and provisions therein contained provided that a permit therefore has been granted by the fire chief. Such public displays, in addition, shall be subject to all rules and regulations contained in the Fire Code.

The fire chief shall have authority to adopt reasonable rules and regulations for the granting of permits for those activities contained in Section 12640 of the Health and Safety Code of the state of California, including supervised public displays of fireworks by a jurisdiction, fair association, amusement park, other organization, or for the use of fireworks by artisans in pursuit of their trade. Each such use or display shall be handled by a licensed pyrotechnic operator as defined by Section 12527 of the Health and Safety Code of the state of California, and shall be of such character and so located, discharged or fired as in the opinion of the fire chief or his designee, after proper investigation, will not be hazardous or endanger any person.

5608.2.13. **Penalties for Violations.** Any person violating any provision of this section shall be guilty of a misdemeanor and shall be subject to criminal prosecution, civil remedies, administrative fines and penalties, and any other remedies available to the city for enforcement of this code.

5608.2.14. **Concurrent Authorities.** This section is not the exclusive regulation for the fireworks within the City of Los Banos. This section shall supplement and be in addition to the other regulatory codes, statutes, regulations, and ordinances heretofore and hereinafter enacted by the City of Los Banos, the State of California, or any other legal entity or agency having jurisdiction.

Any provisions of the City of Los Banos in conflict herewith are hereby repealed. This section supersedes any conflicting provisions of the Uniform Fire Code and Uniform Building Code.

### 5608.3. **Administrative Enforcement for Fireworks - Purpose and Scope**

A. This Section provides for the imposition, enforcement, collection, and administrative review of all administrative fines, related to: (1) the possession, use, storage, sale and/or display of those fireworks classified as “dangerous fireworks” in California Health and Safety Code Sections 12500, *et seq.*, with the exception of a pyrotechnic licensee when operating pursuant to that license; and (2) the sale, use, and/or display of “safe and sane fireworks” as defined in California Health and Safety Code Sections 12500 *et seq.* on or at dates, times and/or locations other than those permitted by this Section.

B. The issuance of citations imposing administrative fines may be performed at the discretion of the officials of the city authorized hereunder; and the issuance of a citation to any person constitutes but one remedy to redress violations of this code by any person. By adopting this Section, the city does not intend to limit its authority to employ any other remedy, civil or criminal, to redress any violation of this code or state law by any person.

C. The imposition of fines related to “dangerous fireworks” under this Section shall be limited to persons who possess, sell, use and/or display, or the seizure of, 25 pounds or less (gross weight) of such dangerous fireworks.

D. Fines collected pursuant to this Section related to “dangerous fireworks” shall not be subject to Health and Safety Code Section 12706. However, the city shall provide cost reimbursement to the State Fire Marshal for the transportation and disposal of “dangerous fireworks” seized by the city where applicable. These costs will be included in any administrative fines imposed under this Section.

### 5608.4. **Enforcement Procedures and Fines**

Administrative enforcement including the amount of administrative fine for this Section shall be pursuant to the procedures set forth in Chapter 11 of Title 4 of the Los Banos Municipal Code.

#### **5608.5. Manufacturing of Fireworks**

The manufacturing of fireworks within the City is prohibited, except under special permit as required by local and state regulations.

#### **Amendment No. 12**

#### **Chapter 57: Section 5703 FLAMMABLE AND COMBUSTIBLE LIQUIDS**

Section 5703.1 of the 2013 Edition of the California Fire Code is hereby amended to add Sections 3403.1(a) through (b) to read as follows.

(a) Restricted Location and Fire Protection. The storage of flammable or combustible liquids in above ground tanks shall be restricted to those areas of the City as follows. Planned Industrial District (PM) and General Industrial (M) except as provided by use permits in the General Commercial District (C2) and Highway Commercial District (HC). All existing nonconforming tanks, which substantially comply with or are made to comply with the requirements of this code, may remain in use.

(b) Location of Bulk Plants or Terminals. The construction of new bulk plants and/or terminals for the storage of flammable, combustible, or hazardous liquids shall be restricted to those areas of the City in the Planned Industrial District (PM) and General Industrial District (M). All existing nonconforming bulk plants for the storage of flammable or combustible liquids, which substantially comply, with the requirements of this code may continue use.

#### **Amendment No. 13**

#### **Chapter 61:Section 6101 LIQUEFIED PETROLEUM GASES**

Section 6101.1 of the 2013 Edition of the California Fire Code is hereby amended to add Section 6101.1(a) to read as follows.

(a) Restricted Location and Installation. The storage of Liquefied Petroleum gas in above ground storage tanks shall be restricted to those areas of the city as follows. Planned Industrial District (PM) and General Industrial (M) except as provided by use permit in the General Commercial District (C2) and Highway Commercial District (HC). All existing nonconforming facility, which substantially comply with or are made to comply with the requirements of this code, may remain in use.

**Section 3.** The City Council finds that the changes made to the uniform codes are enacted to mitigate the threats posed to public peace, health and safety from earthquakes and fire. In this regard, the recitals set forth in this Ordinance are incorporated herein by reference a findings.

**Section 4.** To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior city ordinance, motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with the respect to the subject matter thereof and such inconsistent or conflicting provisions of prior ordinances, motions, resolutions, rules or regulations are hereby repealed.

**Section 5.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses or phrases are declared unconstitutional, invalid or ineffective.

**Section 6.** This Ordinance shall go into effect and be in full force and operation thirty (30) days after its final passage and adoption. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in this Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, and aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

Introduced by Council Member \_\_\_\_\_ and seconded by Council Member \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Passed on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

APPROVED:

\_\_\_\_\_  
MAYOR – City of Los Banos

ATTEST:

\_\_\_\_\_  
CITY CLERK – City of Los Banos

**CITY OF LOS BANOS  
NOTICE OF PUBLIC HEARING**

TO RECEIVE PUBLIC COMMENT AND CONSIDERATION OF ADOPTION BY  
REFERENCE THE 2013 EDITION OF THE CALIFORNIA FIRE CODE AND LOCAL  
AMENDMENTS TO THE CITY OF LOS BANOS' FIRE PREVENTION CODE  
ORDINANCE

**WHERE:** City Council Chambers  
520 J Street  
Los Banos, California

**WHEN:** February 5, 2014  
7:00 PM

---

Notice is hereby given that the City of Los Banos will conduct a Public Hearing to receive public comment and consider amendments to the City Fire Prevention Code Ordinance by adoption by reference the California Fire Code 2013 Edition and local amendments thereto.

Title 4, Chapter 3 Fire Prevention Code, of the City of Los Banos Municipal Code, incorporates the California Fire Code plus locally adopted amendments to the code and is known as the Fire Prevention Code of the City of Los Banos. The Los Banos City Council will consider an ordinance, which if adopted will substantially revise Title 4, Chapter 3 of the Los Banos Municipal Code as it relates to the California Fire Code by adoption by reference the California Fire Code 2013 Edition and local amendments to the California Fire Code 2013 Edition pertaining to Automatic Sprinkler Systems.

The Public Hearing will be held at the regular meeting of the Los Banos City Council on Wednesday, February 5, 2014 at 7:00 p.m. in the Council Chambers at Los Banos City Hall located at 520 J Street, or as near as possible thereafter, at which time and place interested persons may appear and be heard thereon. Questions regarding the above-referenced item may be directed to Tim Marrison, Assistant Fire Chief, Main Fire Station, 333 7<sup>th</sup> Street or at (209) 827-7025. Copies of the primary code and also copies of the secondary codes, if any, being considered for adoption, are on file with the City Clerk, and are open for public inspection.

All interested persons will be given an opportunity to comment on this item at the Public Hearing. In addition, written comments may be submitted to the City Council at or prior to the hearing, mailed to 333 7<sup>th</sup> Street, Los Banos, CA 93635, Attention: Tim Marrison, Assistant Fire Chief. Please reference hearing title and date of hearing in any correspondence. If no comments are received prior to or on the above date, it will be assumed that no comments are being offered. Please note that if you challenge the City's final decision on the above matter in court, you may be limited to raising only those factual and legal issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. In light of the foregoing, all interested members of the public are encouraged to voice their concerns regarding the above matter either in person at the hearing or in writing through correspondence addressed to the City Council and submitted to the City Council at or prior to the date of the above hearing.

It is the intention of the City to comply with the Americans with Disabilities Act (ADA). If you require special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (209) 827-7000 at least 48 hours prior to the meeting to inform us of your particular needs.

THE CITY OF LOS BANOS  
TIM MARRISON  
ASSISTANT FIRE CHIEF

A handwritten signature in black ink, appearing to read "Tim Marrison". The signature is written in a cursive style with a long horizontal stroke at the end.



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor Villalta & City Council Members

**FROM:** Sonya Williams, Finance Director

**DATE:** February 5, 2014

**SUBJECT:** 2012-2013 Fiscal Year Audit Reports

**TYPE OF REPORT:** Non Consent Agenda

---

**Recommendation:**

Adopt a Resolution accepting the 2012-2013 Comprehensive Annual Financial Report (CAFR), the Single Audit Report, the Memorandum on Internal Control and Required Communications (MOIC), and the Transportation Development Act Program Financial Statements Statements, prepared by Maze & Associates, our independent auditors.

**Background:**

Annually the City has a financial audit performed by an independent, certified public accounting firm. For 2012-2013, the City again received an unqualified opinion, which indicates that the auditor believes the Financial Statements present a fair picture of the financial position of the City, as opposed to a qualified opinion, in which the auditor "qualifies" or limits his opinion for specific reasons, such as lack of capital asset accounting, significant internal control deficiencies or non-compliance with other Government Accounting Standards Board (GASB) requirements.

In Fiscal Year 2011-2012 the City submitted the CAFR to the California Society of Municipal Finance Officers (CSMFO) and was presented with a Certificate of Award for Outstanding Financial Reporting. This Fiscal Year the City choose to submitt the CAFR to the Government Finance Officers Association (GFOA). The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

Reports submitted to the CAFR program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee (SRC), which comprises individuals with expertise in public-sector financial reporting and includes

financial statement preparers, independent auditors, academics, and other finance professionals. Award results are still pending.

**Overview:**

The primary purpose of the CAFR is to allow readers to assess the financial condition of the City at the end of each year and demonstrate whether its financial condition has improved or deteriorated in relation to the prior year. A condensed presentation of the City's net assets are shown below:

City of Los Banos  
Net Assets  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Activities		% Change
	2012	2013	2012	2013	2012	2013	
Current & Other Assets	\$ 23,776	\$ 23,279	\$ 30,584	\$ 33,878	\$ 54,360	\$ 57,157	5.1%
Capital Assets	91,897	87,023	52,042	50,907	143,939	137,930	-4.2%
Total Asset	115,673	110,302	82,626	84,785	198,299	195,087	-1.6%
Long-term Debt Outstanding	1,461	-	9,453	8,609	10,914	8,609	-21.1%
Other Liabilities	1,713	1,842	7,468	7,352	9,181	9,194	0.1%
Total Liabilities	3,174	1,842	16,921	15,961	20,095	17,803	-11.4%
<b>Net Assets</b>							
Invested in Capital Assets, net of Related Debt	90,436	87,023	42,589	42,540	133,025	129,563	-2.6%
Restricted	10,791	9,416	8,453	8,350	19,244	17,766	-7.7%
Unrestricted	11,272	12,021	14,662	17,934	25,934	29,955	15.5%
Total Net Assets	\$ 112,499	\$ 108,460	\$ 65,704	\$ 68,824	\$ 178,203	\$ 177,284	-0.5%

The Single Audit Report confirms that the City received an unqualified opinion for Fiscal Year 2012-2013. The report states that the audit did not disclose any significant deficiencies, material weaknesses or instances of noncompliance material to the Financial Statements. The report includes prior year findings which have been implemented.

The MOIC considers the City's internal control over financial reporting. The auditors did not identify any deficiencies in internal control that were considered to be a material weakness. The MOIC should be read in conjunction with the Single Audit Report.

The State of California created a local transportation fund for each County, funded by one-quarter of a cent of the State sales tax. The program was created to pay for reconstruction of roads. The City is required to prepare separate Financial Statements specific to the program.

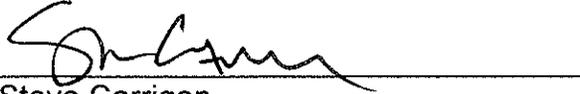
Vikki Roriguez a partner with Maze & Associates will be presenting the Financial Reports and will be present to answer any questions.

The CAFR for the Fiscal Year Ending June 30, 2013 is available for review in the Finance Department located at City Hall and on the City's website, [www.losbanos.org](http://www.losbanos.org).

**Fiscal Impact:**

None.

Reviewed by:

A handwritten signature in black ink, appearing to read "Steve Carrigan", is written over a horizontal line.

Steve Carrigan  
City Manager

**Attachments:**

Resolution

Comprehensive Annual Financial Statements (CAFR)

Single Audit Report

Memorandum on Internal Control and Required Communication (MOIC)

Transportation Development Act Program Financial Statements

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS BANOS ACCEPTING THE 2012-2013 FISCAL YEAR AUDIT REPORTS CONSISTING OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, THE SINGLE AUDIT REPORT, THE MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS, AND THE TRANSPORTATION DEVELOPMENT ACT PROGRAM FINANCIAL FINANCIAL STATEMENTS**

WHEREAS, the City of Los Banos is required to undergo an annual fiscal audit performed by an independent auditor; and

WHEREAS, the auditing firm of Maze & Associates has completed the 2012-2013 Fiscal Year audit and all related reports and presented their findings to the Los Banos City Council;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Banos hereby accepts the 2012-2013 Fiscal Year Audit Reports consisting of the Comprehensive Annual Financial Report (CAFR), the Single Audit Report, the Memorandum of Internal Control and Required Communications, and the Transportation Development Act Program Financial Statements.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 5<sup>th</sup> day of February 2014, by Council Member \_\_\_\_\_ who moved for its adoption, which motion was duly seconded by Council Member \_\_\_\_\_, and the Resolution was adopted by the following vote:

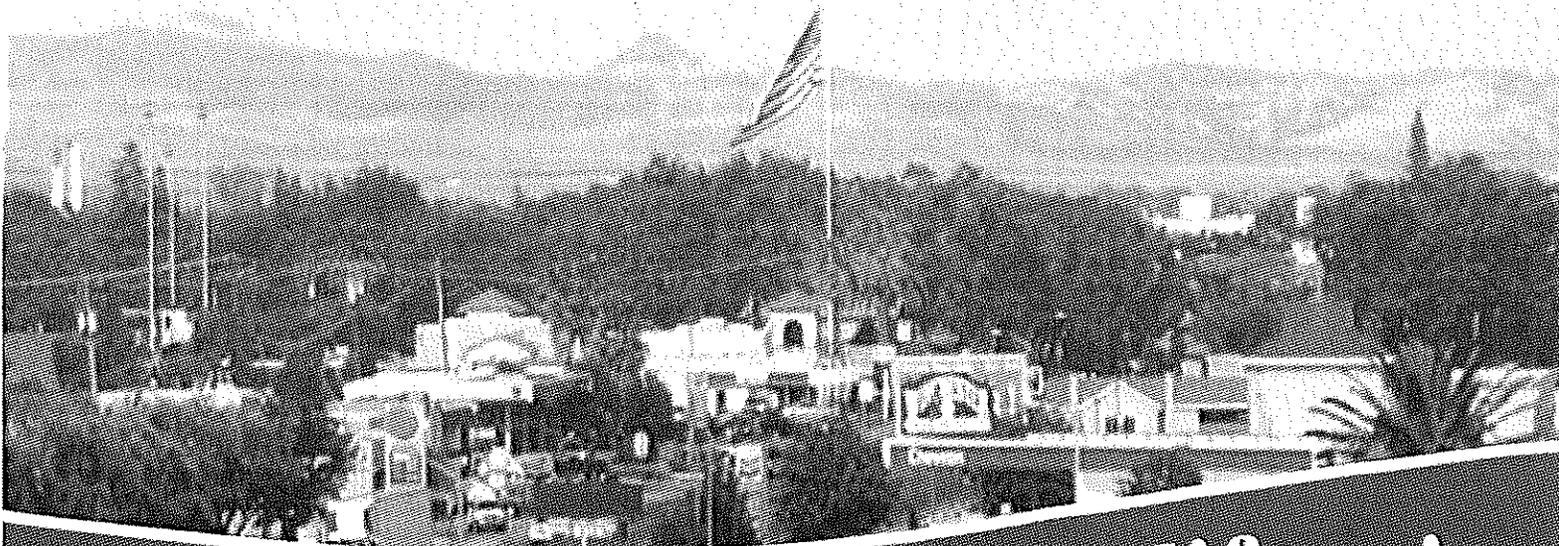
AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Michael Villalta, Mayor

ATTEST:

\_\_\_\_\_  
Lucille L. Mallonee, City Clerk



# City of Los Banos, California



# Comprehensive Annual Financial Report For Fiscal Year Ending June 30, 2013

City of Los Banos  
520 J Street  
Los Banos, CA 93635



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**CITY OF LOS BANOS, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Prepared by**  
**FINANCE DEPARTMENT**

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## **INTRODUCTORY SECTION**

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**CITY OF LOS BANOS**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2013**

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**Comprehensive Annual Financial Report**  
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**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2013**

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City of  
**Los Banos**  
*At the Crossroads of California*

City Hall  
520 J Street  
Los Banos, CA 93635

Phone: (209) 827-7000  
Fax: (209) 827-7010  
[www.losbanos.org](http://www.losbanos.org)

December 31, 2013

Honorable Mayor,  
Members of the City Council, and  
Citizens of the City of Los Banos

**SUBJECT: Comprehensive Annual Financial Report – June 30, 2013**

State law and local ordinance require that all local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In conformance with that requirement, we issue the Comprehensive Annual Financial Report (CAFR) of the City of Los Banos for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all information presented in this report. In order to provide a reasonable basis for making these representations, management of the City has established an internal control framework-designed to ensure the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimated and judgments by management. As a recipient of federal, state, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to the appropriate programs. This internal control structure is subject to periodic evaluation by management.

Maze & Associates, a firm of licensed certified public accountants selected by the Municipal Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2013, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Maze & Associates concluded based upon the audit, that there is reasonable basis for rendering an unqualified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2013, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The City is required to undergo an annual single audit in compliance with provisions of the Single Audit Act as amended in 1996 and the United States Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations. Information contained in this report related to this single audit includes the Schedule of Expenditures of Federal Awards and the auditor's report on the Schedule along with their reports on internal controls and compliance with applicable laws and regulations.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the Financial Section of this document, immediately following the report of the independent auditor.

### **Profile of the City Los Banos**

As a general law City, incorporated in 1907, serving a population of 37,017, Los Banos delivers a full range of municipal services and public utilities under the council-manager form of government. The Mayor is directly elected by the people and serves as a member of the City Council for a two year term. Four council members, City Clerk, and City Treasurer are elected and serve four year terms. The City Manager is appointed by the City Council. The City Council meets the first and third Wednesdays of every month.

Los Banos is the second largest City in Merced County and is located near the geographical center of California in the San Joaquin Valley approximately 70 miles northwest of Fresno, 80 miles east of the Pacific Ocean and 120 miles south of Sacramento. The Crossroads of California describes Los Banos because State Highway 33, 165 and 152 pass through the City and Interstate 5 is six miles to the west. Los Banos is famous for its agricultural products, including melons, almonds, walnuts, apricots, cotton, tomatoes, and dairy products.

### **Local Economy**

Throughout the nation, we have for several years been facing unprecedented challenges to our economy. The current recession has reduced consumer spending and increased unemployment. The California unemployment rate is at 8.9% while Merced County is among the highest in the State in unemployment at 12.1%. The unemployment rate for Los Banos has also impacted our community at 12.7%. Sales tax throughout the region continues to reflect the conditions of the declining economy. The City has many empty retail spaces including empty residential lots. The City is starting to see interest from Developers in construction projects filling some of those empty lots. The City has also seen some commercial construction such as a Dollar General, AM PM Gas Station/Mini Mart, McDonalds and the expansion of a Wal-Mart Supercenter. These businesses play a key role in combating the City's high unemployment rate.

Although off to a slow start, the City is anticipating an increase in residential building and related revenue sources will increase in the next few years. According to Merced County property values has increased 5.23% in 2013 from 2012. The forecast for the next fiscal year is cautious, but core services are still being maintained.

## **Long Term Financial Planning**

The City maintains an annual budget and it serves as the foundation for the City's financial planning and control. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Los Banos Council. The level of budgetary control, i.e. the level where the expenditures cannot legally exceed the appropriated amount, is maintained at the departmental level for the General Fund and at the fund level for all other funds. Department heads may transfer resources within a department as they see fit with the approval of the City Manager. City Council may amend funds by an affirmative vote at any regular or special Council meeting.

Even in this economic recession, at the end of FY 2013 we were able to increase the General Fund ending fund balance. Council has approved to maintain a 30% reserve to safeguard the City and improve our ability to respond to emergency needs. The current year budget provides a 56% operating reserve in the General Fund. This policy provides increased protection against the uncertain dynamics associated with changes in the local economy.

## **Major Achievements and Initiatives**

Beginning in the spring of 2009 the City Council began with workshops to face the unprecedented financial challenges. With the financial challenges we've faced, the City has been protective managing operation reserves throughout the current economic downturn. Steps taken to deal with the financial challenges began in January 2009 employees paying their Employee portion of CalPERS retirement. In addition, they began paying 2.5% toward their benefit package. A reformation of pension costs and benefits were also put in place for future savings. Step increases were frozen and COLA's were not given. A hiring freeze was put in place for positions that were not part of Core Services.

In November 2004, Los Banos' Measure P for 911, Fire protection, and Police was approved by 77.9% of the local voters. This measure provides a .5% sales tax for public safety in the City. In November 2009, the Voters also approved Measure A to redirect the building allocation of Measure P to be used for personnel. We've been able to shift 8 Public Safety positions out of the General Fund and into Measure A. This has saved the General Fund approximately \$800,000 a year. On the November 2013 ballot the City is asking that Measure A be extended for an additional seven years to help with the slow recovery of General Fund revenues.

City Departments also were directed to reduce their supplies and in some cases, there may be service impacts as we focus on "core services". Even with these reductions and enhancements, the following years will be monitored carefully. The City is surviving the economic recession much more effectively than other cities in the County because of all the difficult cuts that were taken during the beginning stages of the downturn.

## **Cash Management**

The City finance staff focuses on safety, liquidity and yield of investments. The highest priority of cash management and investments is to ensure adequate funds are available to meet the City's obligations and all investments are in safe instruments. Yield, while important, is considered in third priority after safety and liquidity. The City invests in the Local Agency Investment Fund

"LAIF" operated by the state for the benefit of local governments. The City also has investments in Wells Fargo Institutional Securities. Bond proceeds, debt service monies, debt service reserves, etc are invested according to the bond covenants of each issue. In 2012 the City entered into an internal refinancing of General Fund bonds in order to receive a better return on investment.

#### **Awards and Acknowledgments**

The City received for the first time a Certificate for Outstanding Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2012 by the California Society of Municipal Finance Officers (CSMFO). The City believes the current CAFR continues to meet the requirement for the award and has set a higher goal to submit this report to the Government Finance Officers Association (GFOA). In order to be awarded a Certificate of Achievement from GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

I would like to extend my thanks to the City Council for their interest in and suggestions to the financial reporting of the City. The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efforts and dedication of the staff of the City's Finance Department. I extend my appreciation to the staff and other personnel from various departments, agencies and authorities who assisted in the preparation of this report.

Respectfully submitted,



Sonya Williams  
Finance Director

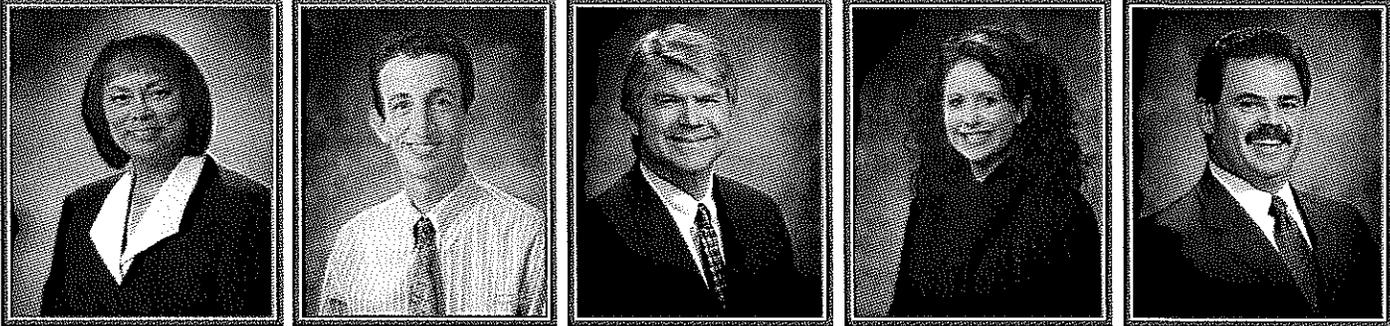


Steve Carrigan  
City Manager

# CITY OF LOS BANOS

## ORGANIZATION CHART

Citizens of Los Banos



Council Member Deborah Lewis	Council Member Scott Silveira	Mayor Mike Villalta	Mayor Pro Tem Elizabeth Stonegrove	Council Member Tom Faria
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City Clerk Lucy Mallonee	City Treasurer Martha Brazil
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City Manager  
Steve Carrigan

Planning Commission	Tree Commission	City Attorney William Vaughn
Airport Advisory Commission	Economic Development Advisory Commission	
Cultural & The Arts Commission	Parks & Recreation Commission	

Administrative Services Director Lucy Mallonee	Fire Chief Chet Guintini	Public Works Director/City Engineer Mark Fachin	Police Chief Gary Brizzee	Community Development Director Paula Fitzgerald	IT Director Rick Spalding
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City of Los Banos  
Directory of City Officials  
June 30, 2013

Elected Officials

Mayor  
Mayor Pro Tem  
Council Member  
Council Member  
Council Member  
City Clerk  
City Treasurer

Michael Villalta  
Elizabeth Stonegrove  
Tom Faria  
Deborah Lewis  
Scott Silveira  
Lucy Mallonee  
Martha Brazil

Appointed Officials

City Manager  
City Attorney  
Administrative Services Director  
Community Development Director  
Fire Chief  
Police Chief  
Public Works Director/Engineer

Steve Carrigan  
William Vaughn  
Lucy Mallonee  
Paula Fitzgerald  
Chet Guintini  
Gary Brizzee  
Mark Fachin

*California Society of  
Municipal Finance Officers*

*Certificate of Award*

***Outstanding Financial Reporting Award  
Fiscal Year Ending June 30, 2012***

*Presented to the*

***City of Los Banos***

For meeting the criteria established to achieve the Outstanding Financial Reporting Award.

*February 6, 2013*

*Laura M. Nomura*

*Laura Nomura  
CSMFO President*

*Scott Catlett*

*Scott Catlett, Chair  
Professional Standards and  
Recognition Committee*



*Dedicated Excellence in Municipal Financial Reporting*

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Los Banos, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Los Banos (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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

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

### *Auditor's Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

Management adopted the provisions of the Governmental Accounting Standards Board Statement 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which became effective during the year ended June 30, 2013 and required statement title changes and other nomenclature changes on the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 comprise the City of Los Banos' financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013 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.

*Maze & Associates*

December 16, 2013

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<b>CITY OF LOS BANOS MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
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As management of the City of Los Banos (City), we offer readers of the City of Los Banos' financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$177,283,362 (net position). Of this amount, \$29,954,960 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$920,622. This decrease was due to the City's General Fund paying off its existing bonded debt. The City's total debt decreased by \$2,306,413. The key factor in this decrease was due the calling of and to regular debt service payments in the enterprise funds.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balances of \$25,728,686. A decrease of \$852,361 in comparison with the prior year. \$5,301,166 is available for spending at the government's discretion (unassigned fund balances).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,339,177 or 60.3 % of total general fund expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of six parts: introductory section, management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplemental information, and statistical information. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like

**CITY OF LOS BANOS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

businesses, such as the water, sewer, solid waste systems and the municipal airport.

- Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. At this time, the City of Los Banos maintains the Los Banos High School Project and the Neighborhood Stabilization Program (NSP) Impound fund as a fiduciary fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed information. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, the City has included a section with combining statements that provide details about the City's nonmajor governmental funds that are added together and presented in single columns in the basic financial statements.

Figure 1 on the following page summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 1: Major Features of the City's Government-wide and Fund Financial Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary / fiduciary	Activities the City operates similar to private businesses
Required financial statements	Statement of net position Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus

**CITY OF LOS BANOS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**Government-wide Statement**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position (the difference between the City's assets and liabilities) is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities:** Most of the City's basic services are included here, such as the police, fire, public works, park/street maintenance, and general administration which includes planning and building. Various taxes, franchise fees, service charges, and investment earnings finance most of these activities.
- **Business-type activities:** The City charges fees to customers to help cover the cost of certain services it provides. The City's water, sewer, solid waste, and airport programs are included here.

**CITY OF LOS BANOS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund Financial Statement**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state of local government, the City of Los Banos uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Some funds are required by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes such as capital project grant funds or to show that it is properly using certain restricted taxes such as gas tax revenues.

The City has two kinds of funds:

- **Governmental funds:** Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, there is additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary funds:** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Internal service funds (the other kind of proprietary fund) report activities that provide supplies and services for the City's other programs and at this time the City maintains three internal service funds for fleet maintenance, information technology and retiree's medical health.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Net Position:** A condensed presentation of the City's net position shown on the next page below totals \$177,283,362 as of June 30, 2013.

This is a decrease of \$920,622 from the previous year. The decrease in net position as noted above is a combination of a decrease in governmental net position of \$4,039,584 and an increase in business-type assets by \$3,118,962.

<b>CITY OF LOS BANOS MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
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City of Los Banos  
Schedule of Net Position  
June 30, 2013  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Activities		%
	2012	2013	2012	2013	2012	2013	
Current & Other Assets	\$ 23,776	\$ 23,279	\$ 30,584	\$ 33,878	\$ 54,360	\$ 57,157	5.1%
Capital Assets	91,897	87,023	52,042	50,907	143,939	137,930	-4.2%
Total Assets	115,673	\$ 110,302	82,626	\$ 84,785	198,299	\$ 195,087	-1.6%
Long-term Debt Outstanding	1,461		9,453	8,609	10,914	8,609	-21.1%
Other Liabilities	1,713	1,842	7,468	7,352	9,181	9,194	0.1%
Total Liabilities	3,174	1,842	16,921	15,961	20,095	17,803	-11.4%
Net Assets							
Invested in Capital Assets, net of Related Debt	90,436	87,023	42,589	42,540	133,025	129,563	-2.6%
Restricted	10,791	9,416	8,453	8,350	19,244	17,766	-7.7%
Unrestricted	11,272	12,021	14,662	17,934	25,934	29,955	15.5%
Total Net Position	\$ 112,499	108,460	\$ 65,704	68,824	\$ 178,203	177,284	-0.5%

In the current fiscal year, a prior period adjustment was made to the City's infrastructure to correct the depreciation schedule. The City has met its requirement to have all infrastructure assets since 1980 recorded on the books. The full Statement of Net Position can be seen on Page 18.

**Changes in Net Position:** Below is a current year recap of the changes in net position. The full Statement of Activities can be seen on Page 19. A further analysis is shown below.

	2012	2013	%
			Change
Program revenues	\$ 25,717,247	\$ 24,970,503	-3%
General revenues/extraordinary Item	9,927,315	10,197,349	3%
Governmental expenses	(23,845,967)	(21,691,956)	-9%
Business-type expenses	(13,931,101)	(14,396,518)	3%
Net increase (decrease)	\$ (2,132,506)	\$ (920,622)	-6%

Program revenues reflect charges for services, operating and capital grants or contributions for other sources.

**CITY OF LOS BANOS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General revenues consist of a variety of taxes, unrestricted investment earnings and developer contributions. These revenues reflect a 3% overall increase from 2012 FY. This increase was primarily due the impact of developer contributed infrastructure.

Governmental activities decreased the City's net position by \$4,039,584, however, business-type activities increased by \$3,118,962 and thereby accounting for .05% of the total reduction in the net position of the key elements. Key elements of this decrease are as follows:

City of Los Banos  
Change in Net Position  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2012	2013	2012	2013	2012	2013	
<b>Program revenues:</b>							
Charges for services	\$ 3,581	\$ 4,349	\$ 14,390	\$ 16,075	\$ 17,971	\$ 20,424	14%
Operating grants	2,782	3,387	90	23	2,872	3,410	19%
Capital grants	4,873	1,138			4,873	1,138	-77%
<b>General revenues:</b>							
Property taxes	7,428	4,947	2	2	7,430	4,949	-33%
Sales tax	4,226	2,571			4,226	2,571	-39%
Other taxes	746	759			746	759	2%
Use of money	141	1,000	340	209	481	1,209	151%
Gain/( Loss) on property	(894)	25			(894)	25	100%
Claims and judgements						-	100%
Developer contributions				684		684	100%
Extraordinary Item	(2,062)				(2,062)		100%
Transfers	3	(523)	(3)	523	-		100%
<b>Total revenues:</b>	<b>\$ 20,824</b>	<b>\$ 17,653</b>	<b>\$ 14,819</b>	<b>\$ 17,516</b>	<b>\$ 35,643</b>	<b>\$ 35,169</b>	<b>-1%</b>
<b>Expenses:</b>							
General government	2,010	1,574			2,010	1,574	-22%
Public safety	10,887	11,002			10,887	11,002	1%
Highways & Streets	5,671	5,846			5,671	5,846	3%
Parks & Recreation	3,157	3,111			3,157	3,111	-1%
Redevelopment	1,728				1,728		-100%
Economic dev.	25	97			25	97	288%
Contingency							
Interest on debt	368	62			368	62	-83%
Water			4,228	4,044	4,228	4,044	-4%
Sewer			4,174	4,132	4,174	4,132	-1%
Airport			509	595	509	595	17%
Solid waste			5,020	5,626	5,020	5,626	12%
<b>Total expenses</b>	<b>23,846</b>	<b>21,692</b>	<b>13,931</b>	<b>14,397</b>	<b>37,777</b>	<b>36,089</b>	<b>-4.5%</b>
<b>Increase (decrease) in net assets</b>	<b>(3,022)</b>	<b>(4,039)</b>	<b>888</b>	<b>3,119</b>	<b>(2,134)</b>	<b>(920)</b>	<b>-57%</b>
<b>Net assets - beginning</b>	<b>115,521</b>	<b>112,499</b>	<b>64,815</b>	<b>65,703</b>	<b>180,336</b>	<b>178,202</b>	<b>-1.2%</b>
<b>Net assets - ending</b>	<b>\$ 112,499</b>	<b>\$ 108,460</b>	<b>\$ 65,703</b>	<b>\$ 68,822</b>	<b>\$ 178,202</b>	<b>\$ 177,282</b>	<b>-0.5%</b>

<b>CITY OF LOS BANOS</b> <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
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**Net Cost of Services:** The table below presents the total cost of each of the City's governmental activities as well as each activity's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

The total costs of \$36,088,474 were offset by charges for services \$20,423,532, operating grants/contributions \$3,409,063, and capital grants/contributions \$1,137,908, bringing a net expense to cost of services to \$12,818,546. Streets received a total of \$1,076,952 from capital grants/contributions reflecting the restricted subventions and grants for infrastructure. Public Safety (consisting of Police, Fire & Building) represents the highest percentage of total net costs \$7,600,021.

**Net Cost of Governmental Activities**  
(in thousands of dollars)

	Total Cost of Services			Net Cost of Services	
	2012	2013	% Change	2012	2013
General government	\$ 2,010	\$ 1,574	-22%	\$ (1,172)	\$ 298
Public safety	10,887	11,002	1%	(7,458)	(7,600)
Highways & streets	5,671	5,846	3%	(754)	(3,967)
Parks & recreation	3,157	3,111	-1%	(1,403)	(1,579)
Economic development	25	97	288%	240	91
Redevelopment	1,728	-	-100%	(1,695)	-
Interest of long term debt	368	62	-83%	(368)	(62)
<b>Total</b>	<b>\$ 23,846</b>	<b>\$ 21,692</b>	<b>-9%</b>	<b>\$ (12,610)</b>	<b>\$ (12,819)</b>

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds have been classified as governmental or proprietary.

**Governmental Funds**

The focus of the City's governmental funds is on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$25.7 million or a decrease of \$852,361 from the prior fiscal year. Approximately 64% of this total amount (\$11.2 million) is not available for new spending because it is restricted and committed to impact fee related projects and capital grant projects.

<b>CITY OF LOS BANOS</b> <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
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The remaining balance, \$6.3 million or 36% is unassigned and available for spending in the future at the government's discretion. However, \$3 million of the General Fund's unassigned fund balance is needed to comply with the City's minimum fund balance policy.

**Major Governmental Funds:** There are four major governmental funds: General Fund, Impact Fee Fund, CDBG and HOME Grants, and Public Safety Special Revenue Fund. Changes in the General Fund are highlighted in the Financial Highlights section above. The following are changes in the other major funds:

**Impact Fee Fund.** These funds account for fees collected from developers for new development and used for future impact of capital needs within the City. At June 30, 2013 the impact fee funds had a total fund balance of \$6.9 million. The entire amount of the fund balance has been committed for capital projects.

**CDBG and HOME Grants.** These funds account for grant funding received from the State of California to assist low to moderate income homeowners. The total fund balance at June 30, 2013 was \$416,320 and was generated from repayment of loans and sale of homes. These funds are restricted that they need to be sent back to the State or used back into the program.

**Public Safety Special Revenue.** These funds are generated from a half cent sales tax for public safety. In November 2004 Measure P was passed by 77.9% for Police, Fire, and 911 services. The majority of these funds are used for personnel. The total fund balance at June 30, 2013 was \$1.9 million.

**Non-Major Governmental Funds:** These funds include gas tax funds, and Landscaping and Lighting Assessment Districts. The gas tax funds are used to maintain and repair the City's 123 miles of streets and the Assessment Districts are used to maintain the landscaping and lighting within the designated district.

To provide an overview of the City's funds, below is a table showing the increases and (decreases) to total assets, liabilities, revenues, and expenditures of the City fund types from fiscal year 2012 to 2013. The total revenues and expenditures do not include any "other financing sources (uses)."

	Increase (Decrease) from Prior Year							
	<u>Assets</u>	%	<u>Liabilities</u>	%	<u>Revenues</u>	%	<u>Expenditures</u>	%
General fund	\$ 1,664,512	22.8%	\$ 1,217,239	85.92%	\$ 666,660	6.70%	\$ 857,077	8.9%
Special revenue	(812,226)	-4.7%	(4,259,395)	-88.4%	696,742	10.8%	214,747	2.9%
Debt service	-		-		(21,637)	-100.00%	(1,304,178)	-100%
Capital projects	76	0.1%	(17,996)	-2%	(1,940,888)	-98.1%	(1,211,838)	-98%

**CITY OF LOS BANOS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The General Fund assets increased 22.8%. The General Fund budget is discussed below under the "Budgetary Highlights".

There are no restrictions, commitments, or other limitations that would significantly affect the availability of fund resources for the future.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Total revenues were \$960,327 over-budget (10%). The main items making up this variance were increased property tax values, increased sales taxes, and a policy shift from LAIF to investments with higher interest rates. Property tax revenues were still stronger than the city anticipated.

Expenditures variances were positive with 8.3% under the amended budget. The City received a one-time savings from the reduction of its OPEB Annual Required Contribution. The savings were found in general government, public safety, and highways and streets. Public safety includes building department expenses that relate to the pass through of revenues to the City's building inspection contractors. The City was able to realize a savings of \$954,290 from the amended budget.

All departments were under the amended budgeted amounts for expenditures.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** A recap of the City's capital assets, net of accumulated depreciation, is shown below. The City-wide decrease in capital assets is \$6,010,008 or 4.2%.

For governmental activities, capital assets decreased \$4,874,513. This reflects a transfer of buildings to the Successor Agency. Depreciation for the City's governmental activities is \$6,520,359.

For business-type activities, capital assets decreased by \$1,135,495. Depreciation for the business-type funds was \$2,270,503.

More detailed information about the City's capital assets is presented in Note 6 to the financial statements.

**Long-term Debt:** A recap of the City's long-term debt is shown on the next page. Total long-term debt decreased by \$2,273,774 or 20%. An increase of \$32,639 was recorded for employee compensated absences. More detailed information about the City's long-term debt is presented in Note 7 to the financial statements.

**CITY OF LOS BANOS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Schedule of Capital Assets  
June 30, 2013  
(in Thousands)**

Description	Governmental Activities		Business-type Activities		Total		Percent Total Change
	2012	2013	2012	2013	2012	2013	
Land	\$ 11,521	\$ 11,521	\$ 8,068	\$ 8,068	\$ 19,589	\$ 19,589	0.00%
Buildings & Improvements	9,699	9,704	10,027	10,027	19,726	19,731	0.03%
Equipment	11,075	11,770	8,154	8,124	19,229	19,894	3.46%
Infrastructure	122,100	122,783	49,788	50,480	171,888	173,263	0.80%
Construction in Progress	615	184	2,503	2,837	3,118	3,021	-3.11%
Less: Total Accumulated Depreciation	(63,112)	(68,939)	(26,497)	(28,630)	(89,609)	(97,569)	8.88%
<b>Total Capital Assets</b>	<b>\$ 91,898</b>	<b>\$ 87,023</b>	<b>\$ 52,043</b>	<b>\$ 50,906</b>	<b>\$ 143,941</b>	<b>\$ 137,929</b>	<b>-4.18%</b>

City of Los Banos  
Outstanding Debt  
(units in thousands)

Debt Types	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2012	2013	2012	2013	2012	2013	
COPs	\$ 590	\$ -	\$ 9,344	\$ 8,521	\$ 9,934	\$ 8,521	-14%
Bonds	815	-	-	-	815	-	-100%
Notes payable			110	88	110	88	-20%
Capital leases	57	-	-	-	57	-	-100%
Comp. absences	553	586	167	167	720	753	5%
<b>Total debt</b>	<b>\$ 2,015</b>	<b>\$ 586</b>	<b>\$ 9,621</b>	<b>\$ 8,776</b>	<b>\$ 11,636</b>	<b>\$ 9,362</b>	<b>-20%</b>

**NEXT YEAR'S BUDGETS AND RATES**

The City's property taxes are paid in January and April whereas sales taxes are paid on a monthly basis, therefore the City must maintain a reserve in order to meet cash-flow needs of the General Fund. Since property tax values have remained flat, so has the property taxes in lieu of motor vehicle fees. The City is anticipating no growth in General Fund revenues in the next fiscal year. The City will continue to maintain existing reserves in order to meet personnel expenditures impacting the General Fund in future fiscal years.

The City will see a 7-10% increase in the City's self-insured pooling. It will again see increases in medical insurance premiums. The City is a member of a risk pool for workers' compensation (see the notes to these financial statements).

<b>CITY OF LOS BANOS MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
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CalPERS has changed the calculation smoothing from 3 years to 20 years and the City is in a pooling structure for employee groups less than 100 employees per group. The retirement rates remain in the double digits. A recap of the retirement rates by fiscal year is shown below.

	<b>2.7% @ 55</b>			<b>3% @ 50</b>			
	<b>Miscellaneous</b>			<b>Safety</b>			
	<b>Employee</b>	<b>Employer</b>	<b>Total</b>	<b>Employee</b>	<b>Employer</b>	<b>Total</b>	
<b>2011</b>	8.00%	16.56%	24.56%	9.00%	28.26%	37.26%	Actual
<b>2012</b>	8.00%	19.85%	27.85%	9.00%	33.81%	42.81%	Actual
<b>2013</b>	8.00%	20.50%	28.50%	9.00%	34.72%	43.72%	Actual

	<b>2.0% @ 60</b>			<b>3% @ 55</b>			
	<b>Miscellaneous</b>			<b>Safety</b>			
	<b>Employee</b>	<b>Employer</b>	<b>Total</b>	<b>Employee</b>	<b>Employer</b>	<b>Total</b>	
<b>2011</b>	8.00%	8.44%	16.44%	9.00%	22.06%	31.06%	Actual
<b>2012</b>	8.00%	8.44%	16.44%	9.00%	22.06%	31.06%	Actual
<b>2013</b>	8.00%	8.55%	16.55%	9.00%	21.80%	30.80%	Actual

	<b>2.0% @ 62</b>			<b>2.7% @ 57</b>			
	<b>Miscellaneous</b>			<b>Safety</b>			
	<b>Employee</b>	<b>Employer</b>	<b>Total</b>	<b>Employee</b>	<b>Employer</b>	<b>Total</b>	
<b>2013</b>	6.50%	6.70%	13.20%	12.25%	12.25%	24.50%	Actual

The City underwent an actuarial study in 2013 to continue to be in compliance with Governmental Accounting Standards Board pronouncement 43 & 45 to determine the unfunded liability for other post employment benefits. The City complied with GASB by currently funding the retiree health benefits on a yearly basis and paid \$788,691 for retirement health benefits and sent another \$553,892 for future retirement health benefits to CERBT in order to comply with the City's annual required contribution (ARC).

The City performs annual adjustments for developer impact fees based on the construction cost index. Water, wastewater, and solid waste rate increases were approved in fiscal year 2011-12 for a total of 5 year increases. These rate increases complied with Prop 218 and have been approved by the City Council.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of the City with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Los Banos, Finance Department, 520 J Street, Los Banos, CA 93635.

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION  
AND STATEMENT OF ACTIVITIES**

CITY OF LOS BANOS  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments (Note 3)	\$18,125,237	\$22,093,673	\$40,218,910
Restricted cash and investments with fiscal agent (Note 3)		1,370,567	1,370,567
Restricted cash and investments (Note 3)		6,979,237	6,979,237
Receivables:			
Accounts receivable	205,394	1,298,973	1,504,367
Taxes receivable	1,578,689		1,578,689
Interest receivable	7,766	12,579	20,345
Intergovernmental receivables	771,790	12,455	784,245
Loans receivable (Note 5)	4,070,990	6,827	4,077,817
Internal balances	(1,785,000)	1,785,000	
Inventory (Note 1I)		67,632	67,632
Prepaid items (Note 1I)	1,506	9,518	11,024
Deferred charges, net of accumulated amortization		241,386	241,386
Property held for resale (Note 1J)	85,964		85,964
Net OPEB asset (Note 12)	216,299		216,299
Capital assets, not being depreciated (Note 6):			
Land	11,521,007	8,067,666	19,588,673
Construction in progress	183,849	2,837,252	3,021,101
Capital assets, being depreciated (Note 6):			
Buildings and structures	9,704,299	10,027,078	19,731,377
Machinery and equipment	11,770,105	8,124,423	19,894,528
Infrastructure	122,782,572	50,480,462	173,263,034
Less: Accumulated depreciation	(68,938,865)	(28,629,949)	(97,568,814)
<b>Total Assets</b>	<b>\$110,301,602</b>	<b>\$84,784,779</b>	<b>\$195,086,381</b>
<b>LIABILITIES</b>			
Accounts payable	\$1,176,097	\$730,011	\$1,906,108
Interest payable		34,612	34,612
Deposits	79,611	421,065	500,676
Compensated absences (Note 1H):			
Due within one year	515,862	160,189	676,051
Due in more than a year	70,348	6,575	76,923
Long-term debt (Note 7):			
Due within one year		958,356	958,356
Due in more than a year		7,650,293	7,650,293
Landfill closure and postclosure care payable (Note 8)		6,000,000	6,000,000
<b>Total Liabilities</b>	<b>1,841,918</b>	<b>15,961,101</b>	<b>17,803,019</b>
<b>NET POSITION (Note 9)</b>			
Net investment in capital assets	87,022,967	42,539,669	129,562,636
Restricted for:			
Debt service		1,370,567	1,370,567
Capital projects	6,957,183	6,979,237	13,936,420
Special revenue projects	2,042,459		2,042,459
Low and moderate income housing	416,320		416,320
<b>Total Restricted</b>	<b>9,415,962</b>	<b>8,349,804</b>	<b>17,765,766</b>
Unrestricted	12,020,755	17,934,205	29,954,960
<b>Total Net Position</b>	<b>\$108,459,684</b>	<b>\$68,823,678</b>	<b>\$177,283,362</b>

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Primary Government</b>						
Governmental Activities:						
General government	\$1,574,303	\$1,801,754	\$59,330	\$11,217	\$297,998	\$297,998
Public safety	11,001,775	1,021,447	2,336,432	43,875	(7,600,021)	(7,600,021)
Highways and streets	5,845,904		802,234	1,076,952	(3,966,718)	(3,966,718)
Parks and recreation	3,110,563	1,525,693		5,864	(1,579,006)	(1,579,006)
Economic development	97,369		188,612		91,243	91,243
Interest on long-term debt	62,042				(62,042)	(62,042)
Total Governmental Activities	<u>21,691,956</u>	<u>4,348,894</u>	<u>3,386,608</u>	<u>1,137,908</u>	<u>(12,818,546)</u>	<u>(12,818,546)</u>
Business-type Activities:						
Water	4,043,632	5,130,735			\$1,087,103	1,087,103
Wastewater	4,131,577	4,492,234			360,657	360,657
Airport	595,136	545,956	10,000		(39,180)	(39,180)
Solid waste	5,626,173	5,905,713	12,455		291,995	291,995
Total Business-type Activities	<u>14,396,518</u>	<u>16,074,638</u>	<u>22,455</u>		<u>1,700,575</u>	<u>1,700,575</u>
Total Primary Government	<u>\$36,088,474</u>	<u>\$20,423,532</u>	<u>\$3,409,063</u>	<u>\$1,137,908</u>	<u>(12,818,546)</u>	<u>1,700,575</u>
General revenues:						
Property taxes					4,946,843	2,390
Sales tax					2,571,065	
Motor vehicle in-lieu tax					15,704	
Transient tax and other taxes					286,742	
Franchise taxes					456,482	
Use of money and property					250,057	209,252
Gain on sale of capital assets					24,851	
Claims and judgments (Note 13)					750,000	
Developer Contributions						683,963
Transfers (Note 4)					(522,782)	522,782
Total General Revenues and Transfers					<u>8,778,962</u>	<u>1,418,387</u>
Change in Net Position					(4,039,584)	3,118,962
Net Position-Beginning					<u>112,499,268</u>	<u>65,704,716</u>
Net Position-Ending					<u>\$108,459,684</u>	<u>\$68,823,678</u>

See accompanying notes to basic financial statements

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<b>FUND FINANCIAL STATEMENTS</b>
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The funds described below were determined to be Major Funds by the City in fiscal 2013. Individual non-major funds may be found in the Supplemental Section.

**GENERAL FUND**

This fund is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with government, which are not required to be accounted for in another fund. These activities are funded primarily by property taxes, sales and use taxes, interest and rental income, charges for services, and State grants.

**IMPACT FEES SPECIAL REVENUE FUND**

This fund accounts for fees collected from developers and saved for future capital outlays for traffic.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME GRANTS SPECIAL REVENUE FUND**

This fund accounts for certain designated projects paid for with Community Development Block Grant (CDBG) and Home Federal program monies received from the State, along with repayments of CDBG loans.

**PUBLIC SAFETY SPECIAL REVENUE FUND**

This fund accounts for a half cent sales tax approved by local citizens in November 2004 by 77.9%. This measure passed to be used for 911 services, Police, and Fire protection. These funds are split 50/50 with the Police and Fire Departments.

CITY OF LOS BANOS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2013

	Special Revenue Funds			
	General	Impact Fees	CDBG and Home Grants	Public Safety
<b>ASSETS</b>				
Cash and investments (Note 3)	\$7,497,164	\$6,080,246	\$329,005	\$1,505,848
Accounts receivable	142,502		1,733	13,643
Taxes receivable	951,723			454,214
Interest receivable	2,859	2,629	127	576
Intergovernmental receivables	164,662			
Prepaid items (Note 1I)	1,506			
Due from other funds (Note 4)	214,285			
Advance to other funds (Note 4)		914,037		
Property held for resale (Note 1J)			85,964	
Loans receivable (Note 5)		36,357	4,034,633	
<b>Total Assets</b>	<b>\$8,974,701</b>	<b>\$7,033,269</b>	<b>\$4,451,462</b>	<b>\$1,974,281</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$769,407	\$39,729	\$509	\$6,416
Due to other funds (Note 4)				
Deposits	79,611			
Advance from other funds (Note 4)	1,785,000			
<b>Total Liabilities</b>	<b>2,634,018</b>	<b>39,729</b>	<b>509</b>	<b>6,416</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue		36,357	4,034,633	
<b>Total Deferred Inflows of Resources</b>		<b>36,357</b>	<b>4,034,633</b>	
<b>Fund balances (Note 9):</b>				
Nonspendable	1,506			
Restricted		6,957,183	416,320	1,967,865
Unassigned	6,339,177			
<b>Total Fund Balances</b>	<b>6,340,683</b>	<b>6,957,183</b>	<b>416,320</b>	<b>1,967,865</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$8,974,701</b>	<b>\$7,033,269</b>	<b>\$4,451,462</b>	<b>\$1,974,281</b>

See accompanying notes to basic financial statements

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$2,473,746	\$17,886,009
40,150	198,028
172,752	1,578,689
1,197	7,388
607,128	771,790
	1,506
	214,285
	914,037
	85,964
	<u>4,070,990</u>
<u>\$3,294,973</u>	<u>\$25,728,686</u>

\$308,966	\$1,125,027
214,285	214,285
	79,611
<u>914,037</u>	<u>2,699,037</u>
<u>1,437,288</u>	<u>4,117,960</u>
	<u>4,070,990</u>
	<u>4,070,990</u>

	1,506
2,895,696	12,237,064
<u>(1,038,011)</u>	<u>5,301,166</u>
<u>1,857,685</u>	<u>17,539,736</u>
<u>\$3,294,973</u>	<u>\$25,728,686</u>

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CITY OF LOS BANOS  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013

Total fund balances reported on the Governmental Funds Balance Sheet \$17,539,736

Amounts reported for Governmental Activities in the Statement of Net Position  
 are different from those reported in the Governmental Funds above because of the following:

**CAPITAL ASSETS**

Capital assets used in Governmental Activities are not current assets or financial resources and  
 therefore are not reported in the Governmental Funds. 86,953,146

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal Service Funds are not Governmental Funds. However, they are used by management to  
 charge the costs of certain activities, such as insurance, central services and maintenance  
 to individual Governmental Funds. The net current assets of the Internal Service Funds are therefore  
 included in Governmental Activities in the following line items on the Statement of Net Position.

Cash and investments	239,228
Interest receivable	378
Accounts receivable	7,366
Capital assets, net of accumulated depreciation	69,821
Accounts payable and other current liabilities	(51,070)
Compensated absences	(23,813)
Net OPEB asset	216,299

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues which are deferred on the Fund Balance Sheets, because they are not available currently,  
 are taken into revenue in the Statement of Activities. 4,070,990

**LONG-TERM ASSETS AND LIABILITIES**

The assets and liabilities below are not due and payable in the current period and therefore are not  
 reported in the Funds:

Compensated absences	(562,397)
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$108,459,684
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See accompanying notes to basic financial statements

CITY OF LOS BANOS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	General Fund	Impact Fees	CDBG and Home Grants	Public Safety
<b>REVENUES</b>				
<b>Taxes:</b>				
Property	\$4,919,661			\$722,560
Sales	2,571,065			1,892,854
Franchise	435,827			
Motor vehicle	15,704			
Other	286,742			
Licenses and permits	305,599			
Intergovernmental	147,355			21,092
Charges for services	869,203	\$328,880	\$228,391	24,337
Fines	68,731			
Use of property and money	981,771	30,540	4,537	8,653
Miscellaneous	10,542	25,239	13,821	10,495
<b>Total Revenues</b>	<b>10,612,200</b>	<b>384,659</b>	<b>246,749</b>	<b>2,679,991</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	1,494,581			
Public safety	6,742,755	33,183		3,204,884
Highways and streets		1,285		
Parks and recreation	812,223			
Economic development			67,515	
<b>Debt service:</b>				
Principal	1,405,000			
Interest and fiscal charges	62,042			
<b>Capital outlay:</b>				
General government				
Public safety		343,930		34,981
Highways and streets				55,125
Parks and recreation		99,953		
<b>Total Expenditures</b>	<b>10,516,601</b>	<b>478,351</b>	<b>67,515</b>	<b>3,294,990</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>95,599</b>	<b>(93,692)</b>	<b>179,234</b>	<b>(614,999)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	24,851			
Claims and judgments (Note 13)	750,000			
Transfers in (Note 4)	20,004	5,770		17,156
Transfers (out) (Note 4)	(583,248)		(19,854)	
<b>Total Other Financing Sources (Uses)</b>	<b>211,607</b>	<b>5,770</b>	<b>(19,854)</b>	<b>17,156</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>307,206</b>	<b>(87,922)</b>	<b>159,380</b>	<b>(597,843)</b>
<b>BEGINNING FUND BALANCES</b>	<b>6,033,477</b>	<b>7,045,105</b>	<b>256,940</b>	<b>2,565,708</b>
<b>ENDING FUND BALANCES</b>	<b>\$6,340,683</b>	<b>\$6,957,183</b>	<b>\$416,320</b>	<b>\$1,967,865</b>

See accompanying notes to basic financial statements

Other Governmental Funds	Total
	\$5,642,221
	4,463,919
\$20,655	456,482
799,823	815,527
	286,742
	305,599
1,093,409	1,261,856
1,886,712	3,337,523
	68,731
43,641	1,069,142
6,496	66,593
<u>3,850,736</u>	<u>17,774,335</u>
1,360	1,495,941
274,754	10,255,576
1,024,693	1,025,978
1,449,171	2,261,394
	67,515
	1,405,000
	62,042
36,895	36,895
49,050	427,961
979,291	1,034,416
12,208	112,161
<u>3,827,422</u>	<u>18,184,879</u>
<u>23,314</u>	<u>(410,544)</u>
	24,851
	750,000
175,531	218,461
(138,141)	(741,243)
<u>37,390</u>	<u>252,069</u>
60,704	(158,475)
<u>1,796,981</u>	<u>17,698,211</u>
<u>\$1,857,685</u>	<u>\$17,539,736</u>

CITY OF LOS BANOS  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2013

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$158,475)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance 1,611,433

Depreciation expense is deducted from the fund balance  
 (Depreciation expense is net of internal service fund depreciation  
 of \$161,807 which has already been allocated to serviced funds) (6,358,552)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance 1,405,000

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Deferred revenue (220,299)  
 Compensated absences (37,593)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities because they service those activities.

Change in Net Position - Internal Service Fund (281,098)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (\$4,039,584)

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$4,309,011	\$4,309,011	\$4,919,661	\$610,650
Sales	2,462,000	2,462,000	2,571,065	109,065
Franchise	400,000	400,000	435,827	35,827
Motor vehicle			15,704	15,704
Other	275,000	275,000	286,742	11,742
Licenses and permits	179,870	259,870	305,599	45,729
Intergovernmental	39,600	39,600	147,355	107,755
Charges for services	776,978	826,778	869,203	42,425
Fines	70,000	70,000	68,731	(1,269)
Use of property and money	906,794	909,294	981,771	72,477
Miscellaneous	101,320	100,320	10,542	(89,778)
<b>Total Revenues</b>	<u>9,520,573</u>	<u>9,651,873</u>	<u>10,612,200</u>	<u>960,327</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,612,823	1,619,723	1,494,581	125,142
Public safety	7,496,250	7,594,626	6,742,755	851,871
Parks and recreation	876,524	876,524	812,223	64,301
Debt service:				
Principal	95,000	1,295,000	1,405,000	(110,000)
Interest and fiscal charges	85,018	85,018	62,042	22,976
<b>Total Expenditures</b>	<u>10,165,615</u>	<u>11,470,891</u>	<u>10,516,601</u>	<u>954,290</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(645,042)</u>	<u>(1,819,018)</u>	<u>95,599</u>	<u>1,914,617</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets			24,851	24,851
Claims and judgments (Note 13)			750,000	750,000
Transfers in (Note 4)			20,004	20,004
Transfers (out) (Note 4)	6,500	6,500	(583,248)	(589,748)
<b>Total other financing sources (uses)</b>	<u>6,500</u>	<u>6,500</u>	<u>211,607</u>	<u>205,107</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$638,542)</u>	<u>(\$1,812,518)</u>	<u>307,206</u>	<u>\$2,119,724</u>
<b>Beginning fund balance</b>			<u>6,033,477</u>	
<b>Ending fund balance</b>			<u>\$6,340,683</u>	

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
IMPACT FEES SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$140,500	\$140,500	\$328,880	\$188,380
Use of property and money	17,215	17,215	30,540	13,325
Miscellaneous			25,239	25,239
<b>Total Revenues</b>	<u>157,715</u>	<u>157,715</u>	<u>384,659</u>	<u>226,944</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Public safety	8,000	24,374	33,183	(8,809)
Highways and streets	15,000	15,000	1,285	13,715
<b>Capital outlay:</b>				
Public safety	1,549,400	1,573,026	343,930	1,229,096
Highways and streets	40,000	40,000		40,000
Parks and recreation		99,953	99,953	
<b>Total Expenditures</b>	<u>1,612,400</u>	<u>1,752,353</u>	<u>478,351</u>	<u>1,274,002</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,454,685)</u>	<u>(1,594,638)</u>	<u>(93,692)</u>	<u>1,500,946</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in (Note 4)			5,770	5,770
<b>NET CHANGE IN FUND BALANCES</b>	<u>(\$1,454,685)</u>	<u>(\$1,594,638)</u>	<u>(87,922)</u>	<u>\$1,506,716</u>
Beginning fund balance			<u>7,045,105</u>	
Ending fund balance			<u>\$6,957,183</u>	

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME GRANTS  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$75,000	\$75,000	\$228,391	\$153,391
Use of property and money		2,900	4,537	1,637
Miscellaneous	11,700	11,700	13,821	2,121
Total Revenues	<u>86,700</u>	<u>89,600</u>	<u>246,749</u>	<u>157,149</u>
EXPENDITURES:				
Current:				
Redevelopment	153,000	154,900	67,515	87,385
Total Expenditures	<u>153,000</u>	<u>154,900</u>	<u>67,515</u>	<u>87,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(66,300)</u>	<u>(65,300)</u>	<u>179,234</u>	<u>244,534</u>
OTHER FINANCING SOURCES				
Transfers (out) (Note 4)			(19,854)	(19,854)
Total other financing sources (uses)			<u>(19,854)</u>	<u>(19,854)</u>
NET CHANGE IN FUND BALANCES	<u>(\$66,300)</u>	<u>(\$65,300)</u>	159,380	<u>\$224,680</u>
Beginning fund balance			<u>256,940</u>	
Ending fund balance			<u>\$416,320</u>	

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
PUBLIC SAFETY SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
<b>Taxes:</b>				
Property	\$706,068	\$706,068	\$722,560	\$16,492
Sales	1,775,186	1,775,186	1,892,854	117,668
Intergovernmental	4,303	54,701	21,092	(33,609)
Charges for services	12,000	12,000	24,337	12,337
Use of property and money	13,485	13,485	8,653	(4,832)
Miscellaneous			10,495	10,495
<b>Total Revenues</b>	<u>2,511,042</u>	<u>2,561,440</u>	<u>2,679,991</u>	<u>118,551</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Public safety	3,165,997	3,294,973	3,204,884	90,089
<b>Capital outlay:</b>				
Public safety	44,100	44,100	34,981	9,119
Highway and streets	62,000	62,000	55,125	6,875
<b>Total Expenditures</b>	<u>3,272,097</u>	<u>3,401,073</u>	<u>3,294,990</u>	<u>106,083</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(761,055)</u>	<u>(839,633)</u>	<u>(614,999)</u>	<u>224,634</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 4)	6,500	6,500	17,156	10,656
<b>Total other financing sources (uses)</b>	<u>6,500</u>	<u>6,500</u>	<u>17,156</u>	<u>10,656</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$754,555)</u>	<u>(\$833,133)</u>	<u>(597,843)</u>	<u>\$235,290</u>
Beginning fund balance			<u>2,565,708</u>	
Ending fund balance			<u>\$1,967,865</u>	

See accompanying notes to basic financial statements

## **MAJOR PROPRIETARY FUNDS**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City reported all of its Enterprise Funds as major funds in fiscal 2013.

### **WATER**

Accounts for activities associated with the acquisition or construction of water facilities and production, distribution, and transmission of potable water to users.

### **WASTEWATER**

Accounts for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for drainage, treatment, and disposal of sanitary wastewater.

### **AIRPORT**

Accounts for activities associated with the operations and capital improvements of the City's municipal airport.

### **SOLID WASTE FUND**

Accounts for activities associated with the collection and disposal of refuse throughout the City.

CITY OF LOS BANOS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Wastewater	Airport	Solid Waste	Totals	
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and investments (Note 3)	\$15,127,615	\$4,516,583	\$121,863	\$2,327,612	\$22,093,673	\$239,228
Restricted cash and investments with fiscal agent (Note 3)	572,337	798,230			1,370,567	
Restricted cash and investments (Note 3)	3,609,257	3,369,980			6,979,237	
Interest receivable	8,703	2,955	42	879	12,579	378
Accounts receivable	426,797	378,640	44,736	448,800	1,298,973	7,366
Intergovernmental receivables				12,455	12,455	
Inventories (Note 11)	4,910		62,722		67,632	
Prepaid items (Note 11)	1,506	6,506		1,506	9,518	
<b>Total Current Assets</b>	<b>19,751,125</b>	<b>9,072,894</b>	<b>229,363</b>	<b>2,791,252</b>	<b>31,844,634</b>	<b>246,972</b>
<b>Non-Current Assets:</b>						
Loans receivable (Note 5)	6,827				6,827	
Advance to other funds (Note 4)	1,125,000	660,000			1,785,000	
Deferred charges, net of accumulated amortization	76,767	164,619			241,386	
<b>Capital Assets (Note 6):</b>						
Land	760,822	7,306,844			8,067,666	
Construction in progress	156,482	1,977,566	70,002	633,202	2,837,252	
Buildings and improvements	304,541	9,034,927	655,452	32,158	10,027,078	
Machinery and equipment	3,919,638	2,570,270	409,528	1,224,987	8,124,423	590,462
Infrastructure	25,969,563	21,761,738	2,729,243	19,918	50,480,462	
Less: accumulated depreciation	(10,523,546)	(15,051,618)	(2,209,875)	(844,910)	(28,629,949)	(520,641)
<b>Total Non-Current Assets</b>	<b>21,796,094</b>	<b>28,424,346</b>	<b>1,654,350</b>	<b>1,065,355</b>	<b>52,940,145</b>	<b>69,821</b>
<b>Total Assets</b>	<b>\$41,547,219</b>	<b>\$37,497,240</b>	<b>\$1,883,713</b>	<b>\$3,856,607</b>	<b>\$84,784,779</b>	<b>\$316,793</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts payable and other current liabilities	\$157,268	\$204,769	\$39,721	\$328,253	\$730,011	\$51,070
Interest payable	17,235	17,377			34,612	
Deposits	412,445	5,000	3,580	40	421,065	
Current portion of Certificates of Participation and notes payable (Note 7)	350,000	585,000	23,356		958,356	
Current portion of compensated absences (Note 11)	53,354	62,655		44,180	160,189	
<b>Total Current Liabilities</b>	<b>990,302</b>	<b>874,801</b>	<b>66,657</b>	<b>372,473</b>	<b>2,304,233</b>	<b>51,070</b>
<b>Noncurrent Liabilities</b>						
Certificate of Participation bonds payable (Note 7)	3,882,455	3,703,664			7,586,119	
Compensated absences (Note 11)	1,475	(989)		6,089	6,575	23,813
Note payable (Note 7)			64,174		64,174	
Net OPEB liability (Note 12)						(216,299)
Landfill closure and postclosure care payable (Note 8)				6,000,000	6,000,000	
<b>Total Noncurrent Liabilities</b>	<b>3,883,930</b>	<b>3,702,675</b>	<b>64,174</b>	<b>6,006,089</b>	<b>13,656,868</b>	<b>(192,486)</b>
<b>Total Liabilities</b>	<b>4,874,232</b>	<b>4,577,476</b>	<b>130,831</b>	<b>6,378,562</b>	<b>15,961,101</b>	<b>(141,416)</b>
<b>NET POSITION (Note 9)</b>						
Net investment in capital assets	16,431,812	23,475,682	1,566,820	1,065,355	42,539,669	69,821
Restricted for debt service	572,337	798,230			1,370,567	
Restricted for capital projects	3,609,257	3,369,980			6,979,237	
Restricted for retiree benefits						216,299
Unrestricted	16,059,581	5,275,872	186,062	(3,587,310)	17,934,205	172,089
<b>Total Net Position (Deficit)</b>	<b>\$36,672,987</b>	<b>\$32,919,764</b>	<b>\$1,752,882</b>	<b>(\$2,521,955)</b>	<b>\$68,823,678</b>	<b>\$458,209</b>

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Wastewater	Airport	Solid Waste	Totals	
<b>OPERATING REVENUES</b>						
Water charges	\$5,111,832				\$5,111,832	
Wastewater charges		\$4,448,067			4,448,067	
Solid waste charges				\$5,905,631	5,905,631	
Airport			\$545,090		545,090	
Interdepartmental charges						\$2,267,439
Miscellaneous	18,903	44,167	866	82	64,018	9,166
<b>Total Operating Revenues</b>	<b>5,130,735</b>	<b>4,492,234</b>	<b>545,956</b>	<b>5,905,713</b>	<b>16,074,638</b>	<b>2,276,605</b>
<b>OPERATING EXPENSES</b>						
Personnel services	1,402,830	1,396,979	4,378	860,640	3,664,827	1,740,330
Contractual services	128,801	163,262	8,347	3,876,792	4,177,202	24,625
Utilities	592,806	153,088	434,966	62,673	1,243,533	325,141
Repairs and maintenance	433,122	641,504	13,957	649,917	1,738,500	275,634
Insurance	26,069	32,830	9,457	13,214	81,570	5,083
Other supplies and expenses	312,777	301,751	883	48,790	664,201	28,968
Depreciation	915,661	1,123,729	116,966	114,147	2,270,503	161,807
<b>Total Cost of Sales and Operating Expenses</b>	<b>3,812,066</b>	<b>3,813,143</b>	<b>588,954</b>	<b>5,626,173</b>	<b>13,840,336</b>	<b>2,561,588</b>
<b>Operating Income (Loss)</b>	<b>1,318,669</b>	<b>679,091</b>	<b>(42,998)</b>	<b>279,540</b>	<b>2,234,302</b>	<b>(284,983)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment earnings	112,741	86,908	241	9,362	209,252	5,226
Interest and fiscal charges	(231,566)	(318,434)	(6,182)		(556,182)	(1,341)
Intergovernmental revenue			10,000	12,455	22,455	
Property taxes			2,390		2,390	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(118,825)</b>	<b>(231,526)</b>	<b>6,449</b>	<b>21,817</b>	<b>(322,085)</b>	<b>3,885</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>1,199,844</b>	<b>447,565</b>	<b>(36,549)</b>	<b>301,357</b>	<b>1,912,217</b>	<b>(281,098)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>						
Developer contributions	683,963				683,963	
Transfers in (Note 4)	566,093		1,421		567,514	
Transfers (out) (Note 4)				(44,732)	(44,732)	
<b>Change in Net Position</b>	<b>2,449,900</b>	<b>447,565</b>	<b>(35,128)</b>	<b>256,625</b>	<b>3,118,962</b>	<b>(281,098)</b>
<b>BEGINNING NET POSITION (DEFICIT)</b>	<b>34,223,087</b>	<b>32,472,199</b>	<b>1,788,010</b>	<b>(2,778,580)</b>	<b>65,704,716</b>	<b>739,307</b>
<b>ENDING NET POSITION (DEFICIT)</b>	<b>\$36,672,987</b>	<b>\$32,919,764</b>	<b>\$1,752,882</b>	<b>(\$2,521,955)</b>	<b>\$68,823,678</b>	<b>\$458,209</b>

See accompanying notes to basic financial statements

CITY OF LOS BANOS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Fund
	Water	Wastewater	Airport	Solid Waste	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$5,058,726	\$4,456,493	\$550,950	\$5,855,791	\$15,921,960	\$2,272,517
Payments to suppliers	(1,448,086)	(1,372,459)	(446,121)	(4,773,166)	(8,039,832)	(1,158,088)
Payments to employees	(1,405,087)	(1,401,869)	(4,378)	(853,982)	(3,665,316)	(1,262,992)
Cash Flows from (used for) Operating Activities	<u>2,205,553</u>	<u>1,682,165</u>	<u>100,451</u>	<u>228,643</u>	<u>4,216,812</u>	<u>(148,563)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	566,093		1,421		567,514	
Transfers out				(44,732)	(44,732)	
Advance to other funds	(1,125,000)				(1,125,000)	
Loan collections	17,523	30,909			48,432	
Property tax and grants received			12,390	2,385	14,775	
Cash Flows from (used for) Noncapital Financing Activities	<u>(541,384)</u>	<u>30,909</u>	<u>13,811</u>	<u>(42,347)</u>	<u>(539,011)</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(759,092)	(310,466)	(1)	(65,449)	(1,135,008)	(34,413)
Developer contributions	683,963				683,963	
Principal payments on long-term debt	(340,000)	(560,000)	(22,318)		(922,318)	(56,684)
Interest paid	(222,881)	(252,529)	(6,182)		(481,592)	(1,341)
Cash Flows from (used for) Capital and Related Financing Activities	<u>(638,010)</u>	<u>(1,122,995)</u>	<u>(28,501)</u>	<u>(65,449)</u>	<u>(1,854,955)</u>	<u>(92,438)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	115,716	87,849	219	9,729	213,513	5,421
Purchase and redemption of investments, net	74,104	478,769			552,873	
Cash Flows from Investing Activities	<u>189,820</u>	<u>566,618</u>	<u>219</u>	<u>9,729</u>	<u>766,386</u>	<u>5,421</u>
Net Cash Flows	<u>1,215,979</u>	<u>1,156,697</u>	<u>85,980</u>	<u>130,576</u>	<u>2,589,232</u>	<u>(235,580)</u>
Cash and investments at beginning of year	<u>13,911,636</u>	<u>3,359,886</u>	<u>35,883</u>	<u>2,197,036</u>	<u>19,504,441</u>	<u>474,808</u>
Cash and investments at end of year	<u>\$15,127,615</u>	<u>\$4,516,583</u>	<u>\$121,863</u>	<u>\$2,327,612</u>	<u>\$22,093,673</u>	<u>\$239,228</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>						
Operating income (loss)	\$1,318,669	\$679,091	(\$42,998)	\$279,540	\$2,234,302	(\$284,983)
Adjustments to reconcile operating income to cash flows from operating activities:						
Depreciation	915,661	1,123,729	116,966	114,147	2,270,503	161,807
Change in assets and liabilities:						
Receivables	(81,544)	(33,847)	4,994	(49,709)	(160,106)	
Inventories	(1,332)		(13,838)		(15,170)	(4,088)
Prepaid items	(213)	(213)		(213)	(639)	
Unearned revenue	(9,442)	(1,681)			(11,123)	14,420
Customer deposits	19,190				19,190	
Accounts payable	46,821	(80,024)	35,327	(121,780)	(119,656)	
Compensated absences	(2,257)	(4,890)		6,658	(489)	(3,100)
Net OPEB liability						(32,619)
Cash Flows from Operating Activities	<u>\$2,205,553</u>	<u>\$1,682,165</u>	<u>\$100,451</u>	<u>\$228,643</u>	<u>\$4,216,812</u>	<u>(\$148,563)</u>
Non-cash transactions:						
Developer contributions	<u>\$683,963</u>					

See accompanying notes to basic financial statements

<b>FIDUCIARY FUND</b>
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**AGENCY FUNDS**

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF LOS BANOS  
 FIDUCIARY FUND  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2013

	Agency Funds
<b>ASSETS</b>	
Restricted cash and investments (Note 3)	\$29,045
Accounts receivable	440
<b>Total Assets</b>	<b>\$29,485</b>
 <b>LIABILITIES</b>	
Accounts payable	\$1,725
Due to others	27,760
<b>Total Liabilities</b>	<b>\$29,485</b>

See accompanying notes to basic financial statements

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

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

The City of Los Banos was incorporated as a general law city on May 8, 1907. The City operates under the Council-Manager form of government consisting of five elected council members including the Mayor and a Council appointed City Manager. The City provides the following services as authorized: public safety (police and fire), sanitation (solid waste disposal, sanitary, wastewater, and storm water utilities), water utility, community development, streets, parks and recreation, and general administrative services.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. Significant accounting policies are summarized below:

**A. Description of the Financial Reporting Entity**

As required by generally accepted accounting principles, the financial statements present the City of Los Banos (the City) as the Primary Government. The City does not have any component units.

**B. Basis of Presentation**

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall City government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by 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 (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

**C. Major Funds**

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

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

**General Fund** – The General Fund is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with government, which are not required to be accounted for in another fund. These activities are funded primarily by property taxes, sales and use taxes, interest and rental income, charges for services, and State grants.

**Impact Fees Special Revenue Fund** - This fund accounts for fees collected from developers and saved for future capital outlays for traffic.

**Community Development Block Grant (CDBG) and Home Grants Special Revenue Fund** - This fund accounts for certain designated projects paid for with Community Development Block Grant (CDBG) and Home Federal program monies received from the State, along with repayments of CDBG loans.

**Public Safety Special Revenue Fund** - This fund accounts for a half cent sales tax approved by local citizens in November 2004 by 77.9%. This measure passed to be used for 911 services, Police, and Fire protection. These funds are split 50/50 with the Police and Fire Departments.

The City reported all of its enterprise funds as major funds in the accompanying financial statements:

**Water Fund** – Accounts for activities associated with the acquisition or construction of water facilities and production, distribution, and transmission of potable water to users.

**Wastewater Fund** – Accounts for activities associated with the acquisition or construction, and operation and maintenance of wastewater facilities for drainage, treatment, and disposal of sanitary wastewater.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Airport Fund*** – Accounts for activities associated with the operations and capital improvements of the City's municipal airport.

***Solid Waste Fund*** – Accounts for activities associated with the collection and disposal of refuse throughout the City.

The City also reports the following fund types:

**Internal Service Funds** - Account for financial transactions related to the City's maintenance and repairs, and retiree health programs. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

**Fiduciary Funds** – Agency Funds account for assets held by the City as an agent for the City common use School Project with Los Banos Unified School District and the activities of the Neighborhood Stabilization Program (NSP). The financial activities of the fund are excluded from the Government-wide financial statements because they are not directly or indirectly governed by the City Council, but are presented in the separate Fiduciary Fund financial statements.

**D. *Basis of Accounting***

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Those revenues susceptible to accrual at both the City-wide and Fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Property Tax Revenues**

Merced County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 31, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

**F. 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. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**G. Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments (including all restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The City maintains a cash and investment pool that is available for use by all funds. As the proprietary funds' share of this pool is readily available when needed, such share is also considered to be cash equivalent. Deposit assets in the proprietary funds are related to insurance and benefits and are not considered cash equivalents for purposes of the statement of cash flows.

**H. Compensated Absences**

City employees are granted vacation in varying amounts and sick leave at eight hours per month. In the event of termination, an employee is reimbursed for accumulated vacation and compensatory time off leave at various rates as determined by the employee personnel manual. The value of accumulated vacation allowance is accrued as appropriated for all funds. With respect to obligations of the governmental fund types, the amounts are presented in the government-wide financial statements.

Compensated absences activity was as follows for the year ended June 30, 2013:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$553,082	\$167,253	\$720,335
Additions	525,986	149,830	675,816
Payments	(492,858)	(150,319)	(643,177)
Ending Balance	<u>\$586,210</u>	<u>\$166,764</u>	<u>\$752,974</u>
Current Portion	<u>\$515,862</u>	<u>\$160,189</u>	<u>\$676,051</u>

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***I. Inventory of Supplies and Prepaid Items***

Inventories are physically counted annually and valued at cost, on a first-in-first-out method, which approximates market. Inventories consist of expendable supplies held on a consumption basis, wherein the cost is recorded as an expenditure at the time an item is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***J. Property Held For Resale***

On September 8, 2009, the City signed an agreement with the State of California Department of Housing and Community Development to receive Federal funding for the City's Neighborhood Stabilization Program (NSP). The NSP was set up to provide funding to state and local governments to purchase abandoned and foreclosed homes that would be sold or rented to low-moderate income families. The total grant amount was approximately \$2.4 million and was approved for disbursement until September 30, 2011. As of June 30, 2013, the City held one property totaling \$85,964 as reported in the CDBG and Home Grants Special Revenue Fund.

***K. New Fund***

During fiscal year 2012-2013, the City established the NSP Impound Agency Fund.

**NOTE 2 - BUDGET AND BUDGETARY ACCOUNTING**

***A. Budgeting Procedures***

The City Council reviews and adopts an annual budget for the General, Special Revenue, Capital Projects and Enterprise Funds. The City Council holds public hearings and may modify the appropriations by general approval. Budgeted amounts may be transferred between departments with the City Manager's approval. The legal level of expenditure control is at the fund level. Operating appropriations lapse at the end of each fiscal year.

The budget is reported on the same basis as the fund types and on a basis consistent with accounting principles generally accepted in the United States of America. Additional appropriations or other changes during the fiscal year may be submitted by the department for Council review and approval.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING (Continued)**

**B. Deficit Fund Balance/Net Position**

The following funds contained a deficit fund balance or Net Position as of June 30, 2013. Future revenues are expected to offset these deficits.

Governmental Funds:	
Assessment Districts Special Revenue	\$108,121
CMAQ Grant Special Revenue	10,390
Capital Grants Capital Projects	919,500
Enterprise Funds:	
Solid Waste	2,521,955

**NOTE 3 – CASH AND INVESTMENTS**

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash and investments held by trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

**A. Policies**

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Except as described below, the City pools idle cash from all funds for the purpose of maximizing interest through investment activities. Pooled investments do not include certain bond proceeds. Investments are carried at fair value with the exception of money market investments and certain nonparticipating guaranteed investment contracts, which are carried at cost. The fair value of investments is based on published market prices and quotations from major investment brokers.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The Local Agency Investment Fund (LAIF) is an external investment pool established under California State statutes. LAIF is not registered with the Securities and Exchange Commission. LAIF falls under the regulatory oversight of the State of California. Based on information obtained from the State of California, the investment in LAIF has been recorded at fair value.

Interest income on pooled investments is allocated on the basis of quarterly ending cash balances in the General Fund, special revenue funds, debt service funds, capital projects funds, Water Fund, Wastewater Fund, Airport Fund, Solid Waste Fund, as required by law or as directed by the City Council adopted budget. The remainder of interest income is credited to all funds, as required by California Government Code.

**B. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments available for operations	\$40,218,910
Restricted cash and investments with fiscal agents	1,370,567
Restricted cash and investments	<u>6,979,237</u>
Cash and Investments in Primary Government	<u>48,568,714</u>
Fiduciary Fund:	
Restricted cash and investments with fiscal agents	<u>29,045</u>
Total Cash and Investments	<u><u>\$48,597,759</u></u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand and in bank	\$4,331,088
Investments	<u>44,266,671</u>
Total Cash and Investments	<u><u>\$48,597,759</u></u>

Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

Restricted cash and investments of \$6,979,237 are held in the Water and Wastewater Enterprise Funds for debt service and for capital projects for future infrastructure impacted by development.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**C. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Non-Negotiable Certificates of Deposit	1 year	No Limit	\$250,000
Bankers' Acceptances	180 days	No Limit	No Limit
U.S. Treasury Bills and Notes	5 years	No Limit	No Limit
U.S. Government Agency Securities	5 years	No Limit	No Limit
U.S. Government Sponsored Securities	5 years	No Limit	No Limit
Repurchase Agreements	N/A	No Limit	\$1 Million
Commercial Paper	270 days	No Limit	\$1 Million
State Local Agency Investment Fund	N/A	No Limit	\$50 Million Per Account
Money Market Funds	N/A	No Limit	None
Insured Passbook on Demand Deposits with Banks and Savings and Loans	N/A	No Limit	\$250,000

**D. Investments Authorized by Debt Agreements**

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Bankers' Acceptances	360 days	A-1
U.S. Treasury Bills and Notes	None	N/A
State General Obligations	None	A
Municipal Obligations	None	Aaa/AAA
U.S. Government Agency Securities	3 years	AAA
U.S. Government Sponsored Securities	3 years	AAA
Federal Housing Administration Debentures	None	N/A
Repurchase Agreements	1 year	A
Commercial Paper	270 days	A-1+
State Local Agency Investment Fund	N/A	N/A
Money Market Fund	N/A	AAm
Defeasance Securities	N/A	N/A
Pre-refunded Municipal Obligations	None	AAA
Investment Agreements	N/A	AA
Unsecured Certificates of Deposit	30 days	A-1
CalTrust	None	N/A

**E. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	More than 36 Months	Total
<b>Held by City:</b>					
Corporate Bonds				\$3,589,655	\$3,589,655
State Local Agency Investment Fund	\$31,518,048				31,518,048
Money Market Mutual Funds	994,657				994,657
Certificates of Deposit	1,285,006	\$496,050	\$2,353,206	2,659,482	6,793,744
<b>Held by Trustees:</b>					
Money Market Mutual Funds	809,817				809,817
Investment Agreements				560,750	560,750
<b>Total Investments</b>	<u>\$34,607,528</u>	<u>\$496,050</u>	<u>\$2,353,206</u>	<u>\$6,809,887</u>	44,266,671
Cash on hand and in bank					4,331,088
<b>Total Cash and Investments</b>					<u>\$48,597,759</u>

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain State funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2013, these investments matured in an average of 278 days.

**F. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2013 were provided by Standard and Poor's investment rating system. The Local Agency Investment Fund was not rated as of June 30, 2013.

Investment Type	AAA	AAAm	AA+	AA-	A+	Totals
<b>Held by City:</b>						
Corporate Bonds			\$2,801,230	\$487,352	\$301,073	\$3,589,655
Money Market Mutual Funds		\$994,657				994,657
<b>Held by Trustees:</b>						
Money Market Mutual Funds		\$809,817				809,817
Investment Agreements	\$560,750					560,750
Totals	<u>\$560,750</u>	<u>\$1,804,474</u>	<u>\$2,801,230</u>	<u>\$487,352</u>	<u>\$301,073</u>	<u>5,954,879</u>
<b>Not rated:</b>						
State Local Agency Investment Fund						31,518,048
Certificates of deposit						6,793,744
Cash on hand and in bank						4,331,088
Total						<u>\$48,597,759</u>

**G. Concentration of Credit Risk**

The City's potential losses from credit risk are increased if a significant portion of its resources are invested in a single issuer. If the issuer did not make good on its obligation to the City, the impact could be potentially damaging. Investments in any one issuer, other than money market mutual funds and Local Agency Investment Fund, that represents 5% or more of total investments at June 30, 2013 as follows:

Issuer	Investment Type	Reported Amount
General Electric Capital Corporation	Corporate Bond	\$2,801,230

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2013 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Public Safety Special Revenue Fund	\$17,156 (A)
	Water Enterprise Fund	566,093 (B)
Special Revenue Grants Special Revenue Fund	General Fund	150 (C)
	Impact Fees Special Revenue Fund	5,770 (C)
CDBG and Home Grants Special Revenue Fund	General Fund	19,854 (C)
	Streets and Roads Special Revenue Fund	1,560 (D)
Special Revenue Grants Special Revenue Fund	CMAQ Grant Special Revenue Fund	129,239 (E)
	Special Revenue Grants Special Revenue Fund	1,421 (F)
Solid Waste Enterprise Fund	Airport Enterprise Fund	44,732 (D)
	CMAQ Grant Special Revenue Fund	<u>44,732 (D)</u>
		<u>\$785,975</u>

- (A) Eliminate fund deficit.
- (B) Transfer receipt of fraud settlement.
- (C) Transfer receipt of grant to correct account.
- (D) Transfer City's matching requirement.
- (E) Transfer final expenditures on street overlay Prop 1B project.
- (F) Transfer certain activities to Airport Fund.

**B. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2013, the following funds have balances due to the General Fund:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Assessment Districts Special Revenue Fund	\$195,695
	CMAQ Grant Special Revenue Fund	10,987
	Capital Grants Capital Projects Fund	<u>7,603</u>
		<u>\$214,285</u>

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**C. Advances Between Funds**

At June 30, 2013, the following funds had long-term advances that were not expected to be repaid within one year. The advances carry a 0% interest rate.

Fund making advance	Fund receiving advance	Amount
Water Enterprise Fund	General Fund	\$1,125,000
Wastewater Enterprise Fund	General Fund	660,000
Impact Fees Special Revenue Fund	Capital Grants Capital Projects Fund	914,037
		<u>\$2,699,037</u>

In July 2012, the Water Enterprise Fund provided an interfund loan to the General Fund in the amount of \$1,200,000 to pay off the City's 1993 Certificates of Participation and 2002 Lease Revenue Bonds early, thereby reducing future interest costs. The interfund advance bears an interest rate equivalent to the yield of the average quarterly investment portfolio or 1%, whichever is greater. The General Fund repaid \$75,000 in principal during fiscal year ended June 30, 2013, and expects to repay the entire advance by fiscal year ending June 30, 2024.

**NOTE 5 - LOANS RECEIVABLE**

At June 30, 2013, the City had the following loans receivable:

	Outstanding Balance as of June 30, 2013
Residential Rehabilitation Program	\$1,731,316
Commercial Micro-Enterprise Program	99,197
First Time Home Buyer Program	969,023
Neighborhood Stabilization Program	1,241,924
Los Banos Cinema Loan	36,357
Total	<u>\$4,077,817</u>

**A. Residential Rehabilitation Program**

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. As of June 30, 2013, outstanding loans of this program amounted to \$1,731,316.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 5 – LOANS RECEIVABLE (Continued)**

***B. Commercial Micro-Enterprise Program***

The City with Merced County Economic Development Corporation (MCEDCO) administers a Micro-Enterprise Loan Program for technical assistance in development and implementation of small businesses. Under this program, business owners with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for capital or operations of their businesses. The Micro-Enterprise Program also encourages business owners to upgrade, renovate and improve their businesses. Upon approval of the loan, the City disburses the funds, and arranges for and collects repayments. As of June 30, 2013, outstanding loans of this program amounted to \$99,198.

***C. First Time Home Buyer Program***

The City with Merced County Association of Governments (MCAG) administers a First Time Home Buyer Loan Program using the Housing and Community Development Act Funds. Under this program, residents with incomes below a certain level are eligible to receive low or no interest loans, secured by deeds of trust, for the purchase of their first home. The First Time Home Buyer Program encourages those that would not be able to receive a bank loan due to low income to be able to purchase their own home. Upon approval of the loan, the City disburses the funds, and arranges for and collects repayments. As of June 30, 2013, outstanding loans of this program amounted to \$969,023.

***D. Neighborhood Stabilization Program***

In fiscal year 2010-11, the City was awarded the Neighborhood Stabilization Program (NSP) grant from the State of California Housing and Community Development Department. The purpose of the NSP is to address the housing crisis occurring within cities by providing funds to purchase, rehabilitate, and resell vacant and foreclosed properties. The City entered into various loan agreements with residents, with zero interest and a maturity of 30 years. At June 30, 2013, loans outstanding totaled \$1,241,924.

***E. Los Banos Cinemas Impact Fee Deferral Agreement***

In fiscal year 2012-13, the City entered into an agreement with Los Banos Cinemas to defer the payment of impact fees of \$37,860 related to the expansion of the existing movie theater to add two new screens at its current location. The loan bears interest of 5% per year and is secured by a deed of trust. At June 30, 2013, loans outstanding totaled \$36,357.

**NOTE 6 – CAPITAL ASSETS**

Capital assets, which include land, equipment, buildings, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements.

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 6 – CAPITAL ASSETS (Continued)**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Equipment, buildings, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Machinery and Equipment	3-20 years
Buildings, Structures and Improvements	25-50 years
Infrastructure	20-60 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**A. Governmental Activities**

Capital asset governmental activity for the fiscal year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
<b>Governmental Activities:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$11,521,007				\$11,521,007
Construction in Progress	614,654	\$10,912		(\$441,717)	183,849
<b>Total Non-Depreciable Assets</b>	12,135,661	10,912		(441,717)	11,704,856
<b>Capital Assets being Depreciated:</b>					
Buildings, Structures and Improvements	9,698,645	5,654			9,704,299
Machinery and Equipment	11,075,230	946,915	(\$693,757)	441,717	11,770,105
Infrastructure	122,100,207	682,365			122,782,572
<b>Total Capital Assets being Depreciated</b>	142,874,082	1,634,934	(693,757)	441,717	144,256,976
<b>Less Accumulated Depreciation for:</b>					
Buildings, Structures and Improvements	(2,575,473)	(226,737)			(2,802,210)
Machinery and Equipment	(9,079,632)	(809,824)	693,757		(9,195,699)
Infrastructure	(51,457,158)	(5,483,798)			(56,940,956)
<b>Total Accumulated Depreciation</b>	(63,112,263)	(6,520,359)	693,757		(68,938,865)
<b>Net Depreciable Assets</b>	79,761,819	(4,885,425)		441,717	75,318,111
<b>Governmental Activity Capital Assets, Net</b>	\$91,897,480	(\$4,874,513)			\$87,022,967

**CITY OF LOS BANOS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 6 – CAPITAL ASSETS (Continued)**

**B. Business-type Activities**

Capital asset business-type activity for the fiscal year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>Business-Type Activities:</b>				
Non-Depreciable Assets:				
Land	\$8,067,666			\$8,067,666
Construction in Progress	2,502,733	\$334,519		2,837,252
<b>Total Non-Depreciable Assets</b>	<b>10,570,399</b>	<b>334,519</b>		<b>10,904,918</b>
Capital Assets being Depreciated:				
Buildings, Structures and Improvements	10,027,078			10,027,078
Machinery and Equipment	8,153,721	107,984	(\$137,282)	8,124,423
Infrastructure	49,787,957	692,505		50,480,462
<b>Total Capital Assets being Depreciated</b>	<b>67,968,756</b>	<b>800,489</b>	<b>(137,282)</b>	<b>68,631,963</b>
Less Accumulated Depreciation for:				
Buildings, Structures and Improvements	(7,140,035)	(386,771)		(7,526,806)
Machinery and Equipment	(4,016,703)	(534,171)	137,282	(4,413,592)
Infrastructure	(15,339,990)	(1,349,561)		(16,689,551)
<b>Total Accumulated Depreciation</b>	<b>(26,496,728)</b>	<b>(2,270,503)</b>	<b>137,282</b>	<b>(28,629,949)</b>
<b>Net Depreciable Assets</b>	<b>41,472,028</b>	<b>(1,470,014)</b>		<b>40,002,014</b>
<b>Business-type Activity Capital Assets, Net</b>	<b>\$52,042,427</b>	<b>(\$1,135,495)</b>		<b>\$50,906,932</b>

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 6 – CAPITAL ASSETS (Continued)**

**C. Depreciation Allocation**

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

	<u>Depreciation</u>
Governmental Activities:	
General government	\$68,195
Public safety	633,031
Economic development	23,858
Parks and recreation	834,416
Highways and streets	4,799,052
Internal Service Fund	161,807
Total Governmental Activities	\$6,520,359
Business-type Activities:	
Water	\$915,661
Wastewater	1,123,729
Airport	116,966
Solid Waste	114,147
Total Business-Type Activities	\$2,270,503

**NOTE 7 – LONG-TERM DEBT**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are reported as debt service expenditures.

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 7 – LONG-TERM DEBT (Continued)**

**A. Current Year Transactions and Balances**

	Original Issue Amount	Balance June 30, 2012	Retirements	Balance June 30, 2013	Current Portion
<b>GOVERNMENTAL ACTIVITY</b>					
<b>Lease Revenue Bonds</b>					
<b>2002 Lease Revenue Bonds</b>					
2.7-5.3%, due 2/01/28	\$2,700,000	\$815,000	\$815,000		
Total Lease Revenue Bonds		815,000	815,000		
<b>Certificates of Participation</b>					
<b>1993 City Hall - Modular Building</b>					
5.10-5.85%, due 12/01/19	1,120,000	590,000	590,000		
Total Certificates of Participation		590,000	590,000		
<b>Fleet Equipment Lease</b>					
4.7%, due 5/24/13	282,672	56,684	56,684		
Total Capital Leases		56,684	56,684		
<b>Total Governmental Activity Debt</b>		<b>\$1,461,684</b>	<b>\$1,461,684</b>		
	Original Issue Amount	Balance June 30, 2012	Retirements	Balance June 30, 2013	Current Portion
<b>BUSINESS-TYPE ACTIVITY</b>					
<b>Certificates of Participation</b>					
<b>1997 Wastewater Revenue</b>					
3.85-5.10%, due 12/1/19	\$4,170,000	\$2,030,000	\$210,000	\$1,820,000	\$225,000
<b>2002 Water Revenue</b>					
2.1-4.5%, due 12/1/22	7,000,000	4,665,000	340,000	4,325,000	350,000
<b>2003 Wastewater Revenue</b>					
2.5-4.4%, due 12/01/19	5,680,000	3,205,000	350,000	2,855,000	360,000
Less: unamortized discounts		(556,470)	(77,589)	(478,881)	
Total Certificates of Participation		9,343,530	822,411	8,521,119	935,000
<b>Note Payable:</b>					
<b>Department of Transportation</b>					
5.63%, due 6/28/17	300,000	109,848	22,318	87,530	23,356
Total Notes Payable		109,848	22,318	87,530	23,356
<b>Total Business-type Activity Debt</b>		<b>\$9,453,378</b>	<b>\$844,729</b>	<b>\$8,608,649</b>	<b>\$958,356</b>

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 7 – LONG-TERM DEBT (Continued)**

**B. 2002 Lease Revenue Bonds**

2002 Lease Revenue Bonds were authorized and issued in June 2002 for the purpose of the acquisition of real property. Principal and interest payments are payable semi-annually on each August 1 and February 1 through 2028. In July 2012, the City passed a resolution to pay off the 2002 Lease Revenue Bonds using a \$1,200,000 loan from the Water Fund, payable in 12 years with an interest rate equivalent to the yield of the average quarterly investment portfolio or 1% percent, whichever greater. In November 2012, the City paid off the remaining balance of \$815,000.

**C. 1993 Certificates of Participation**

The 1993 Refunding Certificates of Participation are serial certificates with annual maturities starting on December 1, 2002, in amounts from \$30,000 to \$40,000. Interest rates of these certificates range from 5.10% to 5.85% with a term certificate at 6.00% in the amount of \$840,000 maturing December 1, 2019. Interest is payable in semi-annual installments. In July 2012, the City passed a resolution to pay off the 1993 Certificates of Participation using a \$1,200,000 loan from the Water Fund, payable in 12 years with an interest rate equivalent to the yield of the average quarterly investment portfolio or 1% percent, whichever greater. In November 2012, the City paid off the remaining balance of \$590,000.

**D. Fleet Equipment Lease**

During fiscal year 2008-09, the City entered into a lease agreement with Ford Motor Credit Company to lease ten vehicles. The cost of the equipment was \$282,672 with an interest rate of 4.7% due in monthly installments ending in fiscal year 2012-13. In April 2013, the City paid off the remaining balance of \$56,684.

**E. Certificates of Participation**

***1997 Wastewater Revenue Certificates of Participation***

The 1997 Wastewater Revenue Certificates of Participation are serial certificates with annual maturities starting on December 1, 1998, in amounts from \$115,000 to \$210,000. These Certificates bear interest rates from 3.85% to 5.10% with a term certificate at 5.00% in the amount of \$1,820,000, maturing December 1, 2019. Interest payments are due in semi-annual installments.

The City has pledged all future wastewater customer revenues to repay the Wastewater Revenue Bonds through 2020. The Wastewater Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$5,452,841. The Wastewater Enterprise Fund's principal and interest paid for the current year and total customer revenues were \$780,175 and \$4,448,067, respectively.

***2002 Water Revenue Certificates of Participation***

The 2002 Water Revenue Certificates of Participation are serial certificates with annual maturities starting on December 1, 2004, in amounts from \$265,000 to \$400,000. These Certificates bear interest rates from 2.10% to 4.50% with a term certificate at 5.00% in the amount of \$2,830,000, maturing December 1, 2022. Interest payments are due in semi-annual installments.

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 7 – LONG-TERM DEBT (Continued)**

The City has pledged all future water customer revenues to repay the Water Revenue Bonds through 2023. The Water Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$5,470,220. The Water Enterprise Fund's principal and interest paid for the current year and total customer revenues were \$552,700 and \$5,111,832, respectively.

***2003 Wastewater Revenue Certificates of Participation***

The 2003 Wastewater Revenue Refunding Certificates of Participation are serial certificates with annual maturities starting on December 1, 2004, in amounts from \$275,000 to \$460,000. These Certificates bear interest rates from 2.50% to 4.40%, maturing December 1, 2019. Interest payments are due in semi-annual installments.

The City has pledged all future wastewater customer revenues to repay the Wastewater Revenue Bonds through 2020. The Wastewater Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$5,452,841. The Wastewater Enterprise Fund's principal and interest paid for the current year and total customer revenues were \$780,175 and \$4,448,067, respectively.

***F. Department of Transportation Note Payable***

In March 2002, the State of California Department of Transportation agreed to partially finance the construction of the Airport facility. Under the agreement, the City borrowed \$300,000 for the project. Repayments of the Note are payable semiannually through August 2027.

***G. Debt Service Requirements***

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Business-Type Activities	
	Principal	Interest
2014	\$958,356	\$399,706
2015	999,394	357,900
2016	1,040,433	313,389
2017	1,079,347	265,870
2018	1,110,000	215,210
2019-2023	3,900,000	382,570
Subtotal	9,087,530	1,934,645
Less: deferred amounts	(478,881)	
Total	\$8,608,649	\$1,934,645

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 8 – LANDFILL CLOSURE AND POST CLOSURE CARE COST**

Due to subsurface hydrologic condition, the City of Los Banos is planning to clean close the Los Banos Landfill in accordance with State Law. It is anticipated that the clean closure will not require substantial post closure monitoring. Much of the costs that are involved with the clean closure process directly. Closure and post closure care costs will be paid only near or after the date clean closure construction begins. Landfill capacity had been reached in 1991. The \$6 million reported as landfill closure and post closure care liability at June 30, 2013 represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and post closure care in 2009-2011. The City expects to clean close the landfill by the year 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by federal and State laws and regulations to accumulate assets held in trust to finance closure and post closure care. At June 30, 2013, there are no assets held for these purposes. If there were assets, these would be reported as restricted assets on the Statement of Net Position. The closure and post closure care costs will primarily be funded by a portion of future fees collected from utility users. Post closure costs will be covered from revenues of the solid waste collection operation and interest earnings on the accumulated assets held in trust.

**NOTE 9 – NET POSITION AND FUND BALANCES**

**A. Net Position**

Net Position is the excess of all the City's assets and deferred outflow of resources over all its liabilities and deferred inflow of resources, regardless of fund. Net Position are divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

*Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, grant-funding sources, and amounts set aside for low and moderate income housing.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

**B. Fund Balances**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

*Nonspendables* represents balances set aside to indicate items that do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City's Fund Balances, as of June 30, 2013, are below:

Fund Balance Classifications	General Fund	Impact Fees	CDBG and Home Grants	Public Safety	Other Governmental Funds	Total
<b>Nonspendables:</b>						
Items not in spendable form:						
Prepaid expenses	\$1,506					\$1,506
<b>Total Nonspendable Fund</b>	<b>1,506</b>					<b>1,506</b>
<b>Restricted for:</b>						
Special revenue		\$6,957,183	\$416,320	\$1,967,885	\$2,895,696	12,237,084
<b>Total Restricted Fund</b>		<b>6,957,183</b>	<b>416,320</b>	<b>1,967,885</b>	<b>2,895,696</b>	<b>12,237,084</b>
<b>Unassigned:</b>						
General fund	6,339,177					6,339,177
Special revenue					(118,511)	(118,511)
Capital Projects					(919,500)	(919,500)
<b>Total Unassigned Fund</b>	<b>6,339,177</b>				<b>(1,038,011)</b>	<b>5,301,166</b>
<b>Total Fund Balances</b>	<b>\$6,340,683</b>	<b>\$6,957,183</b>	<b>\$416,320</b>	<b>\$1,967,885</b>	<b>\$1,857,685</b>	<b>\$17,539,756</b>

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

**C. Minimum Fund Balance Policies**

The City's Budget and Fiscal Policy requires the City to strive to maintain 20-40% of subsequent year's budgeted revenues for assigned fund balances and cash flow of 30% of general fund expenditures for unassigned fund balance.

**NOTE 10 – PENSION PLANS**

**A. Plan Description**

The City of Los Banos contributes to the California Public Employees' Retirement System (CALPERS), an agent multiple-employer public employee defined benefit pension plan. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, 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. 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. In October of 2010, the City added a tiered retirement approach to CALPERS. The Plans' provisions and benefits in effect at June 30, 2013, are summarized as follows:

	Safety 1st Tier	Safety 2nd Tier	Safety 3rd Tier
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 to 55	57
Monthly benefits, as a % of annual salary	3.0%	2.4% to 3.0%	2.70%
Required employee contribution rates	9%	9%	12.25%
Required employer contribution rates	34.722%	21.802%	12.25%
Actuarially required contributions	\$1,320,433	Included in Safety	None
	Miscellaneous 1st Tier	Miscellaneous 2nd Tier	Miscellaneous 3rd Tier
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	50 to 65	62
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.092% to 2.418%	2.0%
Required employee contribution rates	8%	7%	6.50%
Required employer contribution rates	20.502%	8.552%	6.70%
Actuarially required contributions	\$1,084,590	None	None

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 10 – PENSION PLANS (Continued)**

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City’s total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee’s projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City does not have a net pension obligation since it pays these actuarially required contributions monthly.

CALPERS uses the market related value method of valuing the Plan’s assets. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to Plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

As required by State law, effective July 1, 2005, the City’s Safety and Miscellaneous Plans were terminated, and the employees in those Plans were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the City true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The City is currently satisfying its Plans’ unfunded liability by contributing to the Side Fund through an addition to its normal contribution rates over the next 5 years for Safety, and 6 years for the Miscellaneous Plans.

The annual pension costs and percentages of contribution for the year ended June 30 are as follows:

Fiscal year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<i><b>Safety Plan</b></i>			
June 30, 2011	\$1,028,534	100%	-
June 30, 2012	1,211,929	100%	-
June 30, 2013	1,200,239	100%	-
<i><b>Miscellaneous Plan</b></i>			
June 30, 2011	\$808,919	100%	-
June 30, 2012	909,555	100%	-
June 30, 2013	881,886	100%	-

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 10 – PENSION PLANS (Continued)**

The latest available actuarial values of the above State-wide pools (which differs from market value) and funding progress were set forth as follows. The information presented below relates to State-wide pools as a whole, of which the City is one participating employer.

*Safety - 1st Tier Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	\$9,721,675,347	\$8,027,158,724	\$1,694,516,623	82.6%	\$973,814,168	174.0%
2010	10,165,475,166	8,470,235,152	1,695,240,014	83.3%	955,980,815	177.3%
2011	10,951,745,049	9,135,654,246	1,816,090,803	83.4%	949,833,090	191.2%

*Safety - 2nd Tier Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	\$1,802,882,330	\$1,520,081,328	\$282,801,002	84.3%	\$221,600,192	127.6%
2010	1,915,095,826	1,628,915,283	286,180,543	85.1%	224,562,008	127.4%
2011	2,061,923,933	1,759,286,797	302,637,136	85.3%	225,026,216	134.5%

*Miscellaneous - 1st Tier Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	\$2,140,438,884	\$1,674,260,302	\$466,178,582	78.2%	\$440,071,499	105.9%
2010	2,297,871,345	1,815,671,616	482,199,729	79.0%	434,023,381	111.1%
2011	2,486,708,579	1,981,073,089	505,635,490	79.7%	427,300,410	118.3%

*Miscellaneous - 2nd Tier Plan :*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	\$582,841,869	\$553,953,526	\$28,888,343	95.0%	\$184,319,666	15.7%
2010	624,423,437	594,492,164	29,931,273	95.2%	186,777,830	16.0%
2011	682,375,804	639,237,247	43,138,557	93.7%	193,877,169	22.3%

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 10 – PENSION PLANS (Continued)**

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709. CALPERS reports this information approximately seventeen months after the end of its June 30 fiscal year.

Actuarially required contributions for fiscal years 2013, 2012 and 2011 were \$2,082,126, \$2,121,484 and \$1,837,453 a respectively. The City made these contributions as required, as well as other additional employee compensation.

**NOTE 11 – RISK MANAGEMENT**

**A. Risk Coverage**

The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

The City participates with other public entities in a joint venture under a joint powers agreement, which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker's compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$1,000,000 and worker's compensation losses under \$500,000. The CSJVRMA participates in excess pools, which provide general liability coverage from \$1,000,000 to \$28,000,000 and Workers Compensation coverage from \$500,000 to \$4,500,000 and purchases excess insurance above the \$500,000,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-five (55) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. A Board of Directors governs the CSJVRMA, 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. The annual financial report may be obtained from the consortium's executive office at 1831 K Street, Sacramento, CA 95814.

Settlements have not exceeded insurance coverage in each of the past three years.

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 12 – POST EMPLOYMENT BENEFITS**

The City applies the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). Required disclosures are presented below.

**A. Eligibility and Benefits**

Recently hired and future employees are entitled only to statutory minimum employer contributions under Government Code Section 22892. Grandfathered employees are entitled to the following benefits:

	Dispatchers (Hired before 1/1/08)	Fire (Hired before 4/1/10)	General (Hired before 7/1/08)	Police (Hired before 4/1/10)
■ Eligibility	• 50% at 10 years plus 5% per year to 100% at 20 years			
■ Benefits Provided	• Medical Only			
■ Required Service	<u>Age 50 w/ 10+ yrs of Service</u> • City pays all medical benefit up to HMO rates based on eligibility rate above  Note: No limitation to benefits for employees hired prior to 8/7/02	<u>Age 50 w/ 10+ yrs of Service</u> • City pays all medical benefit up to HMO rates based on eligibility rate above  Note: No limitation to benefits for employees hired prior to 8/7/02	<u>Age 50 w/ 10+ yrs of Service</u> • City pays all medical benefit up to HMO rates based on eligibility rate above  Note: No limitation to benefits for employees hired prior to 8/7/02	<u>Age 50 w/ 10+ yrs of Service</u> • City pays all medical benefit up to HMO rates based on eligibility rate above  Note: No limitation to benefits for employees hired prior to 8/7/02

At June 30, 2013, 61 retirees participated in the Plan.

**B. Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of the July 1, 2011 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions include (a) investment rate of return on pay as you go basis of 7.61%, (b) 3.00% payroll increase annually, (c) inflation rate of 3%, and (d) a healthcare trend increase of 4% annually. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 12 – POST EMPLOYMENT BENEFITS (Continued)**

Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a thirty-year closed amortization period.

Generally accepted accounting principles permit assets to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such assets are placed in an irrevocable trust or equivalent arrangement.

During fiscal year 2009-2010, the City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

During the fiscal year ended June 30, 2013, the City contributed \$553,892 to the CERBT trust and \$788,691 for pay-as-you-go premiums to the Plan. As a result, the City has calculated and recorded the Net OPEB Liability, representing the difference between the ARC, amortization and contributions, as presented below:

	<u>Governmental Activities</u>
Annual required contribution (ARC)	\$1,319,435
Interest on net OPEB (asset)	(14,235)
Amortization on net OPEB (asset)	<u>4,764</u>
Annual OPEB Cost	1,309,964
Contributions made:	
Contributions to CERBT	553,892
City's portion of current year premiums paid	<u>788,691</u>
Increase in Net OPEB obligation (asset)	(32,619)
Net OPEB asset at June 30, 2012	<u>(183,680)</u>
<b>Net OPEB asset at June 30, 2013</b>	<b><u><u>(\$216,299)</u></u></b>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2011, amounted to \$21,364,386. The AAL is partially funded since assets have been transferred into CERBT.

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 12 – POST EMPLOYMENT BENEFITS (Continued)**

The Plan's annual required contributions and actual contributions for the year ended June 30 is as follows:

Fiscal Year	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Asset
6/30/2011	\$552,660	\$1,007,591	182%	(\$174,444)
6/30/2012	1,333,349	1,342,585	101%	(183,680)
6/30/2013	1,309,964	1,342,583	102%	(216,299)

The Schedule of Funding Progress presents trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial studies are presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)
8/3/2009	\$0	\$18,884,050	(\$18,884,050)	0%
7/1/2010	1,211,425	16,048,605	(14,837,180)	8%
7/1/2011	1,554,806	21,364,386	(19,809,580)	7%

**NOTE 13 – CLAIMS AND JUDGMENTS**

During fiscal year ended June 30, 2013, the City received a \$750,000 settlement from its previous financial statement auditors in relation to a former employee's embezzlement of City funds during the years the former auditors performed the City's audits.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

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

The City participates in several federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**CITY OF LOS BANOS**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2013**

**NOTE 15 – JOINT-USE AGREEMENT WITH THE LOS BANOS UNIFIED SCHOOL DISTRICT**

On May 29, 2007, the City entered into a Memorandum of Understanding (MOU) with the Los Banos Unified School District (the District) outlining the parties' commitment to a joint-use agreement for the purpose of funding and/or constructing a public facility with joint-use capability. The MOU included the possible sale of all or a portion of Pacheco Park to the City and the joint-use and/or development of the new high school site located on Ward Road. On July 31, 2008, the City sold the parcel located at Ward Road to the District for the sale price of \$6,800,000. After the payment of closing costs, the City deposited \$6,793,276 into a separate bank account held at Wells Fargo titled The City of Los Banos School Project. The City reports the activity in the Los Banos School Project Agency Fund. The outstanding balance as of June 30, 2013 was \$23,577.

On September 3, 2009, the City disbursed \$5,005,000 out of the City of Los Banos School Project Account: \$5,000,000 for the purpose of complying with the joint-use portion of the MOU with the Los Banos Unified School District (the District) and \$5,000 to open an escrow account for the purchase of the Pacheco Park from the District.

**SUPPLEMENTAL INFORMATION**

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**CITY OF LOS BANOS**

**NON-MAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS:**

**STREETS AND ROADS**

These funds are used for the maintenance, repair, and improvements of the City's 123 miles of streets, 5 miles of alleys, 227 miles of curbs and gutters, and 216 miles of sidewalks. Street Services accomplishes a wide range of duties that include pavement management, concrete improvements, sidewalk maintenance, painting street markings and curb markings, traffic signs and signals, bridges, minor construction, flood control, and traffic surveys.

**SPECIAL REVENUE GRANTS**

SLESF COPS Grant -- Funding in this category is used for payment of one officer salary from SLESF (Supplemental Law Enforcement Services Fund) funds.

JAG -- employees hired on a temporary or part-time basis are those working less than 1,000 hours in any fiscal year.

1<sup>st</sup> Time Homebuyer Grant -- expenditures related to implementing the home loan program that provides housing to low income persons. This grant provides for owner occupied rehabilitation, first time home owner rehabilitation, and in-fill construction.

Homeland Security Grant -- fund are used to implement Homeland Security grants.

**ASSESSMENT DISTRICTS**

These funds are used for maintenance of sidewalks, landscaping, parks, street signs, street lights, trees, fences, storm drains and professional services in designated districts within the City that are then charged to the residents through the tax roll.

**CONGESTION MITIGATION AND AIR QUALITY (CMAQ) GRANT**

This fund is used to account for projects related to the Congestion Mitigation and Air Quality Improvement Program. This grant has been approved for the City to purchase two Street Sweepers.

**CAPITAL PROJECTS FUNDS:**

**CAPITAL GRANTS FUND**

This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**MITIGATION**

To mitigate the impact for a turn lane going into Avalon Gated community and to mitigate impacts of a sewer lift station.

CITY OF LOS BANOS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2013

	SPECIAL REVENUE FUNDS			
	Streets and Roads	Special Revenue Grants	Assessment Districts	CMAQ Grant
<b>ASSETS</b>				
Cash and investments	\$2,206,934	\$122,962		
Accounts receivable	102	37,121		
Taxes receivable			\$172,752	
Interest receivable	808	65	270	
Intergovernmental receivables	502,749	46,948	46,571	\$10,860
Total Assets	\$2,710,593	\$207,096	\$219,593	\$10,860
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$33,395	\$132,502	\$132,019	\$10,263
Due to other funds			195,695	10,987
Advance from other funds				
Total Liabilities	33,395	132,502	327,714	21,250
<b>Fund balances:</b>				
Restricted	2,677,198	74,594		
Unassigned			(108,121)	(10,390)
Total Fund Balances (Deficits)	2,677,198	74,594	(108,121)	(10,390)
Total Liabilities and Fund Balances	\$2,710,593	\$207,096	\$219,593	\$10,860

CAPITAL PROJECT FUNDS

<u>Capital Grants</u>	<u>Mitigation</u>	<u>Total Non-major Governmental Funds</u>
	\$143,850	\$2,473,746
\$2,927		40,150
		172,752
	54	1,197
		607,128
<u>\$2,927</u>	<u>\$143,904</u>	<u>\$3,294,973</u>
\$787		\$308,966
7,603		214,285
<u>914,037</u>		<u>914,037</u>
<u>922,427</u>		<u>1,437,288</u>
(919,500)	\$143,904	2,895,696
		(1,038,011)
<u>(919,500)</u>	<u>143,904</u>	<u>1,857,685</u>
<u>\$2,927</u>	<u>\$143,904</u>	<u>\$3,294,973</u>

CITY OF LOS BANOS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS			
	Streets and Roads	Special Revenue Grants	Assessment Districts	CMAQ Grant
<b>REVENUES</b>				
Taxes:				
Franchise		\$20,655		
Motor vehicle	\$799,823			
Intergovernmental	774,623	318,786		
Charges for services			\$1,488,322	\$398,390
Use of property and money	9,449	213	2,420	
Miscellaneous	298			
Total Revenues	<u>1,584,193</u>	<u>339,654</u>	<u>1,490,742</u>	<u>398,390</u>
<b>EXPENDITURES</b>				
Current:				
General government		1,360		
Public safety		233,922		40,832
Highways and streets	1,024,518	175		
Parks and recreation			1,429,487	
Capital Outlay:				
General government		36,895		
Public safety		38,139		10,911
Highways and streets		575,962		403,329
Parks and recreation			12,208	
Total Expenditures	<u>1,024,518</u>	<u>886,453</u>	<u>1,441,695</u>	<u>455,072</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>559,675</u>	<u>(546,799)</u>	<u>49,047</u>	<u>(56,682)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		129,239		46,292
Transfers (out)	(130,800)	(7,341)		
Total Other Financing Sources (Uses)	<u>(130,800)</u>	<u>121,898</u>		<u>46,292</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>428,875</u>	<u>(424,901)</u>	<u>49,047</u>	<u>(10,390)</u>
<b>NET CHANGE IN FUND BALANCES</b>	428,875	(424,901)	49,047	(10,390)
<b>BEGINNING FUND BALANCES (DEFICITS)</b>	<u>2,248,323</u>	<u>499,495</u>	<u>(157,168)</u>	
<b>ENDING FUND BALANCES (DEFICITS)</b>	<u>\$2,677,198</u>	<u>\$74,594</u>	<u>(\$108,121)</u>	<u>(\$10,390)</u>

CAPITAL PROJECT FUNDS

<u>Capital Grants</u>	<u>Mitigation</u>	<u>Total Non-major Governmental Funds</u>
		\$20,655
		799,823
		1,093,409
		1,886,712
\$30,921	\$638	43,641
<u>6,198</u>		<u>6,496</u>
<u>37,119</u>	<u>638</u>	<u>3,850,736</u>
		1,360
		274,754
		1,024,693
19,684		1,449,171
		36,895
		49,050
		979,291
		<u>12,208</u>
<u>19,684</u>		<u>3,827,422</u>
<u>17,435</u>	<u>638</u>	<u>23,314</u>
		175,531
		(138,141)
		<u>37,390</u>
<u>17,435</u>	<u>638</u>	<u>60,704</u>
17,435	638	60,704
<u>(936,935)</u>	<u>143,266</u>	<u>1,796,981</u>
<u>(\$919,500)</u>	<u>\$143,904</u>	<u>\$1,857,685</u>

CITY OF LOS BANOS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	STREETS AND ROADS			SPECIAL REVENUE GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes:						
Franchise				\$10,500	\$20,655	\$10,155
Motor vehicle	\$952,560	\$799,823	(\$152,737)			
Intergovernmental	400,000	774,623	374,623	290,245	318,786	28,541
Charges for services						
Use of property and money	10,000	9,449	(551)	300	213	(87)
Miscellaneous		298	298			
<b>Total Revenues</b>	<u>1,362,560</u>	<u>1,584,193</u>	<u>221,633</u>	<u>301,045</u>	<u>339,654</u>	<u>38,609</u>
<b>EXPENDITURES</b>						
Current:						
General government				1,360	1,360	
Public safety				257,681	233,922	23,759
Highway and streets	1,296,608	1,024,518	272,090	175	175	
Parks and recreation						
Capital outlay				894,508	650,996	243,512
<b>Total Expenditures</b>	<u>1,296,608</u>	<u>1,024,518</u>	<u>272,090</u>	<u>1,153,724</u>	<u>886,453</u>	<u>267,271</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>65,952</u>	<u>559,675</u>	<u>493,723</u>	<u>(852,679)</u>	<u>(546,799)</u>	<u>305,880</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in				318,758	129,239	(189,519)
Transfers (out)	(371,865)	(130,800)	241,065	(7,341)	(7,341)	(7,341)
<b>Total other financing sources (uses)</b>	<u>(371,865)</u>	<u>(130,800)</u>	<u>241,065</u>	<u>318,758</u>	<u>121,898</u>	<u>(196,860)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES USES</b>	<u>(\$305,913)</u>	<u>428,875</u>	<u>\$734,788</u>	<u>(\$533,921)</u>	<u>(424,901)</u>	<u>\$109,020</u>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<u>2,248,323</u>			<u>499,495</u>	
<b>ENDING FUND BALANCES (DEFICITS)</b>		<u>\$2,677,198</u>			<u>\$74,594</u>	

ASSESSMENT DISTRICTS			CMAQ GRANTS			CAPITAL GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,498,157	\$1,488,322	(\$9,835)	\$977,786	\$398,390	(\$579,396)	\$20,804		(\$20,804)
808	2,420	1,612				39,000	\$30,921	(8,079)
						5,400	6,198	798
<u>1,498,965</u>	<u>1,490,742</u>	<u>(8,223)</u>	<u>977,786</u>	<u>398,390</u>	<u>(579,396)</u>	<u>65,204</u>	<u>37,119</u>	<u>(28,085)</u>
			726,350	40,832	685,518			
1,535,513	1,429,487	106,026	403,329		403,329	24,349	19,684	4,665
22,208	12,208	10,000		414,240	(414,240)	20,804		20,804
<u>1,557,721</u>	<u>1,441,695</u>	<u>116,026</u>	<u>1,129,679</u>	<u>455,072</u>	<u>674,607</u>	<u>45,153</u>	<u>19,684</u>	<u>25,469</u>
<u>(58,756)</u>	<u>49,047</u>	<u>107,803</u>	<u>(151,893)</u>	<u>(56,682)</u>	<u>95,211</u>	<u>20,051</u>	<u>17,435</u>	<u>(2,616)</u>
			92,564	46,292	(46,272)			
			92,564	46,292	(46,272)			
<u>(\$58,756)</u>	49,047	<u>\$107,803</u>	<u>(\$59,329)</u>	(10,390)	<u>\$48,939</u>	<u>\$20,051</u>	17,435	<u>(\$2,616)</u>
	<u>(157,168)</u>						<u>(936,935)</u>	
	<u>(\$108,121)</u>			<u>(\$10,390)</u>			<u>(\$919,500)</u>	

(Continued)

CITY OF LOS BANOS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

	MITIGATION			TOTALS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes:						
Franchise				\$10,500	\$20,655	\$10,155
Motor vehicle				952,560	799,823	(152,737)
Intergovernmental				1,688,835	1,491,799	(197,036)
Charges for services				1,498,157	1,488,322	(9,835)
Use of property and money	\$560	\$638	\$78	50,668	43,641	(7,027)
Miscellaneous				5,400	6,496	1,096
<b>Total Revenues</b>	<b>560</b>	<b>638</b>	<b>78</b>	<b>4,206,120</b>	<b>3,850,736</b>	<b>(355,384)</b>
<b>EXPENDITURES</b>						
Current:						
General government				1,360	1,360	
Public safety				984,031	274,754	709,277
Highway and streets				1,700,112	1,024,693	675,419
Parks and recreation				1,559,862	1,449,171	110,691
Capital outlay				937,520	1,077,444	(139,924)
<b>Total Expenditures</b>				<b>5,182,885</b>	<b>3,827,422</b>	<b>1,355,463</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>560</b>	<b>638</b>	<b>78</b>	<b>(976,765)</b>	<b>23,314</b>	<b>1,000,079</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in				411,322	175,531	(235,791)
Transfers (out)				(371,865)	(138,141)	233,724
<b>Total Other Financing Sources (Uses)</b>				<b>39,457</b>	<b>37,390</b>	<b>(2,067)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES USES</b>	<b>\$560</b>	<b>638</b>	<b>\$78</b>	<b>(\$937,308)</b>	<b>60,704</b>	<b>\$998,012</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<b>143,266</b>			<b>1,796,981</b>	
<b>ENDING FUND BALANCES (DEFICITS)</b>		<b>\$143,904</b>			<b>\$1,857,685</b>	

**CITY OF LOS BANOS**

**INTERNAL SERVICE FUNDS**

**FLEET MAINTENANCE**

This fund is used for the maintenance, service, and repair of the City fleet.

**INFORMATION TECHNOLOGIES**

This fund is used to support, maintain, and enhance the City's information technology hardware, software and communications infrastructure.

**RETIREE'S HEALTH BENEFITS**

This fund is used to charge the departments for retired personnel benefits.

CITY OF LOS BANOS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF NET POSITION  
JUNE 30, 2013

	Fleet Maintenance	Information Technologies	Retiree's Health Benefits	Total
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$43,630	\$36,438	\$159,160	\$239,228
Interest receivable	97	13	268	378
Accounts receivable		539	6,827	7,366
<b>Total Current Assets</b>	<b>43,727</b>	<b>36,990</b>	<b>166,255</b>	<b>246,972</b>
Non-Current Assets:				
Net OPEB asset			216,299	216,299
Capital assets:				
Construction in progress				
Machinery and equipment	326,371	264,091		590,462
Less: accumulated depreciation	(296,368)	(224,273)		(520,641)
<b>Net Capital Assets</b>	<b>30,003</b>	<b>39,818</b>	<b>216,299</b>	<b>286,120</b>
<b>Total Assets</b>	<b>\$73,730</b>	<b>\$76,808</b>	<b>\$382,554</b>	<b>\$533,092</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and other current liabilities	\$49,126	\$1,944		51,070
<b>Total Current Liabilities</b>	<b>49,126</b>	<b>1,944</b>		<b>51,070</b>
Noncurrent liabilities:				
Compensated absences	3,093	20,720		23,813
<b>Total Long-Term Liabilities</b>	<b>3,093</b>	<b>20,720</b>		<b>23,813</b>
<b>Total Liabilities</b>	<b>52,219</b>	<b>22,664</b>		<b>74,883</b>
<b>NET POSITION</b>				
Net investment in capital assets	30,003	39,818		69,821
Restricted for retiree benefits			\$216,299	216,299
Unrestricted	(8,492)	14,326	166,255	172,089
<b>Total Net Position</b>	<b>\$21,511</b>	<b>\$54,144</b>	<b>\$382,554</b>	<b>\$458,209</b>

CITY OF LOS BANOS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013

	Fleet Maintenance	Information Technologies	Retiree's Health Benefits	Total
<b>OPERATING REVENUES</b>				
Interdepartmental charges	\$748,907	\$343,772	\$1,174,760	\$2,267,439
Miscellaneous	108	2,231	6,827	9,166
<b>Total Operating Revenues</b>	<b>749,015</b>	<b>346,003</b>	<b>1,181,587</b>	<b>2,276,605</b>
<b>OPERATING EXPENSES</b>				
Personnel services	125,140	305,226	1,309,964	1,740,330
Contractual services	4,278	20,347		24,625
Utilities	324,804	337		325,141
Repairs and maintenance	274,551	1,083		275,634
Insurance	1,461	3,622		5,083
Other supplies and expenses	20,897	8,071		28,968
Depreciation	65,274	96,533		161,807
<b>Total Operating Expenses</b>	<b>816,405</b>	<b>435,219</b>	<b>1,309,964</b>	<b>2,561,588</b>
<b>Operating Income (Loss)</b>	<b>(67,390)</b>	<b>(89,216)</b>	<b>(128,377)</b>	<b>(284,983)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	3,456	1,509	261	5,226
Interest and fiscal charges	(1,341)			(1,341)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,115</b>	<b>1,509</b>	<b>261</b>	<b>3,885</b>
<b>Income (Loss) Before Transfers</b>	<b>(65,275)</b>	<b>(87,707)</b>	<b>(128,116)</b>	<b>(281,098)</b>
<b>Change in Net Position</b>	<b>(65,275)</b>	<b>(87,707)</b>	<b>(128,116)</b>	<b>(281,098)</b>
<b>BEGINNING NET POSITION</b>	<b>86,786</b>	<b>141,851</b>	<b>510,670</b>	<b>739,307</b>
<b>ENDING NET POSITION</b>	<b>\$21,511</b>	<b>\$54,144</b>	<b>\$382,554</b>	<b>\$458,209</b>

CITY OF LOS BANOS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013

	Fleet Maintenance	Information Technologies	Retiree's Health Benefits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$751,774	\$345,983	\$1,174,760	\$2,272,517
Payments to suppliers	(337,044)	(32,353)	(788,691)	(1,158,088)
Payments to employees	(403,791)	(305,309)	(553,892)	(1,262,992)
<b>Cash Flows from Operating Activities</b>	<b>10,939</b>	<b>8,321</b>	<b>(167,823)</b>	<b>(148,563)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets		(34,413)		(34,413)
Principal payments on long-term debt	(56,684)			(56,684)
Interest paid	(1,341)			(1,341)
<b>Cash Flows from Capital and Related Financing Activities</b>	<b>(58,025)</b>	<b>(34,413)</b>		<b>(92,438)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	3,408	1,530	483	5,421
<b>Cash Flows from Investing Activities</b>	<b>3,408</b>	<b>1,530</b>	<b>483</b>	<b>5,421</b>
<b>Net Cash Flows</b>	<b>(43,678)</b>	<b>(24,562)</b>	<b>(167,340)</b>	<b>(235,580)</b>
Cash and investments at beginning of period	87,308	61,000	326,500	474,808
Cash and investments at end of period	<u>\$43,630</u>	<u>\$36,438</u>	<u>\$159,160</u>	<u>\$239,228</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>				
Operating income (loss)	(\$67,390)	(\$89,216)	(\$128,377)	(\$284,983)
<b>Adjustments to reconcile operating income to net cash flows from operating activities:</b>				
Depreciation	65,274	96,533		161,807
<b>Change in assets and liabilities:</b>				
Accounts receivable	2,759	(20)	(6,827)	(4,088)
Accounts payable	14,396	24		14,420
Compensated absences	(4,100)	1,000		(3,100)
Net OPEB asset/liability			(32,619)	(32,619)
<b>Cash Flows from Operating Activities</b>	<b>\$10,939</b>	<b>\$8,321</b>	<b>(\$167,823)</b>	<b>(\$148,563)</b>

<b>AGENCY FUND</b>
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**LOS BANOS HIGH SCHOOL PROJECT**

This fund is used for land and a joint use agreement the City has with the Los Banos Unified School District.

**NSP IMPOUND FUND**

This fund is used for the collection of impound payments from ten Neighborhood Stabilization Program (NSP) homeowners and used to pay for their homeowners insurance and property taxes.

CITY OF LOS BANOS  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<u>Los Banos High School Project</u>				
<u>Assets</u>				
Restricted cash and investments	\$25,052	\$13	\$1,488	\$23,577
Total Assets	<u>\$25,052</u>	<u>\$13</u>	<u>\$1,488</u>	<u>\$23,577</u>
<u>Liabilities</u>				
Due to others	\$25,052	\$13	\$1,488	\$23,577
Total Liabilities	<u>\$25,052</u>	<u>\$13</u>	<u>\$1,488</u>	<u>\$23,577</u>
<u>NSP IMPOUND FUND</u>				
<u>Assets</u>				
Restricted cash and investments		\$21,706	\$16,238	\$5,468
Accounts receivable		440		440
Total Assets		<u>\$22,146</u>	<u>\$16,238</u>	<u>\$5,908</u>
<u>Liabilities</u>				
Accounts payable		\$1,725		\$1,725
Due to others		20,421	\$16,238	4,183
Total Liabilities		<u>\$22,146</u>	<u>\$16,238</u>	<u>\$5,908</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$25,052	\$21,719	\$17,726	\$29,045
Accounts Receivable		440		440
Total Assets	<u>\$25,052</u>	<u>\$22,159</u>	<u>\$17,726</u>	<u>\$29,485</u>
<u>Liabilities</u>				
Accounts payable		\$1,725		\$1,725
Due to others	\$25,052	20,434	\$17,726	27,760
Total Liabilities	<u>\$25,052</u>	<u>\$22,159</u>	<u>\$17,726</u>	<u>\$29,485</u>

**STATISTICAL SECTION**

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## **Statistical Section – Overview**

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This part of the City of Los Banos’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s over financial health.

### **Contents**

***Financial Trends:*** The schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

***Revenue Capacity:*** These schedules contain information to help the reader assess the government’s most significant local revenue sources, sales and property taxes.

***Debt Capacity:*** These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

***Demographic and Economic Information:*** These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

***Operating Information:*** These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the government provides and the activities it performs.

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**CITY OF LOS BANOS  
NET POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Governmental activities</b>										
Net invested in capital assets	\$ 25,762,057	35,280,821	62,155,689	65,187,678	76,706,901	76,666,275	85,183,899	83,345,450	90,435,796	87,022,967
Restricted	2,183,122	7,042,789	21,521,887	5,130,047	5,606,626	34,213,696	22,816,089	19,931,470	10,791,141	9,415,962
Unrestricted	7,913,557	18,341,371	10,101,654	37,795,969	36,283,874	8,568,645	7,566,224	12,244,204	11,272,314	12,020,755
<b>Total governmental activities net position</b>	<b>\$ 35,858,736</b>	<b>\$ 60,664,981</b>	<b>\$ 93,779,230</b>	<b>\$ 108,113,694</b>	<b>\$ 118,597,401</b>	<b>\$ 119,448,616</b>	<b>\$ 115,566,212</b>	<b>\$ 115,521,124</b>	<b>\$ 112,499,251</b>	<b>\$ 108,459,684</b>
<b>Business-type activities</b>										
Net invested in capital assets	\$ 9,653,288	14,925,449	28,379,563	36,352,374	41,483,309	42,007,838	42,203,158	41,988,815	42,580,463	42,539,669
Restricted	8,810,321	10,370,198	10,523,382	10,103,620	10,064,445	1,231,796	10,484,114	8,762,153	8,453,426	8,349,804
Unrestricted	9,197,620	12,616,759	14,673,752	15,739,667	12,153,608	19,163,780	11,774,359	14,064,398	14,670,827	17,934,205
<b>Total business-type activities net position</b>	<b>\$ 27,661,229</b>	<b>\$ 37,912,406</b>	<b>\$ 53,576,697</b>	<b>\$ 62,195,661</b>	<b>\$ 63,701,362</b>	<b>\$ 62,403,414</b>	<b>\$ 64,461,631</b>	<b>\$ 64,815,366</b>	<b>\$ 65,704,716</b>	<b>\$ 68,823,678</b>
<b>Primary government</b>										
Net invested in capital assets	\$ 35,415,345	\$ 50,206,270	\$ 90,535,252	\$ 101,540,052	\$ 118,190,210	\$ 118,674,113	\$ 127,387,057	\$ 125,334,265	\$ 133,024,845	\$ 129,562,636
Restricted	10,993,443	17,412,987	32,045,269	15,233,667	15,671,071	35,445,492	33,300,203	28,693,623	19,244,567	17,765,766
Unrestricted	17,111,177	30,958,130	24,775,406	53,535,636	48,437,482	27,732,425	19,340,583	26,308,602	25,934,572	29,954,960
<b>Total primary government net position</b>	<b>\$ 63,519,965</b>	<b>\$ 98,577,387</b>	<b>\$ 147,355,927</b>	<b>\$ 170,309,355</b>	<b>\$ 182,298,763</b>	<b>\$ 181,852,030</b>	<b>\$ 180,027,843</b>	<b>\$ 180,336,490</b>	<b>\$ 178,203,984</b>	<b>\$ 177,283,362</b>

**CITY OF LOS BANOS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

		Fiscal Year									
		2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Expenses</b>											
<b>Governmental activities:</b>											
	General government	\$ 2,546,365	1,902,068	2,730,729	2,968,933	4,834,492	2,611,384	1,844,157	1,864,857	2,010,394	1,574,303
	Public Safety	9,335,391	7,900,585	8,886,657	10,485,811	10,912,579	11,897,709	11,116,070	10,969,903	10,886,906	11,001,775
	Highway & Streets	2,882,578	4,454,220	5,848,376	5,620,580	5,879,178	5,295,711	5,934,471	5,628,571	5,671,224	5,845,904
	Parks & Recreation	3,811,240	2,323,007	3,076,776	3,431,161	4,354,872	3,822,086	2,879,562	2,848,886	3,157,117	3,110,563
	Redevelopment	1,159,603	1,338,776	1,324,637	292,280	3,090,131	3,808,607	6,545,659	1,487,704	1,727,676	-
	Economic development	321,594	1,024,162	355,032	1,609,692	392,110	-	25,136	25,136	25,133	97,369
	Contingency	-	-	-	14,846	92,267	-	-	-	-	-
	Interest on Long-term debt	748,060	1,208,431	1,000,558	1,498,148	2,086,928	1,662,142	1,710,107	1,640,803	367,517	62,042
	Solid Waste	22,721	35,170	3,317	16,099	355,996	-	-	-	-	-
	<b>Total governmental activities expenses</b>	<b>20,827,552</b>	<b>20,186,419</b>	<b>23,226,082</b>	<b>25,937,550</b>	<b>31,998,553</b>	<b>29,097,639</b>	<b>30,055,162</b>	<b>24,465,860</b>	<b>23,845,967</b>	<b>21,691,956</b>
<b>Business-type activities:</b>											
	Interest on Long-term det	864,673	-	-	-	-	-	-	-	-	-
	Water	2,722,047	3,127,176	4,217,161	3,495,456	3,546,748	4,132,906	3,974,370	4,166,837	4,228,356	4,043,632
	Wastewater	1,984,281	2,672,960	2,925,505	2,844,113	3,011,739	4,435,859	3,915,757	3,902,206	4,174,243	4,131,577
	Airport	584,189	392,957	611,279	649,972	533,803	502,348	478,511	577,713	508,541	595,136
	Solid Waste	2,758,626	3,028,803	3,295,187	3,881,539	4,324,327	5,119,773	4,659,231	4,822,258	5,019,961	5,626,173
	<b>Total business-type expenses</b>	<b>8,913,816</b>	<b>9,221,896</b>	<b>11,049,132</b>	<b>10,871,080</b>	<b>11,416,617</b>	<b>14,190,886</b>	<b>13,027,869</b>	<b>13,469,014</b>	<b>13,931,101</b>	<b>14,396,518</b>
	<b>Total primary government expenses</b>	<b>\$ 29,741,368</b>	<b>29,408,315</b>	<b>34,275,214</b>	<b>36,808,630</b>	<b>43,415,170</b>	<b>43,288,525</b>	<b>43,083,031</b>	<b>37,934,874</b>	<b>37,777,068</b>	<b>36,088,474</b>
<b>Program Revenue</b>											
<b>Governmental activities:</b>											
	Charges for services	\$ 4,194,697	10,412,018	5,082,917	3,675,925	5,165,521	3,512,252	3,548,629	3,526,597	3,581,268	4,348,894
	Operating grants & contributions	2,861,734	1,587,253	3,509,963	571,228	279,944	3,566,327	3,242,183	2,936,400	2,782,009	3,386,608
	Capital grants & contributions	12,252,797	21,966,330	14,185,404	13,969,835	12,678,283	4,956,470	5,846,289	1,952,807	4,873,145	1,137,908
	<b>Total governmental activities program rev</b>	<b>19,309,228</b>	<b>33,965,601</b>	<b>22,778,284</b>	<b>18,216,988</b>	<b>18,123,748</b>	<b>12,035,049</b>	<b>12,637,101</b>	<b>8,415,804</b>	<b>11,236,422</b>	<b>8,873,410</b>
<b>Business-type activities:</b>											
	Charges for services	8,871,553	9,439,590	10,302,110	14,053,193	14,096,908	13,579,350	14,629,989	13,346,234	14,390,214	16,074,638
	Operating grants & contributions	165,000	539,033	772,685	1,219,412	45,853	21,122	82,930	161,247	90,611	22,455
	Capital grants & contributions	7,389,136	9,494,450	7,516,793	3,129,921	2,939,924	90,759	-	-	-	-

**CITY OF LOS BANOS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Continued)**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Total business-type activities program rev	16,425,689	19,473,073	18,591,588	18,402,526	17,082,685	13,691,231	14,712,919	13,507,481	14,480,825	16,097,093
Total primary government program rev	\$ 35,734,917	53,438,674	41,369,872	36,619,514	35,206,433	25,726,280	27,350,020	21,923,285	25,717,247	24,970,503
Net (expense)/revenue:										
Governmental activities	\$ (1,518,324)	13,779,182	(447,798)	(7,720,562)	(13,874,805)	(17,062,590)	(17,418,061)	(16,050,056)	(12,609,545)	(12,818,546)
Business-type activities	7,511,873	10,251,177	7,542,456	7,531,446	5,666,068	(499,655)	1,685,050	38,467	549,724	1,700,575
Total Primary government net (exp)/Rev	\$ 5,993,549	24,030,359	7,094,658	(189,116)	(8,208,737)	(17,562,245)	(15,733,011)	(16,011,589)	(12,059,821)	(11,117,971)
<b>General Revenues</b>										
Governmental Activities:										
Taxes										
Property Taxes	\$ 3,892,145	6,360,077	8,808,994	11,462,282	12,901,473	11,680,089	9,027,831	9,363,711	7,427,582	4,946,843
Sales Tax	2,707,233	2,367,516	4,257,108	4,263,777	4,239,547	2,028,316	2,481,027	3,980,909	4,226,624	2,571,065
Other Taxes	2,390,906	1,818,936	3,035,033	4,513,132	5,360,869	929,978	873,260	1,457,350	746,254	758,928
Investment Earnings	221,112	480,534	171,439	1,900,218	408,859	1,749,064	1,254,479	831,036	140,885	1,024,908
Miscellaneous	-	-	-	(26,347)	1,450,455	31,917	(100,940)	371,962	(2,953,656)	(522,782)
Total Governmental Activities	9,211,396	11,027,063	16,272,574	22,113,062	24,361,203	16,419,364	13,535,657	16,004,968	9,587,689	8,778,962
Business-type Activities:										
Property Tax	-	-	-	-	-	16,063	10,815	2,374	2,412	2,390
Investment earnings	217,437	-	-	-	-	677,290	260,912	312,856	339,943	209,252
Miscellaneous	-	-	-	4,000	1,706,354	2,790	500	38	(2,729)	1,206,745
Transfers (Note 4)	-	-	-	-	-	-	100,940	-	-	-
Total business-type activities	217,437	-	-	4,000	1,706,354	696,143	373,167	315,268	339,626	1,418,387
Total primary government	\$ 9,428,833	11,027,063	16,272,574	22,117,062	26,067,557	17,115,507	13,908,824	16,320,236	9,927,315	10,197,349
<b>Changes in Net Position</b>										
Governmental Activities	\$ 7,693,072	24,806,245	15,824,776	14,392,500	10,486,398	(643,226)	(3,882,404)	(45,088)	(3,021,856)	(4,039,584)
Business-type activities	7,729,310	10,251,177	7,542,456	7,535,446	7,372,422	196,488	2,058,217	353,735	889,350	3,118,962
Total Primary Government	\$ 15,422,382	35,057,422	23,367,232	21,927,946	17,858,820	(446,738)	(1,824,187)	308,647	(2,132,506)	(920,622)

Source: City of Los Banos Finance Department

**CITY OF LOS BANOS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>General Fund</b>										
Reserved	980,936	2,759,023	2,624,452	2,510,466	1,834,780	322,046	225,235	-	-	-
Unreserved	3,180,202	4,824,265	6,811,373	4,220,184	3,069,261	3,968,264	3,305,998	-	-	-
Nonspendable	-	-	-	-	-	-	-	26,804	5,752	1,506
Restricted	-	-	-	-	-	-	-	59,102	283,826	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	5,426,571	5,603,832	6,339,177
<b>Total general fund</b>	<b>4,161,138</b>	<b>7,583,288</b>	<b>9,435,825</b>	<b>6,730,650</b>	<b>4,904,041</b>	<b>4,290,310</b>	<b>5,558,351</b>	<b>5,512,477</b>	<b>5,893,410</b>	<b>6,340,683</b>
<b>All other governmental funds</b>										
Reserved	750,571	1,107,140	87,027	9,006,223	2,094,304	1,632,331	413,737	-	-	-
Restricted	-	-	-	-	-	-	-	20,850,874	12,898,904	12,237,064
Unreserved reported in:										
Special revenue funds	11,047,144	13,951,866	18,335,434	15,832,674	15,281,116	13,998,862	1,442,621	-	-	-
Capital projects funds	3,847,445	3,176,626	1,074,371	9,801,671	16,945,984	5,219,967	562,645	-	-	-
Debt service funds	-	-	994,866	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	755,211	(1,094,103)	(1,038,011)
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>15,645,160</b>	<b>18,235,632</b>	<b>19,496,832</b>	<b>34,640,568</b>	<b>34,321,404</b>	<b>35,542,160</b>	<b>24,190,050</b>	<b>21,606,085</b>	<b>11,804,801</b>	<b>11,199,053</b>

Source: City of Los Banos Finance Department

**CITY OF LOS BANOS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Revenues</b>										
<b>Taxes (1)</b>										
Property	3,663,959	6,360,077	8,808,994	11,418,729	12,901,473	12,319,475	9,715,042	9,363,711	7,427,582	5,642,221
Sales	2,707,233	2,367,516	4,127,773	4,210,513	4,226,125	3,645,256	4,174,239	3,980,909	4,226,624	4,463,919
Franchise	895,310	935,740	998,570	409,338	408,859	420,785	422,655	440,594	445,375	456,482
Motor Vehicle	1,290,553	330,052	706,690	197,258	147,693	131,190	679,546	1,064,988	1,010,544	815,527
Other taxes	987,557	1,178,430	1,329,773	3,906,536	5,213,176	942,382	344,271	284,114	282,145	286,742
Licenses and Permits	1,160,286	1,658,435	1,534,956	909,249	767,461	333,409	307,714	217,358	200,091	305,599
Intergovernmental	3,299,864	4,053,089	2,007,942	4,082,622	3,547,534	2,289,668	3,310,820	2,816,860	768,206	1,261,856
Charges for services	1,796,523	2,768,052	3,415,578	2,417,982	2,152,825	3,557,475	3,630,001	4,011,466	3,916,232	3,337,523
Fines	123,841	163,955	267,034	246,672	287,125	-	82,295	93,399	97,735	68,731
Use of Property and money	517,336	802,070	1,279,334	1,897,874	2,035,712	2,265,389	1,411,870	1,293,039	1,237,070	1,069,142
Contributions and donations	99,270	8,235	466,521	5,445	7,860	4,619	59,059	1,820	2,055	-
Capital contributions	3,003,348	3,961,578	5,300,162	-	-	-	-	-	-	-
Miscellaneous	196,822	2,583,260	604,479	100,489	395,021	348,349	169,708	273,658	199,061	66,593
Program income	-	-	-	234,736	-	-	-	-	-	-
<b>Total revenues</b>	<b>19,741,902</b>	<b>27,170,489</b>	<b>30,847,806</b>	<b>30,037,443</b>	<b>32,090,864</b>	<b>26,257,997</b>	<b>24,307,220</b>	<b>23,841,916</b>	<b>19,812,720</b>	<b>17,774,335</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	1,846,034	1,849,908	2,760,960	2,837,243	3,658,752	2,238,261	1,687,325	1,715,484	1,696,680	1,495,941
Public Safety	6,730,098	7,599,556	8,525,442	10,098,981	10,438,432	11,301,041	10,245,666	10,286,114	10,253,039	10,255,576
Solid Waste	22,206	34,514	2,660	-	-	-	-	-	-	-
Highway and Streets	1,300,156	1,182,211	1,454,556	2,328,521	2,088,871	1,017,452	1,636,472	1,328,743	1,385,767	1,025,978
Parks and Recreation	1,944,327	2,010,148	2,618,795	2,835,609	3,626,548	3,016,885	2,067,216	2,082,479	2,348,142	2,261,394
Grant Programs	-	-	-	-	-	-	-	-	-	-
Economic Development	321,595	984,699	829,094	469,486	369,326	-	-	-	-	67,515
Redevelopment	1,111,879	1,023,998	1,382,507	1,360,953	2,773,968	2,263,913	6,624,111	4,577,305	1,420,339	-
Contingency	-	-	-	14,846	92,267	-	-	-	-	-

**CITY OF LOS BANOS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Continued)**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Debt Service:</b>										
Principal	400,416	388,940	432,153	415,098	575,229	577,663	1,969,465	804,075	645,000	1,405,000
Interest	748,060	1,208,431	1,004,362	1,276,348	1,987,159	1,691,218	1,680,963	1,611,864	834,188	62,042
Bond issue costs	-	-	-	821,244	-	-	-	-	-	-
<b>Capital Outlay (2)</b>										
General government	11,507	333,016	110,303	75,211	59,211	5,869	-	-	-	36,895
Public Safety	153,008	645,927	595,218	1,002,388	1,775,153	317,831	40,936	260,745	307,962	427,961
Solid Waste	6,561	-	17,898	69,443	-	-	-	-	-	-
Redevelopment	347,424	3,754,458	812,490	3,886,346	541,784	1,246,108	9,766,513	1,375,849	7,528	-
Highway and Streets	322,574	2,042,462	3,410,662	5,070,113	1,856,127	1,833,585	1,055,488	1,478,973	246,028	1,034,416
Parks and Recreation	1,167,978	1,894,599	2,575,334	3,467,017	3,041,964	371,219	52,276	54,045	-	112,161
Total expenditures	16,433,823	24,952,867	26,532,434	36,028,847	32,884,791	25,881,045	36,826,431	25,575,676	19,144,673	18,184,879
Excess(deficiency) of revenues over(under) expenditures	3,308,079	2,217,622	4,315,372	(5,991,404)	(793,927)	376,952	(12,519,211)	(1,733,760)	668,047	(410,544)
<b>Other Financing Sources (Uses)</b>										
Tax allocation Bonds issued	-	3,795,000	-	17,495,000	-	-	-	-	-	-
Loss on property held for resale	-	-	-	-	-	-	-	-	(893,899)	-
Transfer in	984,847	5,604,930	2,187,672	12,863,052	22,506,146	2,530,959	2,139,339	3,030,293	4,629,361	218,461
Transfer out	(984,847)	(5,604,930)	(2,187,672)	(12,867,052)	(23,978,860)	(2,530,959)	(2,240,279)	(2,658,331)	(4,652,302)	(741,243)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	24,851
Sale of capital assets	-	-	103,010	2,135	6,263	3,673	-	-	-	-
Proceeds attributable to foreclosed property	-	-	-	-	117,296	-	-	-	-	-
Claims and judgements	-	-	-	-	-	-	-	-	-	750,000
Total other financing sources and uses	-	3,795,000	103,010	17,493,135	(1,349,155)	3,673	(100,940)	371,962	(916,840)	252,069

**CITY OF LOS BANOS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Continued)**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Extraordinary Items</b>										
Assets transferred to										
Housing Successor	-	-	-	-	-	-	-	-	(1,124,645)	-
Assets transferred to/liab										
assumed by Successor Agency	-	-	-	-	-	-	-	-	(8,046,913)	-
Total extraordinary items	-	-	-	-	-	-	-	-	(9,171,558)	-
<b>Net changes in fund balance</b>	<b>3,308,079</b>	<b>6,012,622</b>	<b>4,418,382</b>	<b>11,501,731</b>	<b>(2,143,082)</b>	<b>380,625</b>	<b>(12,620,151)</b>	<b>(1,361,798)</b>	<b>(9,420,351)</b>	<b>(158,475)</b>
Net change in fund balance										
Debt service as a percentage of										
noncapital expenditures	8.65%	10.88%	8.17%	8.49%	11.16%	11.44%	16.40%	12.09%	8.65%	9.71%

Source: City of Los Banos Finance Department

**CITY OF LOS BANOS  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (amount expressed in thousands)**

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>		<u>Less Exemptions</u>	<u>Total Assessed Value</u>
	<u>Land</u>	<u>Improvements</u>	<u>Personal</u>	<u>Total</u>		
2003-2004	349,702	1,120,555	38,201	1,508,458	22,190	1,486,268
2004-2005	403,952	1,287,120	38,604	1,729,676	49,315	1,680,361
2005-2006	521,392	1,533,319	40,737	2,095,448	50,557	2,044,891
2006-2007	825,707	2,200,538	47,544	3,073,789	53,881	3,019,908
2007-2008	846,217	2,023,461	51,917	2,921,595	61,572	2,860,023
2008-2009	439,964	1,385,997	55,642	1,881,603	69,417	1,812,186
2009-2010	304,764	1,400,629	52,030	1,757,423	72,196	1,685,227
2010-2011	317,257	1,445,927	51,882	1,815,066	73,779	1,741,287
2011-2012	313,862	1,454,449	50,534	1,818,845	72,002	1,746,843
2012-2013	338,088	1,530,444	50,653	1,919,185	77,042	1,842,143

**Source:** Merced County Assessor's Office

**Note:** (1) Governmental and Non-profit organizations.

**CITY OF LOS BANOS  
TAX REVENUE BY SOURCE, GENERAL FUND  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Property</b>		<b>Sales &amp; Use</b>		<b>Franchise</b>		<b>Motor Vehicle</b>		<b>Other</b>		<b>Total</b>
2003-2004	\$ 1,998,954		\$ 2,615,445		\$ 895,310		\$ 1,290,553		\$ 393,427		\$ 7,193,689
2004-2005	4,453,421	(1)	2,186,837		935,740		330,052	(1)	488,658		8,394,706
2005-2006	5,762,445		2,425,336		998,570		706,690	(5)	664,656		10,557,692
2006-2007	7,224,537	(2)	2,289,763		409,338	(4)	197,258		443,937		10,564,827
2007-2008	7,583,946		2,456,174		408,859		147,693		359,093		10,955,765
2008-2009	7,117,539		2,028,316		420,785		131,190		357,813		10,055,643
2009-2010	4,518,769	(3)	2,481,027		401,372		106,334		344,271		7,851,770
2010-2011	4,609,443		2,298,721		419,554		183,820		284,114		7,795,652
2011-2012	4,411,414		2,437,124		424,274		18,734		282,145		7,573,691
2012-2013	4,919,660		2,571,065		435,827		-		286,742		8,213,294

**Source:** City of Los Banos Finance Department

**Notes:**

- (1) State reduced fees from 2% to .67%, in exchange we received a bigger Property Tax portion.
- (2) Housing Market and Development increased resulting in increased Property Tax.
- (3) Decrease in property tax due to economy and high foreclosure rates.
- (4) Per Prop 218 we no longer assess Franchise fees to our City owned Utilities.
- (5) Repayment of deferred MVLF.

**CITY OF LOS BANOS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 (rate per \$1,000 of assessed value)  
 LAST TWO FISCAL YEARS**

<u>Fiscal Year</u>	<u>City Direct Rates</u>			<u>Overlapping Rates</u>		<u>Total Rate</u>
	<u>City of Los Banos</u>	<u>County of Merced</u>	<u>Total Direct</u>	<u>Los Banos Unified School District Bond</u>	<u>Merced College Bond</u>	
2011-2012	0.1750	0.8250	1.0000	0.0145	0.0025	1.0170
2012-2013	0.1750	0.8250	1.0000	0.0145	0.0025	1.0170

**Source:** Merced County Auditor-Tax Collector

**Notes:** In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies, including the City of Los Banos, for which the subject property resides within. The City of Los Banos's portion varies by several Tax Rate Areas (TRAs) within the City.

Information prior to 2012 is not available.

**CITY OF LOS BANOS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

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Owner	2012-2013			2002-2003		
	Assessed Value	Rank	Percent of Total City Assessed Value	Assessed Value	Rank	Percent of Total City Assessed Value
LOS BANOS DAIRYMEN ASSN A CORPORATION	27,619,641.00	1	1.50%	\$ 12,058,378.00	4	0.90%
TARGET CORP	19,552,610.00	2	1.06%	-	-	-
KAGOME USA INC	18,693,953.00	3	1.01%	12,809,720.00	3	0.95%
WAL-MART REAL ESTATE BUSINESS TRUST	17,478,822.00	4	0.95%	9,219,461.00	5	-
COLORADO/EAGLE ROCK LLC	10,712,545.00	5	0.58%	-	-	-
SOLOMON FRANK JR	11,240,820.00	6	0.61%	-	-	-
MCCORDUCK PROPERTIES LOS BANOS LLC	9,809,550.00	7	0.53%	-	-	-
LOWES HIW INC	9,466,160.00	8	0.51%	-	-	-
HOME DEPOT USA INC	9,389,940.00	9	0.51%	-	-	-
CAMERA PROPERTIES LLC	9,111,416.00	10	0.49%	-	-	-
FRANCISCAN HOSPITALLER SISTERS	-	-	-	17,824,752.00	1	1.32%
FARM CREDIT LEASING SERVICES CORP	-	-	-	14,792,030.00	2	1.10%
SLIM FAST FOODS COMPANY	-	-	-	6,427,040.00	6	0.48%
SAN LUIS PLAZA ASSOCIATES A PARTNERSHIP	-	-	-	6,016,396.00	7	0.45%
WOODSIDE VERONA INC	-	-	-	5,193,748.00	8	0.39%
LOS BANOS CARRINGTON LIMITED	-	-	-	4,871,634.00	9	0.36%
PROGENITOR HOLDINGS COMPANY II LLC	-	-	-	4,393,830.00	10	0.33%
	<u>\$ 143,075,457.00</u>		<u>7.77%</u>	<u>93,606,989.00</u>		<u>6.27%</u>

Source: Merced County Assessors Office

**CITY OF LOS BANOS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected <sup>(1)</sup></b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>
2003-2004	1,998,954	100%	-	1,998,954
2004-2005	2,184,508	100%	-	2,184,508
2005-2006	2,932,152	100%	-	2,932,152
2006-2007	3,630,293	100%	-	3,630,293
2007-2008	3,775,931	100%	-	3,775,931
2008-2009	3,293,827	100%	-	3,293,827
2009-2010	2,118,459	100%	-	2,118,459
2010-2011	1,946,307	100%	-	1,946,307
2011-2012	1,929,638	100%	-	1,929,638
2012-2013	2,129,214	100%	-	2,129,214

**Source:** Merced County Auditor-controller

**Note:** (1) Revenue and Taxation Code Sections 4701 through 4717 provide for an alternative method of distribution of tax levies and collections known as the Teeter Plan. Merced County distributes 100% of the current secured roll to the City of Los Banos.

**CITY OF LOS BANOS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities (3)					Business-Type Activities				Total primary government	Per Capita	% of Assessed Valuation (2)
	Lease Revenue	Tax Allocation	Capital	Note's		Bonds	Capital	COP's	Note's Payable			
	Bond	Bonds (1)	Leases	COP's	Payable		Leases					
2003-2004	2,640,000	9,325,000	760,402	960,000	43,380	-	-	16,085,000	251,024	30,064,806	976	2.02%
2004-2005	2,590,000	13,010,000	638,765	920,000	36,077	-	-	15,400,000	237,010	32,831,852	1,016	1.95%
2005-2006	2,525,000	12,805,000	524,550	880,000	28,139	-	-	13,662,999	221,958	30,647,646	903	1.50%
2006-2007	2,460,000	32,545,000	438,080	840,000	19,511	-	-	13,005,587	205,868	49,514,046	1,415	1.64%
2007-2008	2,390,000	32,115,000	347,231	795,000	10,131	-	-	12,328,175	188,740	48,174,277	1,349	1.68%
2008-2009	2,320,000	30,673,271	495,737	750,000	-	-	-	11,620,765	170,574	46,030,347	1,272	2.54%
2009-2010	870,000	28,000,600	361,288	700,000	-	-	-	10,888,352	151,370	40,971,610	1,125	2.43%
2010-2011	845,000	27,502,929	115,803	645,000	-	-	-	10,130,942	131,128	39,370,802	1,078	2.26%
2011-2012	815,000	-	56,684	590,000	-	-	-	9,343,530	109,848	10,915,062	299	0.62%
2012-2013	-	-	-	-	-	-	-	8,521,119	87,530	8,608,649	233	0.49%

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**Source:** California Municipal Statistics, City of Los Banos Finance Department

**Note:** (1) Tax Allocation Bonds are zero in 2011-2012 due to the state dissolving the RDA's  
(2) See Assessed Value of Taxable Property schedule for Assessed Values  
(3) Governmental Activities are zero, due to all activity paid off in 2013

**CITY OF LOS BANOS  
RATIOS OF GENERAL FUND DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	General Debt Outstanding			Population	% of Actual Taxable Value of Property	Per capita
	General Fund Debt Outstanding (2)	Redevelopment Bonds (1)	Total			
2003-2004	4,403,782	9,325,000	13,728,782	30,795	0.92%	446
2004-2005	4,184,842	13,010,000	17,194,842	32,310	1.02%	532
2005-2006	3,957,689	12,805,000	16,762,689	33,957	0.82%	494
2006-2007	3,757,591	32,545,000	36,302,591	34,992	1.20%	1,037
2007-2008	3,542,362	32,115,000	35,657,362	35,705	1.25%	999
2008-2009	3,565,737	30,673,271	34,239,008	36,198	1.89%	946
2009-2010	1,931,288	28,000,600	29,931,888	36,421	1.78%	822
2010-2011	1,605,803	27,502,929	29,108,732	36,525	1.67%	797
2011-2012	1,461,684	0	1,461,684	36,546	0.08%	40
2012-2013	0	0	0	37,017	0.00%	0

**Source:** California Municipal Statistics, City of Los Banos Finance Department

**Note:** (1) Tax Allocation Bonds are zero in 2011-2012 due to the state dissolving the RDA's  
(2) General Fund Debt paid off in 2013

**CITY OF LOS BANOS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

2012-13 Assessed Valuation: \$ 1,749,273,122

	Total Debt 6/30/13	% Applicable (1)	City's Share of Debt 6/30/13
<b><u>Direct and Overlapping Tax and Assessment Debt</u></b>			
Merced Community College District School Facilities Improvement District No.2	\$ 10,239,847	52.08%	\$ 5,333,117
Los Banos Unified School District	45,393,319	61.58%	27,951,844
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 33,284,961</b>
<b><u>Direct and Overlapping General Fund Debt</u></b>			
Merced County Certificates of PARTICIPATION	\$ 18,675,000	10.81%	\$ 2,028,497
Merced County Pension Obligations	30,230,000	10.81%	3,267,863
Los Banos Unified School District Certificate of Participation	8,175,000	61.58%	5,033,920
City of Los Banos General Fund Obligations	-	100.00%	-
<b>Total Direct and Overlapping General Fund Debt</b>			<b>\$ 10,330,280</b>
Overlapping Tax Increment Debt ( Successor Agency):	27,285,000	99.14%	\$ 27,050,349
Total Direct Debt			\$ -
Total Overlapping Debt			\$ 70,665,590
<b>Combined Total Debt</b>			<b>\$ 70,665,590 (2)</b>
<b><u>Ratios to 2012-2013 Assessed Valuation:</u></b>			
Total Overlapping Tax and Assessment Debt		1.90%	
Total Direct Debt		0.00%	
Combined Total Debt		4.04%	
<b><u>Ratios to Successor Agency Redevelopment Incremental Valuation (\$339,894,630):</u></b>			
Total Overlapping Tax Increment Debt		7.96%	

Notes: (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.  
(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics

**CITY OF LOS BANOS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(In Thousands of Dollars)**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Assessed Value	1,486,268	1,680,361	2,044,891	3,019,908	2,860,023	1,812,186	1,685,227	1,741,287	1,746,844	1,749,273
25% of Full Assessed Value	371,567	420,090	511,223	754,977	715,006	453,047	421,307	435,322	436,711	437,318
Debt Limit (15% of reduced Assessed Value)	55,735	63,014	76,683	113,247	107,251	67,957	63,196	65,298	65,507	65,598
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	55,735	63,014	76,683	113,247	107,251	67,957	63,196	65,298	65,507	65,598
Total Net Debt Applicable to the limit as a Percentage of Debt Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**Source:** Assessed Valuation California Municipal Statistics

**Note:** We have no General Obligation Bonds

**CITY OF LOS BANOS  
PLEGGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Water Revenue Bonds</b>										
Water Revenue	4948189	4913909	5999221	6819529	5596618	5524130	5303822	4503897	4834313	5130735
Less: Operating Expenses	2140381	2339933	2527206	2542935	2554175	4863293	3704228	3127961	3082750	2904393
Net Available Revenue	2807808	2573976	3472015	4276594	3042443	660837	1599594	1375936	1751563	2226342
<b>Debt Service:</b>										
Total Debt Service	726208	565168	555191	590174	563907	563923	563462	566904	559523	561385
Coverage	3.87	4.55	6.25	7.25	5.40	1.17	2.84	2.43	3.13	3.97
<b>Wastewater Revenue Bonds</b>										
Wastewater Revenue	3720737	4405878	5328015	6577681	4431239	3295789	4140798	3075645	3844014	4549108
Less: Operating Expenses	1454733	1624047	1713350	2061132	1677213	3040440	3534678	2540594	2605734	2705074
Net Available Revenue	2266004	2781831	3614665	4516549	2754026	255349	606120	535051	1238280	1844034
<b>Debt Service:</b>										
Total Debt Service	786602	808985	794690	834217	776065	823867	654017	814101	817148	810501
Coverage Ratio	2.88	3.44	4.55	5.41	3.55	0.31	0.93	0.66	1.52	2.28

Source: City of Los Banos Finance Department

**CITY OF LOS BANOS  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Calendar Year</b>	<b>City Population <sup>(1)</sup></b>	<b>Unemployment Rate <sup>(2)</sup></b>	<b>Labor Force <sup>(2)</sup></b>	<b>Median Household Income <sup>(3)</sup></b>	<b>Per Capita Income <sup>(3)</sup></b>	<b>School Enrollment <sup>(4)</sup></b>
2004	30,795	12.2%	12,200	-	-	8,227
2005	32,310	11.5%	12,300	-	-	8,548
2006	33,957	10.6%	12,300	-	-	8,768
2007	34,992	10.0%	12,500	-	-	9,021
2008	35,705	10.6%	12,800	-	-	8,948
2009	36,198	13.2%	13,200	-	-	8,748
2010	36,421	17.8%	13,300	-	-	9,027
2011	36,525	19.7%	13,700	-	-	9,250
2012	36,546	19.2%	13,800	\$ 51,478	\$ 18,092	9,515
2013	37,017	17.9%	13,900	\$ 49,131	\$ 17,881	9,892

**Source:** (1) California State Department of Finance

(2) State of California Employment Development Department (City of Los Banos)

(3) US Census Bureau, Information unavailable prior to 2011

(4) California Department of Education (Los Banos Schools encompass surrounding areas)

**CITY OF LOS BANOS  
PRINCIPLE EMPLOYERS  
CURRENT YEAR AND SIX YEARS AGO**

Employer	2012-2013			2006-2007(*)		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Los Banos Unified School District	876		6.30%	850	1	6.80%
Memorial Hospital	246		1.77%	217	2	1.74%
City of Los Banos	169		1.22%	210	3	1.68%
Wal-Mart	190		1.37%	130	5	1.04%
Target	162		1.17%	-		-
Kagome	140		1.01%	100	7	0.80%
Kmart	89		0.64%	85	8	0.68%
Save Mart	97		0.70%	85	9	0.68%
Home Depot	90		0.65%	125	6	1.00%
Food 4 Less	86		0.62%	175	4	1.40%
<b>Total</b>	<b>2145</b>		<b>15.43%</b>	<b>1,977</b>		<b>15.82%</b>

**Source:** (1) Los Banos Economic Development Department  
(2) State of California Employment Development Department (City of Los Banos)

**Note:** (\*)Information only available for the last six (6) years.

**CITY OF LOS BANOS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>General Government</b>										
Mayor-Council	5.00	5.00	5.00	5.00	5.00	1.00	1.00	1.00	1.00	1.25
City Manager	0.60	0.60	0.60	0.60	0.40	0.40	0.40	0.40	0.40	0.43
City Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	3.60	3.60	3.60	3.60	3.20	4.20	3.90	3.48	3.48	3.53
Planning	3.63	3.63	3.83	4.83	5.50	4.50	3.00	3.00	2.00	2.00
Water Admin	2.80	2.80	2.78	2.78	3.42	4.44	4.54	3.78	3.79	4.33
Wastewater Admin	2.70	2.70	2.70	2.70	3.35	4.35	4.45	3.70	3.70	4.33
Solid Waste Admin	0.00	0.00	0.00	2.72	3.38	4.36	4.46	3.05	3.70	4.21
<b>Police</b>										
Sworn	39.00	39.00	43.00	46.00	47.00	48.00	38.00	40.00	39.00	39.00
Non-Sworn	21.70	21.70	23.00	31.00	32.00	26.00	20.00	20.00	19.00	20.00
<b>Fire</b>										
Sworn	7.00	7.00	11.00	15.15	17.15	17.15	15.25	15.25	15.25	15.90
Non-Sworn	0.80	0.80	0.50	1.00	1.50	1.50	1.50	1.50	1.50	1.50
Building Sworn	2.00	2.00	2.00	1.85	1.85	1.85	0.75	0.75	0.75	0.10
Building Non-Sworn	0.83	0.83	0.83	0.83	1.00	1.00	0.00	0.00	0.00	0.00
Code Enforcement	0.00	0.00	1.00	1.00	1.00	1.00	1.50	0.50	1.20	1.50
<b>Public Works</b>										
Engineering	0.00	0.00	0.00	0.00	3.00	2.35	1.10	0.55	0.55	0.55
Water	15.00	13.00	13.25	13.00	12.72	11.70	11.55	11.55	11.35	11.35
Wastewater/Sewer	10.00	9.00	9.25	9.00	8.63	11.20	10.95	10.96	10.76	10.76
Solid Waste	5.80	6.80	6.07	7.10	6.45	6.05	6.00	6.00	6.00	6.00
Streets	11.85	11.85	11.98	12.85	11.35	9.00	8.80	8.80	7.80	7.80
Maintenance	7.10	7.10	7.22	8.10	7.30	9.30	8.20	7.20	7.15	7.15
Recreation	2.55	2.55	2.55	2.55	4.00	4.19	1.19	1.19	1.19	1.19
Airport	0.40	0.40	0.40	0.40	0.35	0.00	0.00	0.00	0.00	0.00
Fleet	0.00	0.00	0.00	2.00	2.20	2.21	1.21	1.21	1.21	1.21
<b>Redevelopment</b>	3.64	3.64	2.44	2.94	3.25	4.25	4.25	5.15	4.45	0.00
<b>Information Technology</b>	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00
	146.00	144.00	153.00	177.00	188.00	183.00	155.00	152.00	148.00	147.00

**CITY OF LOS BANOS  
OPERATING INFORMATION, OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Police</b>										
Jail Bookings	2739	2906	3083	3615	3551	3235	2581	2467	1912	1179
Traffic Accidents	394	407	383	336	322	323	342	435	349	358
Parking Violations	1587	1844	2893	2608	1786	1703	1519	1902	1234	1380
Moving Violations	2031	2772	3791	3897	4763	4517	3105	3555	3308	2513
<b>Fire</b>										
Fire Calls	565	513	495	591	563	691	628	206	654	628
Medical Calls	915	992	1034	1206	1190	1164	1268	1190	1430	1406
Inspections	9642	8108	9636	9414	9338	4474	2161	471	300	606
<b>Public Works</b>										
<b>Streets</b>										
Street Resurfacing (Miles)	0	8.12	0	1.63	3.46	0	0	0	0	0
<b>Parks and Recreation</b>										
Rec. Program Enrollment(1)(5)	1350	2236	2435	2590	2601	2481	1713	1849	1858	1698
<b>Water</b>										
Water Delivered (millions)	2272	2695	2285	2455	2919	3549	3017	2689	2515	2737
Connections	8945	9926	10602	10884	12277	11054	10681	10996	10894	10967
<b>Sewer</b>										
Average Daily Flow (mgd)	3.1	3.4	3.45	3.55	3.56	3.22	2.97	2.92	2.9	2.86
Connections	8446	8925	9529	10105	10310	9931	10361	10617	10737	10854
<b>Solid Waste</b>										
<b>Street Sweeping</b>										
Miles per Year(2)	7307	7487	9450	16328	21024	20820	20178	22298	22920	21697
Green Waste Pick-ups(3)	8167	8657	9204	9530	9015	7366	9744	9961	10087	10154
Recycling Pick-ups(4)	N/A	N/A	N/A	N/A	8722	6704	9655	9969	10067	10245

**Source:** Various City Departments

- Notes:**
- (1) In FY 2009-2010 the city no longer offered the Aquatics program.
  - (2) Street Sweeping went from bi monthly to weekly in 2007.
  - (3) Green Waste Program began in 2003.
  - (4) Recycling Program began in 2008.
  - (5) In FY 2012-2013 the city did not have an adult basketball program

**CITY OF LOS BANOS, CALIFORNIA  
OPERATING INFORMATION, CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A	N/A	33	33	22	22	22	16	16	16
Motorcycle Units	0	0	0	0	2	2	2	2	2	2
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Service Units	N/A	N/A	9	9	15	15	15	15	15	15
<b>Public Works</b>										
<b>Streets</b>										
Miles	88.17	89.82	94.32	97.88	102.7	107.6	108.9	109.85	109.85	109.85
<b>Parks and Recreation</b>										
Acreage	148	185	188	223	223	233	233	233	233	233
Playgrounds	23	27	28	31	31	33	33	33	33	33
Baseball/Softball Diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/Football Fields	4	4	4	6	6	6	6	6	6	6
Basketball Courts	10	11	13	13	13	13	13	13	13	13
<b>Water</b>										
Water Mains (Miles)	N/A	N/A	142	150	155	165	170	170	170	170
Fire Hydrants	1339	1378	1478	1478	1505	1510	1510	1510	1510	1510
Storage Capacity	100000gal	100000gal	5100000gal							
<b>Sewer</b>										
Sanitary Sewers (Miles)	N/A	N/A	118	124	126	130	130	130	130	130
<b>Solid Waste</b>										
Street Sweepers	1	1	1	2	2	2	2	2	2	2

Source: Various City Departments

**CITY OF LOS BANOS**  
**MEMORANDUM ON INTERNAL CONTROL**  
**AND**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2013**

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**CITY OF LOS BANOS  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2013**

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## MEMORANDUM ON INTERNAL CONTROL

To the City Council of  
the City of Los Banos, California

In planning and performing our audit of the financial statements of the City of Los Banos (the City) as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

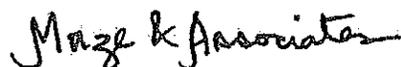
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the City.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with generally accepted government auditing standards, and is not intended to be and should not be used by anyone other than these specified parties

A handwritten signature in cursive script that reads 'Maze & Associates'.

Pleasant Hill, California  
December 16, 2013

Accountancy Corporation  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523

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**CITY OF LOS BANOS  
MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We have cited them here to keep you abreast of developments:

**EFFECTIVE FISCAL YEAR 2014:**

***GASB 65 - Items Previously Reported as Assets and Liabilities***

This Statement establishes 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 and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. This Statement is effective for fiscal periods beginning after December 15, 2012.

***GASB 66 – Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62***

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 the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

This Statement removes the GASB Statement No. 10 provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type.

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

***GASB 67 – Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25***

This statement is applicable when a Trust arrangement is established to hold the employer contributions prior to payment to the retirees (i.e. funding changes to prefunding rather than the current pay-as-you-go funding).

This statement is applicable to the City's PERS pension plans and we understand CalPERS intends to implement the Statement in fiscal year 2014 in order to have the applicable information available for the City to implement the provisions of Statement 68 in fiscal year 2015.

**CITY OF LOS BANOS  
MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**GASB 67 – *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25 (Continued)***

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.

**GASB 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees***

Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

The provisions of this Statement are effective for reporting periods **beginning after June 15, 2013**. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively.

**CITY OF LOS BANOS  
MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**EFFECTIVE FISCAL YEAR 2015:**

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)**

This Statement will have material impact on the City's financial statements. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.
- Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end).
- The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

**CITY OF LOS BANOS  
MEMORANDUM ON INTERNAL CONTROL**

**SCHEDULE OF OTHER MATTERS**

**GASB 69 – Government Combinations and Disposals of Government Operations**

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

## REQUIRED COMMUNICATIONS

December 16, 2013

To the City Council of  
the City of Los Banos, California

We have audited the basic financial statements of the City of Los Banos for the year ended June 30, 2013. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and, *Government Auditing Standards and OMB Circular A-133*.

### Significant Audit Findings

#### *Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Los Banos are described in Note 1 to the financial statements. The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 60 - *Accounting and Financial Reporting for Service Concession Arrangements*

GASB 61 - *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34.*

GASB 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

The following pronouncements became effective, and required a format change in the Statement of Net Position and certain nomenclature revisions in the footnotes accompanying the financial statements:

GASB 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

#### *Unusual Transactions, Controversial or Emerging Areas*

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### ***Estimates***

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

- ***Estimated Landfill Closure and Postclosure Care Costs:*** Management's estimate of the Landfill Closure and Postclosure Care Cost is disclosed in Note 8 to the financial statements and is based on an actuarial study determined by a consultant, which is based on the closure cost data provided by the California Integrated Waste Management Board (CIWMB), adjusted to 2010 dollar values based on the construction cost index for the Bay Area. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### ***Disclosures***

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

### ***Difficulties Encountered in Performing the Audit***

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

### ***Corrected and Uncorrected Misstatements***

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

### ***Disagreements with Management***

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

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated December 16, 2013.

***Management Consultations with Other Independent Accountants***

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

***Other Audit Findings or Issues***

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

**Other Information Accompanying the Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

With respect to the required supplementary information accompanying the financial statements, 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 did not express an opinion nor 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.

The Introductory and Statistical Sections included as part of the Comprehensive Annual Financial Report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we did not express an opinion nor provide any assurance on them.

\*\*\*\*\*

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

Very truly yours,

*Maze & Associates*

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**CITY OF LOS BANOS**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**CITY OF LOS BANOS**  
**SINGLE AUDIT REPORT**  
**For The Year Ended June 30, 2013**

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CITY OF LOS BANOS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2013

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        Yes    X    No
- Significant deficiency(ies) identified?        Yes    X    None Reported

Noncompliance material to financial statements noted?        Yes    X    No

Federal Awards

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

Internal control over major programs:

- Material weakness(es) identified?        Yes    X    No
- Significant deficiency(ies) identified?        Yes    X    None Reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?        Yes    X    No

Identification of major programs:

<u>CFDA#(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.205</u>	<u>ARRA - Highway Planning and Construction (Federal-Aid Highway Program)</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?    X    Yes        No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated December 16, 2013 which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with section 510(a) of OMB Circular A-133.

## **SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –**

Prepared by Management

### **Financial Statement Prior Year Findings**

There were no prior year Financial Statement Findings reported.

### **Federal Award Prior Year Findings and Questioned Costs**

There were no prior year Federal Award Findings and Questioned Costs reported.

CITY OF LOS BANOS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
Department of Housing and Urban Development Pass-Through Programs From: California Department of Housing and Community Development Community Development Block Grants/State's Program Neighborhood Stabilization Program	14.228	09-NSP1-6063	<u>\$58,309</u>
Total CDBG-State Administered CDBG Cluster			<u>58,309</u>
Total Department of Housing and Urban Development			<u>58,309</u>
Department of Homeland Security Direct Programs: FEMA-Assistance to Firefighters Grant/FEMA-AFG Fire medical jackets SHSGP Fire Generator	97.044 97.067	EMW-2012-FO-05655 AEL 10GE-00-GENR-SHSGP	12,763 <u>21,442</u>
Total Department of Homeland Security			<u>34,205</u>
Department of Transportation Pass-Through Programs From: California Department of Transportation ARRA - CMAQ Grant-Street sweepers ARRA - CMAQ Grant-B street project ARRA - CMAQ Grant-SR2S Crosswalks	20.205 20.205 20.205	CML-5160(021) CML-5160(023) SRTSL 5160	403,329 11,922 <u>39,804</u>
Total Department of Transportation			<u>455,055</u>
Department of Justice Direct Programs ARRA- Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government	16.804 16.804	2009-SB-B9-2278 2012-DJ-BX-0021	6,674 <u>9,882</u>
Total ARRA- Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			<u>16,556</u>
Public Safety and Community Policing Grants ARRA- Community Oriented Policing Services Hiring Recovery Grant (CHRP)	16.710	2009-RK-WX-0127	105,742
Bulletproof Vest Grant	16.607	OES FY 2007	754
UC Berkeley Safe Transportation Research and Education Center	20.600	SC13240	<u>4,235</u>
Total Department of Justice			<u>127,287</u>
Total Expenditures of Federal Awards			<u>\$674,856</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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**CITY OF LOS BANOS**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2013**

**NOTE 1-REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Los Banos, California and its component units as disclosed in the notes to the Basic Financial Statements.

**NOTE 2-BASIS OF ACCOUNTING**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

**NOTE 3-DIRECT AND INDIRECT (PASS-THROUGH) FEDERAL AWARDS**

Federal awards may be granted directly to the City by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the City. The Schedule includes both of these types of Federal award programs when they occur.

**NOTE 4-SUBRECIPIENTS**

The City did not provide federal awards to any subrecipients in fiscal year 2013.

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

To the Honorable Mayor and Members of the City Council  
City of Los Banos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Los Banos, as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2013. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Maze & Associates*

Pleasant Hill, California  
December 16, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and Members of the City Council  
City of Los Banos, California

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

We have audited City of Los Banos's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### ***Report on Internal Control Over Compliance***

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have audited the basic financial statements of the City as of and for the year ended June 30, 2013, and have issued our report thereon dated December 16, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Maze & Associates*

Pleasant Hill, California  
December 16, 2013

**CITY OF LOS BANOS  
TRANSPORTATION DEVELOPMENT  
ACT PROGRAM  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

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**CITY OF LOS BANOS  
TRANSPORTATION DEVELOPMENT ACT PROGRAM  
(A Program of the City of Los Banos, California)  
For the Years Ended June 30, 2013 and 2012**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the City Council  
City of Los Banos, California

### *Report on Financial Statements*

We have audited the financial statements of the City of Los Banos Transportation Development Act Program, as of and for the years ended June 30, 2013 and 2012 respectively and the related notes to the 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 of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly in all material respects the financial positions of the Program at June 30, 2013 and 2012, and the results of operations and changes in fund balance for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, 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.

*Maze & Associates*

Pleasant Hill, California  
December 16, 2013

CITY OF LOS BANOS  
TRANSPORTATION DEVELOPMENT ACT PROGRAM  
(A Program of the City of Los Banos, California)  
BALANCE SHEETS  
JUNE 30, 2013 AND 2012

	2013	2012
<b>ASSETS</b>		
Cash and Investments	\$202,147	\$674,289
Receivables:		
Interest	70	391
Total Assets	\$202,217	\$674,680
<b>LIABILITIES</b>		
Vouchers Payable	\$21,354	\$4,382
Unearned Revenue	180,863	670,298
Total Liabilities	\$202,217	\$674,680

See accompanying notes to financial statements

CITY OF LOS BANOS  
TRANSPORTATION DEVELOPMENT ACT PROGRAM  
(A Program of the City of Los Banos, California)  
STATEMENTS OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
<b>REVENUES</b>		
Interest	\$2,113	\$7,063
Total Revenues	2,113	7,063
<b>EXPENDITURES</b>		
Streets & Highways - Maintenance	491,548	469,115
Total Expenditures	491,548	469,115
Excess (Deficiency) of Revenues over Expenditures	(489,435)	(462,052)
<b>BEGINNING FUND BALANCES</b>	<b>670,298</b>	<b>1,132,350</b>
<b>ENDING FUND BALANCES</b>	<b>\$180,863</b>	<b>\$670,298</b>

See accompanying notes to financial statements

**TRANSPORTATION DEVELOPMENT ACT PROGRAM**  
**(A Program of the City of Los Banos, California)**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2013 and 2012**

**NOTE 1 – DESCRIPTION OF REPORTING ENTITY**

The City of Los Banos, California (the City), Transportation Development Act Program (the Program) includes the financial activities associated with the projects funded by the State of California Transportation Development Act (TDA). The State of California created a local transportation fund for each County funded by one-quarter of a cent of the State sales tax. Article 3 of the TDA permits local agencies to spend a portion of that money (not to exceed 2%) on facilities provided for the exclusive use of pedestrians and bicycles.

The projects are distributed through the Merced County Auditor according to written allocation instructions conveyed by the Merced County Association of Governments (MCAG) in accordance with the Transportation Development Act and Section 6659 of the California Administrative Code.

MCAG is the agency responsible for the allocation of funds to eligible claimants in Merced County.

The Program is for reconstruction of roads. There were no revenues allocated by MCAG for the years ended June 30, 2013 and 2012, respectively.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Fund Accounting**

The Program activities are accounted for in the Local Transportation Fund, a separate sub-fund of the City, as part of the Streets and Roads Special Revenue Fund. A fund is a set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenue and expenditures.

**B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized. The projects are accounted for in a governmental type fund and the modified accrual basis of accounting is used. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. TDA Article 3.0 revenues are recognized when qualifying project expenditures are incurred. Expenditures are generally recognized when they are incurred.

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

Honorable Members of the City Council of  
City of Los Banos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Los Banos Transportation Development Act Program, as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2013. Our report included an emphasis of a matter regarding the implementation of new accounting principles.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Maze & Associates*

Pleasant Hill, California  
December 16, 2013



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor & City Council Members

**FROM:** Lucy Mallonee, MMC *LM*  
City Clerk/Human Resources Director

**DATE:** February 5, 2014

**SUBJECT:** City Commission Appointments

**TYPE OF REPORT:** Non Consent Agenda

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**Recommendation:**

**Appoint members to the following commissions:**

Los Banos Parks & Recreation Commission

One (1) Vacancy: One (1) One (1) Year Term – Expiring December 31, 2015

The above vacancy shall be filled by way of a recommendation from the Los Banos Unified School District (LBUSD); the District has recommended Michael Bonillas.

Los Banos Parks & Recreation Commission

One (1) Vacancy: One (1) One (1) Unexpired Term – Expiring December 31, 2014

Airport Advisory Commission

One (1) Vacancy: One (1) One (1) Year Term – Expiring December 31, 2015

**Discussion:**

Staff advertised the above vacancies on the City's website. All applicants (with the exception of the LBUSD Recommendation) were interviewed by a committee per City policy. Staff recently received a resignation letter from a Parks and Recreation Commission Member; therefore, a new vacancy notice for that vacancy will be advertised on the City's website with a new deadline and the appointment will follow at a later meeting.

**Fiscal Impact:**

None.

**Reviewed by:**

A handwritten signature in black ink, appearing to read "Steve Carrigan", written over a horizontal line.

Steve Carrigan, City Manager

**Attachment:**

Local Appointments List

# Local Appointments List

<u>Parks &amp; Recreation Commission</u>	<u>Appointed</u>	<u>Term Expires</u>
1 Vacant, City Appointed		- December 31, 2014
2 Vacant, City Appointed		- December 31, 2014
3 Michael Neu, Chairperson, City Appointed	January 4, 2011	- December 31, 2014
4 Vacant, School District Recommendation		- December 31, 2015
5 Norberto Rodriguez, City Appointed	January 2, 2014	- December 31, 2015
<u>Planning Commission</u>	<u>Term</u>	
1 Stephen Hammond	January 2, 2014	- December 31, 2015
2 Todd Baker	January 2, 2014	- December 31, 2015
3 John Cates	January 2, 2014	- December 31, 2015
4 Arkady Faktorovich	January 1, 2013	- December 31, 2014
5 Tom Mello	January 1, 2013	- December 31, 2014
6 Tom Spada	January 1, 2013	- December 31, 2014
7 Susan Toscano	January 1, 2013	- December 31, 2014
<u>Tree Commission</u>	<u>Term</u>	
1 Mary Coakley	January 1, 2014	- December 31, 2014
2 Tom Kaljian	January 1, 2014	- December 31, 2014
3 Rebecca Tietjen	January 1, 2014	- December 31, 2015
4 John Spevak	January 1, 2014	- December 31, 2015
5 Colleen Menefee	January 1, 2014	- December 31, 2015
<u>Economic Development Advisory Commission</u>	<u>Term</u>	
1 Tom Faria, Council Member	January 1, 2013	- December 31, 2014
2 Elizabeth Stonegrove, Council Member	January 1, 2013	- December 31, 2014
3 Kathy Ballard	January 1, 2013	- December 31, 2014
4 Margaret (Peggy) F. Edwards	January 1, 2013	- December 31, 2014
5 Ann McCauley	June 5, 2013	- December 31, 2014
6 Aleksey Y. Dvorkin	January 2, 2014	- December 31, 2015
7 Brett Jones	January 2, 2014	- December 31, 2015
<u>Airport Advisory Commission</u>	<u>Term</u>	
1 Dave Anderson	January 1, 2013	- December 31, 2014
2 Alan Wilber	January 1, 2013	- December 31, 2014
3 Daniel Beasworrick	January 1, 2013	- December 31, 2014
4 Larry Leonardo, Sr.	January 2, 2014	- December 31, 2015
5 Vacant		- December 31, 2015



City of  
**Los Banos**  
*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor & City Council Members  
**FROM:**  Gary Brizzee, Chief of Police  
**DATE:** February 5, 2014  
**SUBJECT:** Police Department Update and Presentation of 2013 Crime Statistics  
**TYPE OF REPORT:** Informational Item

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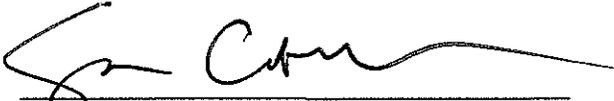
**Recommendation:**

No action required; this is an informational item only.

**Discussion:**

The Police Department will be providing a Departmental update and presentation on the 2013 crime statistics.

**Reviewed by:**

  
\_\_\_\_\_  
Steve Carrigan, City Manager