

Reviewed by: HW City Administrator
 ___ City Attorney

___ Motion only
 Public Hearing
 Resolution
 ___ Ordinance
 ___ Information

SUBMITTED BY: Deborah Savage, Finance Manager

ACTION DATE: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 16-5340** accepting revenues and expenditures report for the City of Susanville Mitigation Funds

PRESENTED BY: Deborah Savage, Finance Manager

SUMMARY: Government Code Section 66000, also known as the Mitigation Fee Act, provides the legal authority for local agencies to charge and collect development impact fees for new development within their jurisdiction. The fees require new developments to pay their fair share of their impact on existing facilities and to pay for new facilities to maintain existing service levels. Government Code 66001 requires local agencies that impose a fee as a condition of approval of a development project to identify the purpose of the fee and the use to which the fee is to be put. After the adoption of the 1990 General Plan, the City contracted with The Abby Group to prepare a Capital Facilities Mitigation Analysis which projected population growth and future development and the cost of the additional public facilities that would be needed to serve the increased population. The cost of the new facilities was then divided by the number of projected homes and square feet of commercial development to determine a fair share cost for each new development. Periodically, the City has increased these fees to more closely keep up with inflation.

In some cases, the City has also adopted additional provisions outlining the use of specific funds. Municipal Code Title 3, Chapter 32, outlines the use of Public Facilities impact fees for Police, Fire, Street and Traffic Facility and Maintenance. Municipal Code Title 16, Chapter 32, outlines the use of Parkland Dedication Fees. Most Impact fees apply equally to all new development within the City limits. However, in some instances, fees have been assessed to a specific development for public facilities that will benefit a specific geographic area. On June 1, 1992, the City Council approved Phase One of the Skyline Terrace Tentative Subdivision Map and later established five mitigation fees for that project area.

- #93-2471 Establishing the Skyline Drive/Numa Signal Traffic Signal Fund
- #93-2473 Establishing the Skyline/Hwy 139 Traffic Signal Fund and Resolution
- #95-2649 Establishing a Class 1 Bicycle Lane Construction Fund for Skyline Road
- #14-5108 Establishing Traffic Signal Fund by combining Skyline/Numa and Skyline/139

All of the mitigation funds are deposited into separate accounts and interest income is allocated accordingly. These funds are considered "restricted" funds and expenditures are made only for the purpose for which the fee was originally collected. Government Code 6600 (b) outlines the annual reporting requirements.

FISCAL IMPACT: None at this time.

ACTION

REQUESTED: Motion to adopt Resolution 16--5340 Accepting Annual Report of Development/Mitigation Fees for Fiscal Year 2015-16.

ATTACHMENTS: Resolution No. 16-5340

RESOLUTION NO. 16-5340
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
ACCEPTING REVENUES AND EXPENDITURES REPORT FOR THE CITY OF
SUSANVILLE MITIGATION FUNDS

WHEREAS, the City of Susanville charges capital facilities and maintenance improvement fees for developments within the city limits; and

WHEREAS, the purpose of these fees is to reduce the impact on the City of Susanville caused by new development; and

WHEREAS, the money is collected and deposited into separate funds and interest income is allocated on average cash balance in each fund; and

WHEREAS, the City of Susanville has set up the following funds:

Street Mitigation Fund
Police Mitigation Fund
Fire Mitigation Fund
Park Dedication Fund
Traffic Signals Fund
Skyline Bicycle Lane Fund

WHEREAS, Government Code Section 66006 requires local agencies to report information on the collection and use of development/mitigation fees; and

WHEREAS, the following fees were charged, collected and spent in fiscal year 2015-2016 as itemized on Appendix A:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville does hereby accept the revenues and expenditures report for The City of Susanville's Mitigation Funds.

APPROVED: _____
Kathie Garnier, Mayor

ATTEST : _____
Gwenna MacDonald, City Clerk

The foregoing Resolution was adopted at a regular adjourned meeting of the City Council of the City of Susanville, held on the 7th day of December, 2016.

By the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

APPENDIX A
RESOLUTION #16-5340

Streets Mitigation Fund

Amount of fees:	\$	0.92 square foot of new commercial/residential conditioned living space
Beginning Fund Balance at 7/1/15:	\$	118,267
Fees and interest collected during FY 2015-16:		
Fees	\$	18,455
Interest	\$	246
Expenditures and type during FY 2015-16:		
Transfer out to Streets:	\$	115,639
Purchase of Street Sweeper, Street Roller, and Sprayer Rig		
Fees returned or allocated during FY 2015-16:	\$	0
Ending Fund Balance at 6/30/16:	\$	21,329
Amount of fees in ending balance at the Five Year Point:	\$	0

Funds committed to the following project:

Police Mitigation Fund

Amount of fees:	\$	1.19 per square foot of new commercial/residential living space	foot of new conditioned
Beginning Fund Balance at 7/1/15:	\$	36,420	
Fees and interest collected during FY 2015-16:			
Fees	\$	23,871	
Interest	\$	127	
Expenditures and type during FY 2015-16:			
Police Vehicles	\$	36,362	
Fees returned or allocated during FY 2015-16:	\$	0	
Ending Fund Balance at 6/30/16:	\$	24,056	
Amount of fees in ending balance at the Five Year Point:	\$	0	

Funds committed to the following project:

Fire Mitigation Fund

Amount of fees: \$ 0.87 per square foot of all new residential space
\$ 1.08 per square foot of all new commercial space

Beginning Fund Balance at 7/1/16: \$ 84,547
Fees and interest collected during FY 2015-16:
Fees \$ 21,965
Interest \$ 443
Sale of Capital Assets \$ 1,500
Expenditures and type during FY 2015-16: \$ 0
Fees returned or allocated during FY 2015-16: \$ 0
Ending Fund Balance at 6/30/16: \$ 108,455
Amount of fees in ending balance at the Five Year Point: \$ 0

Funds committed to the following project:

Park Dedication Fund

Amount of fees: \$ 571.58 - single family homes
\$ 457.62 - per unit for duplexes, triplexes and
fourplexes
\$ 413.84 - per unit for multifamily dwellings
\$ 388.34 - per unit for mobile homes in mobile
home parks

Beginning Fund Balance at 7/1/15: \$ 170,284
Fees and interest collected during FY 2015-16:
Fees \$ 0
Interest \$ 773
Expenditures and type during FY 2015-16:
Professional On-Call Park Design \$ 6,781
Fees returned or allocated during FY 2015-16: \$ 0
Ending Fund Balance at 6/30/16: \$ 164,276
Amount of fees in ending balance at the Five Year Point: \$ 146,690

Funds committed to the following project: Cameron Community Park

Skyline Bicycle Lane Established by Res #95-2649

Amount of fees: \$ 173.72 - per lot per year and increases \$5.16 per year
within Skyline Terrace

Beginning Fund Balance at 7/1/15: \$ 7,503

Fees and interest collected during FY 2015-16:		
Fees	\$	0
Interest	\$	32
Expenditures and type during FY 2014-15:	\$	0
Fees returned or allocated during FY 2015-16:	\$	0
Ending Fund Balance at 6/30/16:	\$	7,535
Amount of fees in ending balance at the Five Year Point:	\$	7,070
Funds committed to the following project:		
Bicycle lane constructed in 1998.		

Traffic Signals Fund Established by Res #14-5108

Beginning Fund Balance at 7/1/15:	\$	96,304
Fees and interest collected during FY 2015-16:		
Fees	\$	0
Interest	\$	413
Expenditures and type during FY 2014-15:	\$	0
Fees returned or allocated during FY 2014-15:	\$	0
Ending Fund Balance at 6/30/15:	\$	96,717
Amount of fees in ending balance at the Five Year Point:	\$	93,825
Funds committed to the following project:		
Skyline/Numa:	\$	78,522
Skyline/139 Signal	\$	18,195

Reviewed by: City Administrator
 City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Deborah Savage, Finance Manager

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 16-5343** Accepting the City of Susanville's Audited Financial Statements for the Fiscal Year ending June 30, 2016.

PRESENTED BY: Deborah Savage, Finance Manager

SUMMARY: The firm of Badawi & Associates, CPAs has completed the audit of the City's Financial Statements for the fiscal year ended June 30, 2016. The audit included the financial statements of the governmental entities, business-type activities, each major fund, and the aggregate remaining fund information of the City, which collectively comprises the City's basic financial statements.

I am very pleased to report that we have received an unmodified opinion on these financial statements. The City of Susanville has continually received this unmodified or "clean opinion since 2004. Ahmed Badawi, President of Badawi & Associates will present the audit report to the City Council.

FISCAL IMPACT: Costs associated with implementation.

ACTION REQUESTED: Motion to approve Resolution No. 16-5343 Accepting the City of Susanville's Audited Financial Statements for the Fiscal Year ending June 30, 2016

ATTACHMENTS: Resolution No. 16-5343
City of Susanville Comprehensive Annual Financial Statements (CAFR)

RESOLUTION NO. 16-5343
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
ACCEPTING THE AUDIT REPORT FOR THE CITY OF SUSANVILLE FOR
THE FISCAL YEAR ENDED
JUNE 30, 2016

WHEREAS, Badawi & Associates, Certified Public Accountants, having been engaged by the City of Susanville to perform the annual audit for the Fiscal Year Ended June 30, 2016: and

WHEREAS, Badawi & Associates, CPAs, have performed the audit and submitted a Comprehensive Annual Financial Report (CAFR) for the City of Susanville for the Fiscal Year Ended June 30, 2016, incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Susanville that the annual financial report for the fiscal year ended June 30, 2016 is hereby accepted for the City of Susanville.

Dated: December 7, 2016

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Susanville held on the 7th day of December, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

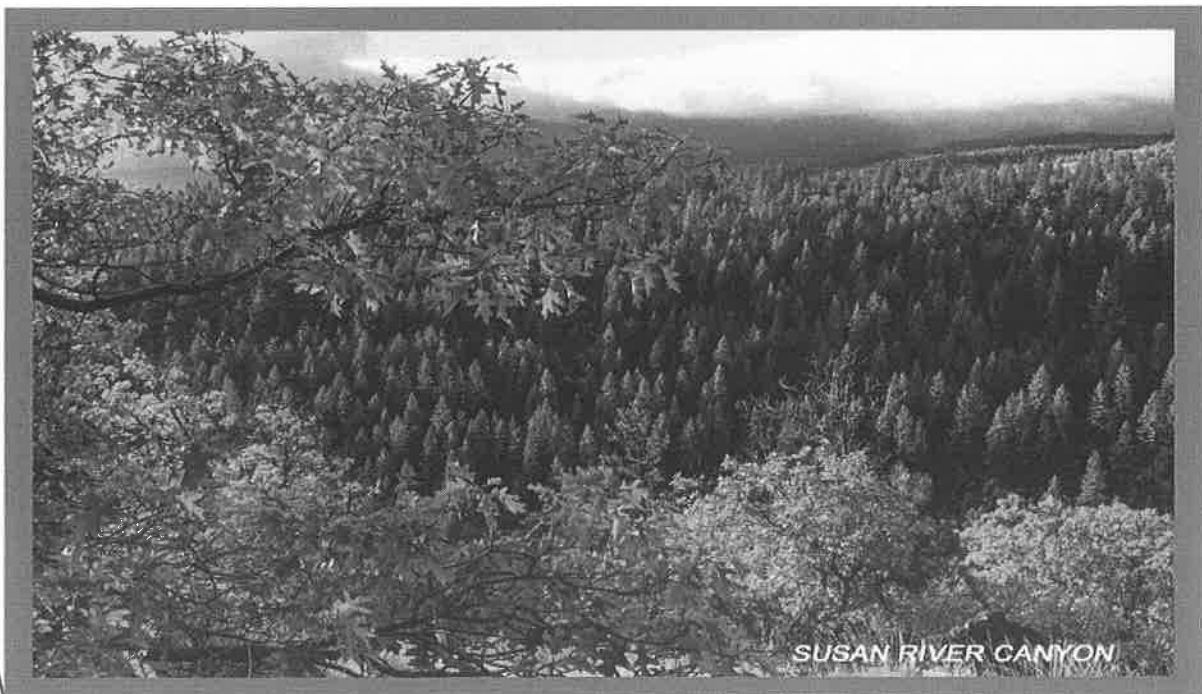
APPROVED AS TO FORM:

Jessica Ryan, City Attorney

2016

Comprehensive Annual Financial Report

Fiscal Year Ended June 30



CITY OF SUSANVILLE

CALIFORNIA

City of Susanville
Comprehensive Annual Financial Report
For the year ended June 30, 2016

Table of Contents

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Letter of Transmittal	v
Organization Chart	viii
City Council	ix
Executive Staff	x
CSMFO Certificate of Excellence in Financial Reporting	xi
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
 Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	34
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances	36
Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	37

City of Susanville
Comprehensive Annual Financial Report
For the year ended June 30, 2016

Table of Contents, Continued

	<u>Page</u>
<u>FINANCIAL SECTION, Continued</u>	
Fire Mitigation Special Revenue Fund	116
Park Land In-lieu Special Revenue Fund.....	117
State Revolving Loan Special Revenue Fund	118
State Revolving Economic Development Special Revenue Fund.....	119
HOME Revolving Special Revenue Fund	120
Traffic Safety Special Revenue Fund	121
Skyline Bicycle Lane Special Revenue Fund	122
State of California Prop 30 AB109 Special Revenue Fund.....	123
Traffic Signals Fund Special Revenue Fund	124
City Hall Debt Service Fund	125
Mark Roos 92B Debt Service Fund.....	126
Side Fund Debt Service Fund	127
City Hall Parking Lot Project Capital Project Fund	128
 Non-Major Enterprise Funds:	
Combining Statement of Net Position	130
Combining Statement of Revenues, Expenses and Changes in Net Position	131
Combining Statement of Cash Flows.....	132
 Internal Service Funds:	
Combining Statement of Net Position	134
Combining Statement of Revenues, Expenses and Changes in Net Position	135
Combining Statement of Cash Flows.....	136
 Fiduciary Funds:	
Statement of Changes in Assets and Liabilities.....	138



66 North Lassen Street
Susanville, California 93130
Telephone (530) 252-5112
Fax (530) 257-4725

November 28, 2016

To the Honorable Mayor, Members of the
City Council and Citizens of the City of Susanville:

The Comprehensive Annual Financial Report (CAFR) for the City of Susanville for the fiscal year ended June 30, 2016 is hereby submitted as mandated by State statutes. These statutes require that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant and a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) be published within six months of the close of each fiscal year.

This report consists of the management's representations concerning the finances of the City of Susanville. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Susanville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Susanville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of Susanville's financial statements have been audited by Badawi & Associates, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Susanville for the fiscal year ended June 30, 2015 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified or clean opinion and the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that the 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 immediately following the report of the independent auditors.

Economically the City continues to see retail growth that joins the additions of Auto Zone, Panda Express, new Rite-Aid Pharmacy, Ross, Dollar General, Big-5 Sporting Goods and Tractor Supply. With the addition of these new retail stores, the City's Business License tax revenue increased by 2% from 2014-2015. While most of the new development over the last three years has been commercial in nature, the City is starting to see permits for new residential construction and expects the good trend to continue. The population for the City has remained consistent at just under 9,200 since 2000 with a modest 5% decline in total population (9,129 to 8,648, excluding inmate populations) from 2015 to 2016. Government employment accounts for approximately 64% of the total labor force of residents within the City limits.

Long Range Planning

The City continues to focus on and promote quality development and redevelopment projects including industrial, commercial and residential projects. Staff continually looks for opportunities to revitalize and improve our community. Some of the City's current projects are:

- Search for funding to improve/develop community recreational opportunities, especially along the Susan River Corridor.
- Programming of funds for the Gateway project to improve aesthetics and safety features along Highway 36/Main Street
- Replacing water lines throughout the City using the reserves created by the increase in water rates in 2008 and completing phase one of a water delivery project utilizing \$2 million in state water funds to improve water infrastructure.
- The completion and opening of a community swimming pool in the spring of 2017 through a City and County Joint Powers Authority, the Honey Lake Valley Recreation Authority.
- Improved economic vitality through promotion of recreation activities for residents and visitors.

Awards and Acknowledgments

The Certificate for Outstanding Financial Reporting has been awarded to the City of Susanville for its Comprehensive Annual Financial Report (CAFR) every year since fiscal year 2005/2006 and we believe that the current CAFR meets these requirements and have submitted it to CSMFO for this year's award.

We wish to express our thanks and appreciation to the Mayor, Members of the City Council and Management for their leadership, interest, and continued support in planning and conducting the financial operations of the City of Susanville in a responsible and prudent manner in the best interests of the citizens of Susanville. We would also like to thank City Staff for their continued dedication to improving our wonderful City.

Respectfully submitted,

Jared G Hancock

Jared G Hancock
City Administrator

Deborah Savage

Deborah Savage
Finance Manager



City Council

Fiscal Year 2015-16

Mayor

Kathie Garnier

Mayor Pro-Tempore

Joseph Franco

Council Members

Rodney E. DeBoer

Brian Wilson

Kevin Stafford

California Society of Municipal Finance Officers

Certificate of Award

***Outstanding Financial Reporting Award
Fiscal Year Ending June 30, 2015***

Presented to the

City of Susanville

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

February 23, 2016



A handwritten signature in cursive script, appearing to read "Jesse Takahashi".

***Jesse Takahashi
CSMFO President***

A handwritten signature in cursive script, appearing to read "Michael Gomez".

***Michael Gomez, Chair
Professional Standards and
Recognition Committee***

Dedicated Excellence in Municipal Financial Reporting



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Honorable Mayor and Members of the City Council
of the City of Susanville
Susanville, California
Page 3

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 November 28, 2016, 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.

A handwritten signature in cursive script that reads "Badawi & Associates".

Badawi and Associates
Certified Public Accountants
Oakland, California
November 28, 2016



City of Susanville
Management's Discussion & Analysis
Year Ended June 30, 2016

This is the management's discussion and analysis of the financial performance of the City of Susanville for the fiscal year ended June 30, 2016. Please read this in conjunction with the transmittal letter, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

BASIC FINANCIAL STATEMENTS

The basic financial statements, including the accompanying notes, constitute the core of the City's financial section. The fiscal year of the City starts on July 1 and ends on June 30. This report includes a blend of fund accounting and government-wide financial reporting. The basic financial statements presented are:

- Government-wide
- Governmental funds
- Proprietary funds
- Fiduciary funds

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives.

Government-Wide Financial Statements

Generally accepted accounting principles (GAAP) for state and local governments prescribe two basic government-wide financial statements:

- Government-wide Statement of Net Position
- Government-wide Statement of Activities

- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

The difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into non-spendable, restricted, committed, assigned and unassigned.

GAAP requires that each major fund be reported in a separate column. The General Fund is always considered a major fund. All other non-major governmental funds are aggregated and reported in a single column regardless of fund type. A fund is considered major if it meets both of the following criteria:

1. 10% Criterion – An individual fund reports at least 10 percent of any of the following:
 - Total governmental fund assets
 - Total governmental fund liabilities
 - Total governmental fund revenues
 - Total governmental fund expenditures
 - Total governmental fund net position
2. 5% Criterion – An individual fund reports at least 5 percent of the aggregate total for both governmental funds and enterprise funds of any one of the items for which it met the 10 percent criterion.

A budgetary comparison is presented for the General Fund and for each major individual special revenue fund for which an annual budget is legally adopted. The budgetary comparison includes the original appropriated budget, the final amended budget and actual amounts.

Proprietary Fund Financial Statements

GAAP prescribes three basic financial statements for proprietary funds:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

GAAP requires the same major fund reporting for enterprise funds described earlier for governmental funds. GAAP also indicates that internal service funds are *never* to be reported as major funds. Although internal service funds are proprietary funds (like enterprise funds) they are consolidated as part of governmental activities in the government-wide financial statements because their primary customers are typically the governmental operations. Therefore, internal service funds are reported in a separate aggregated column on the proprietary fund financial statements.

Table A-1
Government-wide Net Position as of June 30, 2015 and 2016
Governmental Activities

	<u>2015</u>	<u>2016</u>
Cash & investments	\$ 5,449,263	\$ 4,980,646
Capital assets	4,117,542	4,354,812
Other assets	2,478,715	3,130,770
Total assets	<u>12,045,520</u>	<u>12,466,228</u>
Deferred Outflows of Resources	596,091	714,602
Current liabilities	1,088,345	1,617,267
Non-current liabilities	12,107,869	13,361,069
Total liabilities	<u>13,196,214</u>	<u>14,978,336</u>
Deferred Inflows of Resources	1,906,599	1,418,403
Net investment in capital assets	2,419,492	2,861,071
Restricted	3,939,682	3,228,998
Unrestricted	(8,820,376)	(9,305,978)
Total net position	<u>\$ (2,461,202)</u> =====	<u>\$ (3,215,909)</u> =====

The Statement of Activities presents program revenues and expenses and general revenues in detail. These elements are summarized for the year ended June 30, 2015 and 2016 in Tables B-1 and B-2 below and the following page.

Table B-1
Changes in Government-wide Net Position
For the Fiscal Years Ended June 30, 2015 and 2016
Governmental Activities

	<u>2015</u>	<u>2016</u>
<u>Expenses (by function):</u>		
General government	\$ 975,485	\$ 528,514
Public safety	3,701,118	3,742,579
Streets	956,939	1,898,033
Protective inspections	207,152	205,391
Community services	259,123	1,300,553
Community development	153,554	343,208
Debt service	311,569	327,131
	<u>6,564,940</u>	<u>8,345,409</u>
<u>Program revenues (by major source):</u>		
Charges for services	455,006	579,188
Operating grants and contributions	925,909	1,030,102
Capital grants and contributions	738,606	987,566
	<u>2,119,521</u>	<u>2,596,856</u>
<u>General revenues and transfers:</u>		
Property taxes	858,107	877,382
Sales & use taxes	1,209,899	1,449,788
Transient lodging taxes	442,376	455,099
Franchise taxes	24,242	36,767
Business license taxes	237,755	241,985
Other taxes	37,731	42,996
Property tax in lieu of sales tax	358,809	349,848
Property tax in lieu of VLF	1,353,298	1,389,739
Investment earnings	11,607	39,206
Sale of Capital Assets	7,514	0
Transfers	(55,164)	111,036
	<u>4,486,174</u>	<u>4,993,846</u>
Change in net position	40,755	(754,707)
Net position, beginning of year	<u>(2,501,957)</u>	<u>(2,461,202)</u>
Net position, end of year (restated)	<u>\$ (2,461,202)</u>	<u>\$ (3,215,909)</u>

- General Fund cash decreased by (\$171,930), (from \$2,674,234 to \$2,502,304) during fiscal year 2015-16. This decrease is primarily due to the borrowing of cash from the Gas Tax Fund \$59,055 and the Airport Fund \$33,812. Both funds had negative cash balances at year end due to delay in reimbursements for projects. An additional cash transfer of \$44,024 was made to the OPEB fund for the final payment of the early retirement incentive. The sun setting of the Triple Flip also put a delay on the cash payment of sales tax revenue that would normally be received in the current year with the Property Tax In-Lieu of Sales Tax by approximately \$35,000.
- The Water Fund cash decreased by (\$1,166,046) (from \$4,852,235 to \$3,686,189). This is primarily due to the Water Main Replacement projects 15-02 and 16-04. These projects replaced aging infrastructure in various locations throughout the City ahead of the STIP funded street replacement projects at a cost of \$1.3 Million. These projects were funded with cash set aside in a reserve fund from the 2008 rate increase adopted by the City Council. The net difference of the old versus new rate is set aside monthly into a Capital Improvement Fund. The receipts from customers are down compared to 2015-16 by (\$229,263) due to the conservation order issued by the State of California but the payments to vendors and employees offset that by decreasing \$107,092.
- The Gas Tax Fund cash decreased by (\$355,323) (from \$413,233 to \$57,910). This decrease is primarily due to expenses being incurred before reimbursement from the State of California for construction on the various STIP projects.
- The Revolving Loan Funds cash decreased by \$223,982. This is mostly due to five new first time homebuyer loans issued.

ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

Following is a short description of the financial highlights for each of the City's major governmental funds for fiscal year 2015-16:

General Fund

The General Fund ended fiscal year 2015-16 with an increase in fund balance of \$198,071 (from \$2,506,284 to \$2,704,355) compared to the prior year. This increase in fund balance can be attributed to the true up payment of \$218,879 due the City for the close out of the Triple Flip.

For the year, General Fund total revenues exceeded total expenditures (excluding transfers) by \$704,166, as compared to \$291,998 for fiscal year 2014-15.

The total liabilities decreased by (\$38,086) mostly due to reductions in notes and bonds payable from debt service payments.

With the completion of the residential and small commercial meter conversion project, the City is now utilizing its remote read hand held devices that allow routes to be read in one day versus the 5 to 6 days of walking the routes. The City is in the process of upgrading its software for the hand held devices to use GPS coordinates for each address instead of the physical address. When this conversion is complete, it will allow for the collection of reads throughout the city in a matter of hours.

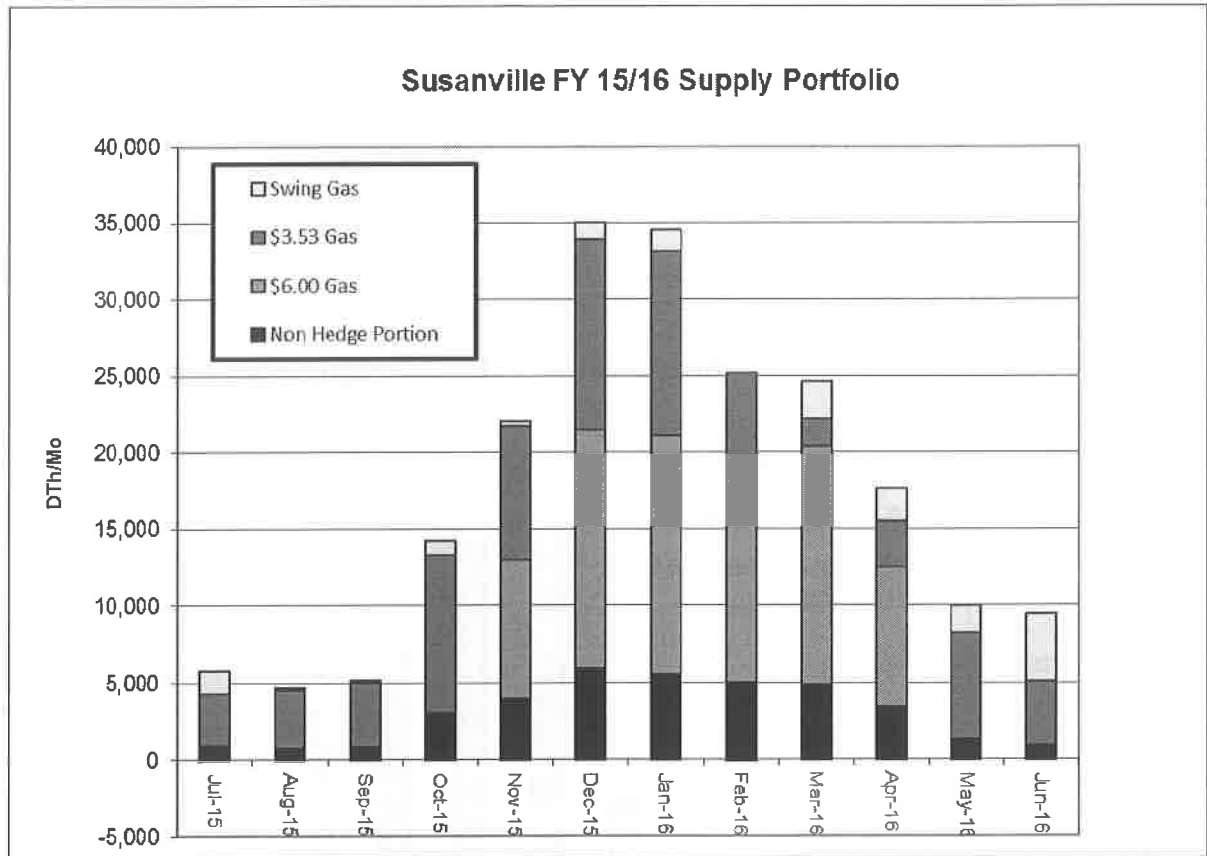
Total Water Fund revenues increased by \$2,365 (from, \$2,185,204 to \$2,187,569) from the previous year. This is primarily due to customers reducing usage to comply with the State mandate of 36% reduction in potable water production and one month of billing at the new irrigation rate. The Water Rate Analysis and Calculation report adopted by the City Council at the April 6 regular meeting provided the true cost of operating and distributing potable water to customers of the water system in addition to capital projects to repair and replace aging infrastructure. New water rates were adopted by resolution rescinding the previous tiered rate structure and replacing it with irrigation season rates (April-September) and non-irrigation rates (October-March). The new rates promote conservation and comply with the terms of Proposition 218. The new rate structure took effect on June 1, 2016.

Expenses increased \$132,349 (from \$2,096,695 to \$2,229,044). This is primarily due to a savings in salaries and benefits of (\$138,684) from vacant positions, retirements and the consolidation of two Meter Reader positions into one Utility Services Technician, an increase of \$236,326 in depreciation expense and overhead charges and an increase in transfers out of \$57,688 for the Water Fund portion of the CalPERS debt service.

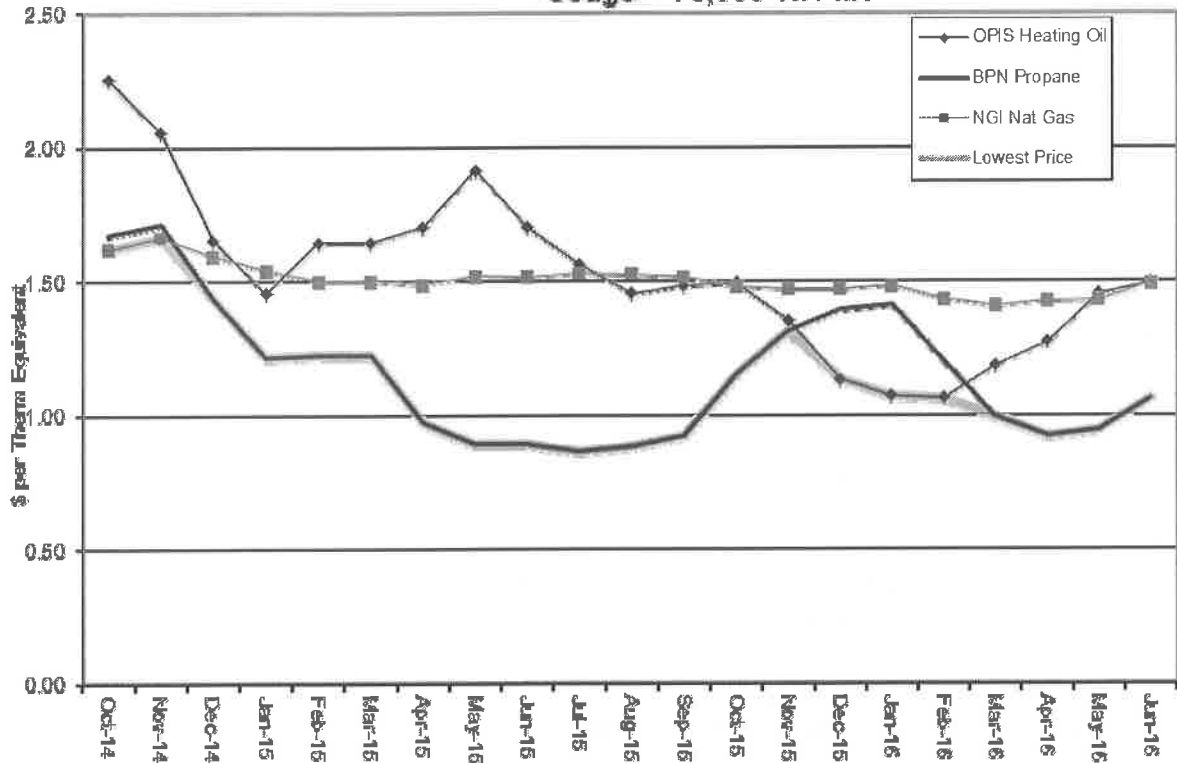
There were approximately 3,811 water customer accounts at June 30, 2016. This increased by 4 new customer meter sets.

As with most cities and counties within the State of California, Susanville is not immune from experiencing drought conditions. The City however is located in the high desert and is accustomed to low rainfall and is not as impacted as the rest of the state. The City's water supply is fed by two natural springs and 3 wells. The wells are used to meet watering demand during irrigation season, which is typically April through September. With the exception of peak irrigation season, (June, July, August) the springs (Cady and Bagwell), supply the majority of the City's water. Although the City water supplies were not significantly impacted by the drought, the State's emergency water regulation mandated that the City achieve 36% conservation of potable water produced in 2015 compared to potable water produced in 2013.

The gas purchased in FY 2015-16 was as follows:



Heating Oil vs. Propane vs. Natural Gas Usage > 75,000 Th / Mo



The City utilizes the services of Interstate Gas Services (IGS), a consulting firm specialized in natural gas. IGS evaluates and monitors the natural gas system operations and its performance, and periodically advises the City on industry change.

General Fund Budget Highlights:

The fiscal year 2015-16 annual budget was prepared and approved on time and became effective July 1, 2015 with a budgeted deficit spending of (\$41,344). With the addition of new business along Main Street, the City is beginning to see increases in the sales tax and business tax revenues as well as increases to our property tax revenues, but continues to budget conservatively to allow for building up reserves. Our reserve fund at June 30, 2016 currently has \$855,138 or 75% of our goal. As part of our budget policies adopted by Resolution No. 16-5625, the City will strive to maintain General Fund reserve equal to twenty percent (20%) of annual operating revenues. Prudent fiscal management by the City Council and City Administration has allowed the City to escape many of the tribulations faced by other cities throughout the State of California.

As of June 30, 2016, total General Fund actual revenues were \$5,700,992 or \$20,176 more than budgeted. This variance is primarily due to \$218,000 for the Triple-flip true up was not budgeted for and helped cover the \$30,000 write-off of uncollectible revenues and \$167,000 in unrealized budget projections.

Actual expenditures were \$5,502,921 or \$185,376 less than budgeted. This was due primarily as a result of judicious departmental spending.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

For more detailed information, please read this in conjunction with the City's basic financial statements and related notes, which follow this discussion.

Capital Assets Activity

Capital assets are reported at historical cost. The cost of capital assets includes capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition, such as freight and transportation charges, site preparation costs, and professional fees. Donated capital assets are reported at their estimated fair value at the time of acquisition plus ancillary charges if any.

Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water systems, dams and lighting systems.

The City depreciates its capital assets according to their estimated useful lives and uses a straight line depreciation method.

The City's primary capital projects in 2015-16 were two water main replacement projects and the Airport PAPI design project. The water main replacement projects are for replacing aging water infrastructure using the cash reserves set aside from the 2008 rate increase. These projects are being completed before the STIP street overlay projects begin.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This annual financial report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the Administrative Services Department, at 66 North Lassen Street, Susanville, California 96130.

**BASIC
FINANCIAL STATEMENTS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Susanville
Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 4,980,646	\$ 7,425,930	\$ 12,406,576
Accounts receivable	1,368,792	726,156	2,094,948
Interest receivable	7,064	10,364	17,428
Internal balances	33,812	(33,812)	-
Prepaid expenses	27,087	3,158	30,245
Inventory	42,475	63,905	106,380
Total current assets	<u>6,459,876</u>	<u>8,195,701</u>	<u>14,655,577</u>
Noncurrent assets:			
Loans receivable	1,231,432	-	1,231,432
Investments in bonds with fiscal agent	270,000	-	270,000
Restricted cash and investments with fiscal agents	150,108	2,446,094	2,596,202
Prepaid bond insurance	-	87,995	87,995
Capital assets:			
Non-depreciable	3,578,711	3,488,867	7,067,578
Depreciable, net	776,101	27,147,740	27,923,841
Total capital assets	<u>4,354,812</u>	<u>30,636,607</u>	<u>34,991,419</u>
Total noncurrent assets	<u>6,006,352</u>	<u>33,170,696</u>	<u>39,177,048</u>
Total assets	<u>12,466,228</u>	<u>41,366,397</u>	<u>53,832,625</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	56,966	718,226	775,192
Deferred employer pension contributions	657,636	91,584	749,220
Total deferred outflows of resources	<u>714,602</u>	<u>809,810</u>	<u>1,524,412</u>
LIABILITIES			
Current liabilities:			
Accounts payable	775,415	366,691	1,142,106
Accrued wages	164,629	29,062	193,691
Accrued interest	34,372	155,449	189,821
Deposits payable	22,996	232,142	255,138
Unearned revenue	-	31,704	31,704
Early retirement incentive - due within one year	44,640	-	44,640
Sick leave conversion payable - due within one year	6,144	-	6,144
Compensated absences - due within one year	56,082	17,986	74,068
Notes payable - due within one year	-	16,000	16,000
Revenue bonds payable - due within one year	512,989	540,000	1,052,989
Total current liabilities	<u>1,617,267</u>	<u>1,389,034</u>	<u>3,006,301</u>
Noncurrent liabilities:			
Sick leave conversion payable - due in more than one year	27,670	-	27,670
Compensated absences - due in more than one year	187,225	46,144	233,369
Net pension liability	6,460,456	826,605	7,287,061
Notes payable - due in more than one year	-	810,000	810,000
Revenue bonds payable - due in more than one year	6,685,718	31,562,335	38,248,053
Total noncurrent liabilities	<u>13,361,069</u>	<u>33,245,084</u>	<u>46,606,153</u>
Total liabilities	<u>14,978,336</u>	<u>34,634,118</u>	<u>49,612,454</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	1,418,403	220,133	1,638,536
Total deferred inflows of resources	<u>1,418,403</u>	<u>220,133</u>	<u>1,638,536</u>
NET POSITION			
Net investment in capital assets	2,861,071	(1,573,502)	1,287,569
Restricted	3,228,998	2,446,094	5,675,092
Unrestricted	(9,305,978)	6,449,364	(2,856,614)
Total net position	<u>\$ (3,215,909)</u>	<u>\$ 7,321,956</u>	<u>\$ 4,106,047</u>

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (413,066)	\$ -	\$ (413,066)
(3,057,583)	-	(3,057,583)
(323,184)	-	(323,184)
(120,647)	-	(120,647)
(1,212,428)	-	(1,212,428)
(294,514)	-	(294,514)
(327,131)	-	(327,131)
(5,748,553)	-	(5,748,553)
-	(40,688)	(40,688)
-	22,611	22,611
-	1,492	1,492
-	(19,473)	(19,473)
-	7,063	7,063
-	(28,995)	(28,995)
(5,748,553)	(28,995)	(5,777,548)
877,382	-	877,382
1,449,788	-	1,449,788
455,099	-	455,099
36,767	-	36,767
241,985	-	241,985
42,996	-	42,996
349,848	-	349,848
1,389,739	-	1,389,739
4,843,604	-	4,843,604
39,206	35,242	74,448
111,036	(111,036)	-
4,993,846	(75,794)	4,918,052
(754,707)	(104,789)	(859,496)
(2,461,202)	7,426,745	4,965,543
\$ (3,215,909)	\$ 7,321,956	\$ 4,106,047

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Funds Financial Statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Gas Tax Fund accounts for gas tax monies received from the State of California, which are used to construct and maintain streets, alleys, etc., and provide emergency snow-removal services within the City.

Community Swimming Pool Debt Service Fund accounts for the for debt service payments on the Community Swimming Pool Loan that was used to finance a portion of the costs of the construction of a community swimming pool and related costs and improvements there to by the Honey Lake Valley Recreational Authority.

Other Governmental Funds is the aggregate of all the non-major governmental funds.

City of Susanville

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2016

Total Fund Balances - Total Governmental Funds \$ 6,547,974

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

Non-depreciable	\$ 3,578,711
Depreciable, net	776,101
Total capital assets	4,354,812

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements. 21,348

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (34,372)

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 469,411

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred. 657,636

In the Government-Wide Financial Statements certain differences between actuarial estimates and actual results for pension and other employer specific items are deferred and amortized over a period of time, however in the governmental funds no transactions are recorded. (1,418,403)

Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. 56,966

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Early retirement incentive - due within one year	\$ (44,640)	\$ 44,640	-
Sick leave conversion payable - due within one year	(6,144)	6,144	-
Compensated absences - due within one year	(56,082)	3,605	(52,477)
Sick leave conversion payable - due in more than one year	(27,670)	27,670	-
Compensated absences - due in more than one year	(187,225)	27,584	(159,641)
Net pension liability	(6,460,456)		(6,460,456)
Bonds payable - due within one year	(512,989)	-	(512,989)
Bonds payable - due in more than one year	(6,685,718)	-	(6,685,718)
Total long-term liabilities	\$ (13,980,924)	\$ 109,643	(13,871,281)
Net Position of Governmental Activities			\$ (3,215,909)

See accompanying Notes to Basic Financial Statements.

City of Susanville
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the year ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ (476,654)
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	380,048
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(128,278)
In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds proceeds from sales increases financial resources. The difference between proceeds and the loss on disposal of capital assets:	(14,500)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	6,537
Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt issuance	(1,200,000)
Long-term debt repayments	427,488
Revenues that did not meet the revenue recognition criteria in the governmental funds but were recognized as revenue in the Government-Wide Financial Statements.	(33,916)
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.	(5,179)
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	(8,311)
Current year employer pension contributions are recorded as expenditures in the governmental funds, however these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	657,636
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.	(638,634)
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	<u>279,056</u>
Change in Net Position of Governmental Activities	<u>\$ (754,707)</u>

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund accounts for the activities of providing water to the residents of the City

Geothermal Fund accounts for the activities of providing geothermal heat to the residents of the City

Other Enterprise Funds is the aggregate of all the non-major enterprise funds.

Internal Service Funds are used to account for the financial transactions related to the City's public works and engineering program, payroll, and risk management program. These services are provided to other departments or agencies of the City on a cost reimbursement basis

Governmental
Activities
Internal
Service Funds

\$ 596,299

592
10,964

607,855

607,855

7,191
21,610

44,640
6,144
3,605

83,190

27,670
27,584

55,254

138,444

469,411

\$ 469,411

Governmental
Activities
Internal
Service Funds

\$ 1,457,480

1,457,480

-
905,613

359,101

-
1,264,714

-
1,264,714

192,766

1,226

-
1,226

193,992

-
85,064

-
85,064

279,056

190,355

\$ 469,411

Governmental
Activities
Internal
Service Funds

\$ 1,500,918
(367,033)
(919,438)
214,447

85,064

85,064

-

-

-

-

-

1,173

1,173

300,684

295,615

596,299

\$ 596,299

-

\$ 596,299

\$ 192,766

-

43,438

(7,501)

-

(431)

11,333

-

-

-

-

16,169

(39,060)

(2,267)

21,681

214,447

FIDUCIARY FUND FINANCIAL STATEMENTS

Section 125 Aflac/Wageworks accounts for agency activities for Section 125 Aflac activities.

LAFCO Fund, accounts for agency activities for the Local Agency Formation Commission.

HUSA Business Improvement Fund accounts for agency activities for Historic Uptown Susanville Association.

Air Pollution District Fund accounts for agency activities for the Air Pollution District.

NOTES TO BASIC FINANCIAL STATEMENTS

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

Barry Creek Development and Chestnut Street Culvert Special Revenue Funds account for fees collected from new developments within the Barry Creek and Chestnut Street areas used to repay the City for installation of the culverts.

Skyline Rt. 139 Signal, Skyline Numa Signal, and Skyline Bicycle Lane Special Revenue Funds account for fees collected from new developments within the Skyline area to be used for the installation and maintenance of traffic signals, parks and parkways.

State of California Prop 30 AB109 Special Revenue Fund accounts for expenditures funded by Proposition 30 AB109 revenues.

Traffic Signals Fund account for fees collected from new developments with the Skyline area to be used for the installation and maintenance of traffic signals.

City Hall Debt Service Fund accounts for debt service payments on bond issued to remodel the City Hall.

Mark Roos 92B Debt Service Fund accounts for assessments collected from homebuyers within Miller/Fletcher Housing Development that are used to repay the bond that was issued in 1992 to install the infrastructure within this development.

Side Fund Debt Service Fund accounts for debt service payments on the 2013 CalPERS Refunding Loan that was used to refund the City's CalPERS Side Fund obligations.

City Hall Parking Lot Project Fund accounts for amounts set aside for the City's City Hall Parking Lot Project.

Governmental Fund Financial Statements, Continued

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds are agency funds used to account for assets held by the City as an agent for individuals, private organizations, and other governmental units. The City maintains four agency funds - HUSA Business Improvement, Section 125 Aflac/Wageworks, LAFCO, and Air Pollution District.

GASB Statement No. 34 defines major funds and requires that the City's major governmental funds and major proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

C. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Property Taxes

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs.

The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions. Property tax revenues are recognized in the fiscal year for which taxes have been levied and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Date(s)	January 1	January 1
Levy Date(s)	July 1	July 1
Due Date(s)	November 1 (50%) February 1 (50%)	August 1
Delinquency Date(s)	December 10 (Nov.) April 10 (Feb.)	August 31

G. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical costs are not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The City's policy is to capitalize all assets with costs exceeding \$5,000 and with useful lives exceeding two years.

As required under GASB Statement No. 34, phase III governments were required to report the cost and accumulated depreciation of infrastructure as of June 30, 2008. Phase III governments also had the option of reporting all infrastructure assets acquired prior to July 1, 2004, but were required to report all infrastructure assets acquired on July 1, 2004 and thereafter. The City has elected not to report infrastructure acquired prior to July 1, 2004 and has not had any infrastructure acquisitions or contributions/donations since that time.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. *Deferred Outflows/Inflows of Resources, Continued*

The City reports two items in this category, unavailable revenues and amounts related to changes in the City's net pension liability that are deferred and amortized over a stated number of years. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: sales tax revenues. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the City's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. The City reported the amounts related to the City's pension plan described in Note 7 as deferred inflows of resources.

K. *Pensions*

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

L. *New Pronouncements*

In 2016, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 72, *Fair Value Measurement and Application*- This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. There was no impact on beginning net position as part of implementation of this accounting standard.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*- The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. There was no impact on beginning net position as part of implementation of this accounting standard.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

2. CASH AND INVESTMENTS

Cash and investment within the basic financial statements are reported as:

	Government-Wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and investments	\$ 4,980,646	\$ 7,425,930	\$ 561,778	\$ 12,968,354
Restricted cash and investments	150,108	2,446,094	-	2,596,202
Investments in bonds with fiscal agent	270,000	-	-	270,000
Total cash and investments	\$ 5,400,754	\$ 9,872,024	\$ 561,778	\$ 15,834,556

Cash and investment as of June 30, 2016 consist of the following:

Cash on hand	\$ 1,050
Deposits with financial institution	233,066
Local Agency Investment funds	12,734,238
Total City treasury	12,968,354
Restricted cash and investments	2,596,202
Investments in bonds with fiscal agent	270,000
Total cash and investments	\$ 15,834,556

A. Deposits

The carrying amount of the City's cash deposit was a positive amount of \$233,066 at June 30, 2016. Bank balances before reconciling items were \$458,369 at June 30, 2016. The City has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, CONTINUED

B. Investments Authorized by the California Government Code and the City's Investment Policy, Continued

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2016, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

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

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

As of June 30, 2016, the City had \$12,734,238 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.08% in the previous year. The LAIF fair value factor of 1.000621222 was used to calculate the fair value of the investments in LAIF.

C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

G. Custodial Credit Risk

The custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. None of the City's investments were subject to custodial credit risk.

H. Investment Valuation

Investments (except money market accounts that are included as part of restricted cash and investments) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at June 30, 2016 are described below:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Local Agency Investment Fund	\$ 12,734,238	\$ -	\$ 12,734,238	\$ -
Investment in bonds with fiscal agent	270,000	-	270,000	-
Total	\$ 13,004,238	\$ -	\$ 13,004,238	\$ -

The City's fair value for its investment in the State of California Local Agency Investment Fund (LAIF) is based on the fair market value factors provided by LAIF that are calculated based on the total fair market value of the pool. LAIF includes investments categorized as Level 1 such as United States Treasury securities, Federal Agency securities, and supranational debentures that are valued based on prices quoted in active markets and investments categorized as Level 2 such as negotiable certificates of deposit and bank notes that are based on market corroborated pricing utilizing inputs such as yield curves and indices that are derived principally from or corroborated by observable market data by correlation to other means. The District categorized its investments in LAIF based on the lowest significant input used to determine the fair market value of the total pool.

Investments in municipal bonds categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities				
Airport				
Nondepreciable capital assets:				
Land	\$ 43,189	\$ -	\$ -	\$ 43,189
Construction in progress	-	152,687	(87,424)	65,263
Total nondepreciable capital assets	43,189	152,687	(87,424)	108,452
Depreciable capital assets:				
Buildings	166,873	-	-	166,873
Machinery and equipment	290,969	-	-	290,969
Other improvements	3,148,188	87,424	-	3,235,612
Total depreciable capital assets	3,606,030	87,424	-	3,693,454
Less accumulated depreciation	(1,325,568)	(159,667)	-	(1,485,235)
Net depreciable capital assets	2,280,462	(72,243)	-	2,208,219
Net capital assets	\$ 2,323,651	\$ 80,444	\$ (87,424)	\$ 2,316,671

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities				
Water				
Nondepreciable capital assets:				
Land	\$ 963,184	\$ -	\$ -	\$ 963,184
Construction in progress	-	437,954	(437,954)	-
Total nondepreciable capital assets	963,184	437,954	(437,954)	963,184
Depreciable capital assets:				
Infrastructure	4,112,864	-	-	4,112,864
Buildings	315,266	-	-	315,266
Machinery and equipment	3,870,258	13,630	-	3,883,888
Other improvements	5,072,194	1,321,555	-	6,393,749
Total depreciable capital assets	13,370,582	1,335,185	-	14,705,767
Less accumulated depreciation	(7,988,864)	(319,067)	-	(8,307,931)
Net depreciable capital assets	5,381,718	1,016,118	-	6,397,836
Net capital assets	\$ 6,344,902	\$ 1,454,072	\$ (437,954)	\$ 7,361,020

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

<u>Golf Course</u>	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Nondepreciable capital assets:				
Land	\$ 2,168,107	\$ -	\$ -	\$ 2,168,107
Total nondepreciable capital assets	<u>2,168,107</u>	<u>-</u>	<u>-</u>	<u>2,168,107</u>
Depreciable capital assets:				
Buildings	355,492	-	-	355,492
Machinery and equipment	77,923	-	-	77,923
Other improvements	170,774	-	-	170,774
Total depreciable capital assets	<u>604,189</u>	<u>-</u>	<u>-</u>	<u>604,189</u>
Less accumulated depreciation	(284,075)	(24,105)	-	(308,180)
Net depreciable capital assets	<u>320,114</u>	<u>(24,105)</u>	<u>-</u>	<u>296,009</u>
Net capital assets	<u>\$ 2,488,221</u>	<u>\$ (24,105)</u>	<u>\$ -</u>	<u>\$ 2,464,116</u>

Depreciation Allocations

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

Governmental Activities:	
General government	\$ 13,223
Public safety	81,374
Streets	11,397
Protective inspections	1,893
Community services	<u>20,391</u>
Total Depreciation Expense-Governmental Activities	<u>\$ 128,278</u>
Business-type Activities:	
Airport	\$ 159,667
Water	319,067
Geothermal	621
Natural Gas	390,684
Golf Course	<u>24,105</u>
Total Depreciation Expense-Business-type Activities	<u>\$ 894,144</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, Continued

Interfund transfers:

Transfers In	Transfers Out					Total
	General Fund	Gas Tax Fund	Gov't Funds	Water Fund	Natural Gas Fund	
Major Govtl Funds						
General Fund	\$ -	\$ -	\$ 24,672	\$ 5,004	\$ -	\$ 29,676
Gas Tax Fund	115,617	-	-	-	-	115,617
Non-major						
Govtl Funds	339,675	12,384	115,617	57,684	48,348	573,708
Internal service funds	85,064	-	-	-	-	85,064
Total	\$ 540,356	\$ 12,384	\$ 140,289	\$ 62,688	\$ 48,348	\$ 804,065

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due. The transfer from the Water Fund to the General fund was for fire hydrant maintenance costs. The transfer from the General fund to the City Hall Debt Service Fund and the 2013 CalPERS Refunding Loan Debt Service Fund were made to pay debt service requirements. The transfer from the General Fund to the OPEB Fund was made to pay the final amounts for the Early Retirement Incentive (see page 72). The transfer from the Street Mitigation Fund to Streets Fund was for the purchase of a Elgin Street Sweeper and supplies to maintain various streets. Transfers from the Gas Tax Fund, Water fund, and Natural Gas Fund to the 2013 CalPERS Refunding Debt Service Fund were for their portion of the 2013 CalPERS Refunding Loan debt service.

5. LOANS RECEIVABLE

The following schedule summarizes notes and loans receivables as of June 30, 2016:

Notes receivable for business assistance - General Fund	\$ 59,055
State Revolving Fund notes receivable	740,566
Home Revolving Loan notes receivable	431,811
Total notes receivable	\$ 1,231,432

These loans represent amounts loaned to individuals and businesses to assist in the purchase or rehabilitation of residences or businesses.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

6. LONG-TERM DEBT, Continued

C. 2012 Lease Financing (2012 City Hall Refunding Project)

2012 Lease Financing (2012 City Hall Refunding Project) – On June 1, 2012, the City entered into a lease agreement with Compass Bank in the amount of \$1,581,555, with interest and principal payable each September 1 and March 1, beginning September 1, 2012 at an interest rate of 3.5%. The lease ends on September 1, 2027. The City has leased five properties, including improvements on those properties to Compass Bank in exchange for an advance rental payment of \$1,581,555 from Compass Bank. Compass Bank has leased back the five properties, including improvements on those properties, to the City, in exchange for future monthly lease payments. The purpose of the lease is to (i) fund an escrow to defease the 2002 City Hall Revenue Bonds, (ii) fund certain costs relating to the lease agreement.

\$1,787,682 from the 2012 Lease Financing, including \$166,775 from the Reserve Fund and \$125,806 from the Lease Payment Fund were placed in an irrevocable trust that will be used to pay off the 2002 City Hall Revenue Bonds on September 1, 2012. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$451,743

Annual debt service requirements, to maturity, for the 2012 Lease Financing are as follows:

Fiscal Year Ended June 30,	Revenue Bonds		Total
	Principal	Interest	
2017	\$ 90,989	\$ 44,039	\$ 135,028
2018	94,877	40,819	135,696
2019	100,915	37,465	138,380
2020	104,121	33,860	137,981
2021	104,577	30,233	134,810
2022-2026	584,213	93,074	677,287
2027-2028	201,015	7,048	208,063
Total	<u>\$ 1,280,707</u>	<u>\$ 286,538</u>	<u>\$ 1,567,246</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

6. LONG-TERM DEBT, Continued

E. Community Swimming Pool Loan, Continued

The scheduled annual minimum debt service requirements at June 30, 2016, are as follows:

Fiscal Year Ended June 30,	Notes Payable		Total
	Principal	Interest	
2017	\$ 65,000	\$ 37,010	\$ 102,010
2018	65,000	34,949	99,949
2019	67,000	32,857	99,857
2020	70,000	30,686	100,686
2021	73,000	23,419	96,419
2022-2026	399,000	105,482	504,482
2027-2031	461,000	37,422	498,422
Total	\$ 1,200,000	\$ 301,825	\$ 1,501,825

F. Compensated Absences

City employees accumulate earned but unused vacation and compensatory time benefits which can be converted to cash at termination of employment. Since no means exists to reasonably estimate the amounts that might be liquidated with expendable currently available financial resources, if any, they are reported as long-term debt on the Statement of Net Position. Expenditures are only reported in the fund statements when payments are made. However, in the Statement of Activities the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2016, total \$243,307 for governmental activities and \$64,130 for business-type activities. Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability accrued, which is usually the General Fund.

G. Early Retirement Incentive

During the fiscal year ended June 30, 2012, the City offered early retirement incentives to approximately 20 employees. The incentive included the opportunity to retire from the City and receive health insurance through the City's contract with the Laborer's Health and Welfare Fund for the retiree plan, in an amount up to \$930/month, for a period of 60 months from the date of retirement. To be eligible, employees had to be full-time, at least 45 years old, and have at least 7 years of employment with the City of Susanville. As of June 30, 2016, 4 employees agreed to the early retirement incentives. The balance of the accrued benefits, as of June 30, 2016 was \$44,640.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

6. LONG-TERM DEBT, Continued

I. Business Type Activities - Revenue Bonds, Continued

Water Enterprise and Natural Gas debt service requirements for the 2010 Refunding Revenue bonds are:

Fiscal Year Ended June 30,	Revenue Bonds	
	Principal	Interest
2017	540,000	1,760,063
2018	575,000	1,743,525
2019	615,000	1,724,650
2020	650,000	1,702,376
2021	695,000	1,677,476
2022-2026	4,245,000	7,851,640
2027-2031	5,590,000	6,624,601
2032-2036	7,265,000	4,939,001
2037-2041	6,020,000	3,000,600
2042-2045	6,250,000	964,500
Total	\$ 32,445,000	\$ 31,988,432

J. Business Type Activities - Notes Payable

Notes payable at June 30, 2016, consisted of the following:

Water Fund to United States Department of Agriculture, bears interest at 4.25%. Principal is payable annually on September 23 and interest is payable semi-annually on March and September 23. The note matures on September 23, 2043.

	<u>\$ 826,000</u>
Total Notes Payable	<u>\$ 826,000</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2016 are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Hire Date	Prior to January 1, 2014	Prior to January 1, 2014
Benefit formula	3% at 50	3% at 60
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	50	55 to 60
Monthly benefits, as a % of annual salary	3%	2 - 3%
Required employee contribution rates	9.00%	8.00%
Required employer contribution rates	18.524%	11.718%
	<u>Safety</u>	<u>Miscellaneous</u>
Hire Date	On or after January 1, 2014	On or after January 1, 2014
Benefit formula	2.7% at 57	2% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	57	62
Monthly benefits, as a % of annual salary	2.70%	2.00%
Required employee contribution rates	11.50%	6.25%
Required employer contribution rates	11.50%	6.237%

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), Continued

For the year ended June 30, 2016, the City recognized pension expense of \$707,784. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 749,220	\$ -
Changes of assumptions	-	362,942
Differences between expected and actual experience	-	28,635
Changes in employer's proportion	-	559,581
Differences between the employer's contribution and the employer's proportionate share of contributions	-	504,292
Net differences between projected and actual earnings on plan investments	-	183,086
Total	<u>\$ 749,220</u>	<u>\$ 1,638,536</u>

\$749,220 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period	
Ending June 30:	
2017	\$ (678,361)
2018	(666,436)
2019	(522,442)
2020	228,703

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), Continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

9. INSURANCE

The City is a member of a Joint Powers Agreement (JPA) with the Small Cities Organized Risk Effort (SCORE). This JPA provides liability and workers compensation coverage for its members by pooling risk.

Member cities participate in a Banking Plan for the first \$25,000 of loss. The portion of loss greater than \$25,000 but less than \$250,000 is shared among the Member Cities in the Shared Risk Pool. The JPA participates in the California Joint Powers Risk Management Authority (CJPRMA) for the portion of losses greater than \$250,000. The JPA is comprised of twenty one small cities located in Northern and Central California. Upon review of the application, a new member may be admitted by a three-quarters (3/4) vote of the board. Members may be expelled by a two-thirds (2/3) vote. Upon entry into the JPA, members may not voluntarily withdraw for a period of three years and in no case before the JPA's commitment to CJPRMA is satisfied. Members must submit six months written notice prior to voluntarily withdrawing. After withdrawal a member may not re-enter the JPA for a period of three years.

The City adopted the provisions of GASB Statement Number 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues".

The City makes payments to SCORE based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

Condensed financial information of the Small Cities Organized Risk Effort (SCORE) for the fiscal year ended June 30, 2016, is as follows:

	Liability Program	Workers Comp. Program	Other Programs	Total
Total Assets	\$ 6,080,861	\$ 6,971,876	\$ 54,041	\$ 13,106,778
Total Liabilities	\$ 1,551,673	\$ 3,784,814	\$ -	\$ 5,336,487
Fund Equity	4,529,188	3,187,062	54,041	7,770,291
Total Liabilities and Equity	\$ 6,080,861	\$ 6,971,876	\$ 54,041	\$ 13,106,778
Total Revenues	\$ 1,594,563	\$ 1,872,768	\$ 463,510	\$ 3,930,841
Total Expenditures	711,059	1,086,654	579,667	2,377,380
Net Increase/(Decrease)	\$ 883,504	\$ 786,114	\$ (116,157)	\$ 1,553,461

Copies of the financial statements are available from SCORE, located in Sacramento, California.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

11. DEFERRED COMPENSATION PLANS, Continued

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by a third party administrator (AIG Valic, Pebsco, or ICMA) for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

12. NET POSITION AND FUND BALANCES

A. Net Position

Net position are the excess of all the City's assets over all its liabilities, regardless of fund. Net position are divided into three captions under GASB Statement No. 34. These captions apply only to net position, which are determined at the government-wide, proprietary fund, and fiduciary fund level and are described below.

Net 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.

Net investment in capital assets was calculated as follows for fiscal year 2016.

	Governmental Activities	Business-type Activities	Water Enterprise Fund	Natural Gas Enterprise Fund	Non major Enterprise Funds
Capital Assets	\$ 4,354,812	\$ 30,636,607	\$ 7,361,020	\$ 18,243,809	5,031,778
<i>Less capital related debt</i>					
Bonds Payable	(1,550,707)	(32,648,335)	(8,606,000)	(24,042,335)	-
Notes Payable	-	(280,000)	(280,000)	-	-
<i>Plus deferred loss on refunding</i>	56,966	718,226	718,226	-	-
Net Investment in Capital Assets	\$ 2,861,071	\$ (1,573,502)	\$ (806,754)	\$ (5,798,526)	\$ 5,031,778

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

12. NET POSITION AND FUND BALANCES, Continued

B. Fund Balances, Continued

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or the Finance Director delegated that authority by City ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2016

14. CONTINGENCIES AND COMMITMENTS

The City is involved in various litigations. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the City's financial statements.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

The City leases three copiers under an operating lease which requires 60 monthly payments of \$872. The City entered into a lease for fifteen golf carts under an operating lease which requires 18 seasonal monthly payments (May - October) of \$2,160 plus tax. The City entered into a five year lease on December 15, 2014 for fifteen new carts which requires 30 seasonal payments (May - October) of \$1,731 plus tax.

The following is a schedule, by year, of future minimum lease payments required under the operating leases as of June 30, 2016:

Fiscal Year Ended June 30,	Total
2017	\$ 10,458
Total	\$ 10,458

15. DEBT WITHOUT GOVERNMENT COMMITMENT

Local Agency Revenue Bonds - 1992

On October 29, 1992, the Susanville Public Financing Authority issued \$1,650,000 of 1992 Revenue Bonds - Series B (the "Authority Bonds") for the purpose of acquiring the Assessment District 92-1 Miller Fletcher Bonds, (the "District Bonds") in the amount of \$1,465,000. The Miller Fletcher Bonds were issued to provide the District with funds to design or acquire certain public improvements relating to the District.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest was payable on March 1, 1993, and semiannually thereafter on March 1 and September 1 of each year until maturity, with principal due every September 1. Series B Bonds have interest rates of 6.60% to 7.75% and are due September 1, 2017.

The District Bonds are not general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. Since these debts do not constitute an obligation of the City and the City is not obligated to make payment beyond the available bond reserves, these bonds have not been reflected in the long-term debt in the accompanying financial statements. The outstanding indebtedness on June 30, 2016 was \$270,000. However, the Authority Bonds are still considered to be obligations of the City and are reported on the City's Statement of Net Position.

**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2016

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules

The following are the budget comparison schedules for all major Governmental Funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 4,588,389	\$ 4,594,234	\$ 4,877,520	\$ 283,286
Licenses and permits	91,762	91,762	86,142	(5,620)
Fines and forfeitures	93,846	93,846	92,088	(1,758)
Use of money and property	35,354	35,354	38,735	3,381
Intergovernmental	254,807	560,435	490,709	(69,726)
Program income	5,600	-	2,910	2,910
Charges for services	79,836	182,467	83,214	(99,253)
Other revenues	124,999	80,831	-	(80,831)
Total revenues	5,274,593	5,638,929	5,671,318	32,389
EXPENDITURES:				
Current:				
General government:	648,867	637,215	559,612	77,603
Public Safety	3,489,636	3,658,148	3,591,765	66,383
Streets	-	29,010	-	29,010
Protective inspections	247,721	222,298	213,935	8,363
Community development	209,445	203,366	174,122	29,244
Community services	164,840	162,178	158,584	3,594
Capital outlay	7,828	264,747	264,549	198
Total expenditures	4,768,337	5,176,962	4,962,567	214,395
REVENUES OVER (UNDER) EXPENDITURES	506,256	461,967	708,751	246,784
OTHER FINANCING SOURCES (USES):				
Transfers in	29,674	41,887	29,676	(12,211)
Transfers out	(577,274)	(540,345)	(540,356)	(11)
Total other financing sources (uses)	(547,600)	(498,458)	(510,680)	(12,222)
Net change in fund balance	\$ (41,344)	\$ (36,491)	198,071	\$ 234,562
FUND BALANCE:				
Beginning of year			2,506,284	
End of year			\$ 2,704,355	

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2016

2. DEFINED BENEFIT PENSION PLAN

A. Schedule of the City's Proportionate Share of the Net Pension Liability - Last 10 Years*

Fiscal year:	2016	2015
Measurement date:	6/30/2015	6/30/2014
Proportion of the net pension liability	0.10616%	0.10938%
Proportionate share of the net pension liability	\$ 7,287,061	\$ 6,637,753
Covered payroll	\$ 3,237,445	\$ 2,943,546
Proportionate Share of the net pension liability as percentage of covered payroll	225.09%	62.00%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	79.82%

Notes to Schedule:

*- Fiscal year 2015 was the 1st year of implementation.

B. Schedule of Contributions - Last 10 Years*

Fiscal year	2016	2015
Contractually required contribution (actuarially determined)	\$ 749,220	\$ 601,837
Contribution in relation to the actuarially determined contributions	(749,220)	(601,837)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 3,342,599	\$ 3,237,445
Contributions as a percentage of covered payroll	22.41%	18.59%
Note to Schedule		
Valuation date:	6/30/2013	6/30/2012

* - Fiscal year 2015 was the 1 st year of implementation.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Local Law Enforcement Block Grant Fund accounts for a State grant is used to fund a Police Sergeant's position to supplement the number of personnel assigned to provide law enforcement services to the City.

Street, Police, & Fire Mitigation Funds account for fees collected from new developments within the City used for the purchase and maintenance of vehicles, equipment, and various facilities

Park Land In-Lieu Fund accounts for fees collected from new developments within the City which are used to purchase necessary equipment and land to maintain and expand the City's parks.

State Revolving Loan Fund accounts for program income received from Community Development Block Grant loans given for Housing Rehabilitation that is then re-issued in the form of new loans.

State Revolving Economic Development Fund accounts for program income received from the Façade Improvement, Business Assistance, and First-Time Home Buyers loan re-payments which are re-issued in the form of new loans.

HOME Revolving Loan Special Revenue Fund accounts for program income received from the Façade Improvement, Business Assistance, and First-Time Home Buyers loan re-payments which are re-issued in the form of new loans.

Traffic Safety Fund accounts for a portion of fines and forfeitures received by the City for any arrests by a City Officer under VC 42200 that is used for the purchase and maintenance of equipment associated with Traffic Law Enforcement.

Skyline Bicycle Lane Fund accounts for fees collected from new development within the Skyline area to be used for the installation and maintenance of traffic signals, parks and parkways.

State of California Prop 30 AB109 Fund account for expenditures funded by Proposition 30 AB109 revenues.

Traffic Signals Fund account for fees collected from new developments within the Barry Creek and Chestnut Street areas used to repay the City for installation of the culverts.

This page intentionally left blank

Special Revenue Funds

Park Land In-lieu Fund	State Revolving Loan Fund	State Revolving Economic Development Fund	HOME Revolving Loan Fund	Traffic Safety Fund	Skyline Bicycle Lane Fund	State of California Prop 30 AB 109 Fund
\$ 167,732	\$ 33,873	\$ 288,041	\$ 275,053	\$ 75,571	\$ 7,524	34,615
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	642	-	(911)	770	-	-
235	155	326	365	101	11	-
-	-	-	-	-	-	-
-	740,566	-	431,811	-	-	-
-	159,951	90,003	-	-	-	-
<u>\$ 167,967</u>	<u>\$ 935,187</u>	<u>\$ 378,370</u>	<u>\$ 706,318</u>	<u>\$ 76,442</u>	<u>\$ 7,535</u>	<u>\$ 34,615</u>
\$ 3,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	53	-	-	-	-	-
<u>3,691</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
164,276	935,134	378,370	706,318	76,442	7,535	34,615
-	-	-	-	-	-	-
<u>164,276</u>	<u>935,134</u>	<u>378,370</u>	<u>706,318</u>	<u>76,442</u>	<u>7,535</u>	<u>34,615</u>
\$ 167,967	\$ 935,187	\$ 378,370	\$ 706,318	\$ 76,442	\$ 7,535	\$ 34,615

Capital Projects	
Fund	Total
City Hall	Non-Major
Parking Lot	Governmental
Project Fund	Funds
\$ 13,848	\$ 1,788,174
-	150,108
-	270,000
-	501
-	1,549
-	622
-	1,172,377
-	249,954
<u>\$ 13,848</u>	<u>\$ 3,633,285</u>

\$ -	\$ 3,691
-	3,293
-	6,984

-	-
-	3,029,443
13,848	596,858
<u>13,848</u>	<u>3,626,301</u>
<u>\$ 13,848</u>	<u>\$ 3,633,285</u>

Special Revenue Funds

Park Land In-lieu Fund	State Revolving Loan Fund	State Revolving Economic Development Fund	HOME Revolving Loan Fund	Traffic Safety Fund	Skyline Bicycle Lane Fund	State of California Prop 30 AB 109 Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,283	-	-
759	12,289	7,580	1,206	305	32	-
-	-	-	-	-	-	20,562
2	-	-	-	-	-	-
<u>761</u>	<u>12,289</u>	<u>7,580</u>	<u>1,206</u>	<u>7,588</u>	<u>32</u>	<u>20,562</u>
-	-	-	-	-	-	-
-	85,447	52,167	60,711	-	-	-
6,768	-	-	-	3,562	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,768</u>	<u>85,447</u>	<u>52,167</u>	<u>60,711</u>	<u>3,562</u>	<u>-</u>	<u>-</u>
<u>(6,007)</u>	<u>(73,158)</u>	<u>(44,587)</u>	<u>(59,505)</u>	<u>4,026</u>	<u>32</u>	<u>20,562</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	(24,672)
-	-	-	-	-	-	-
-	-	-	-	-	-	(24,672)
<u>(6,007)</u>	<u>(73,158)</u>	<u>(44,587)</u>	<u>(59,505)</u>	<u>4,026</u>	<u>32</u>	<u>(4,110)</u>
170,283	1,008,292	422,957	765,823	72,416	7,503	38,725
<u>\$ 164,276</u>	<u>\$ 935,134</u>	<u>\$ 378,370</u>	<u>\$ 706,318</u>	<u>\$ 76,442</u>	<u>\$ 7,535</u>	<u>\$ 34,615</u>

Capital Projects		
Fund		Total
	City Hall Parking Lot Project Fund	Non-Major Governmental Funds
\$	-	\$ 29,933
	-	7,283
	-	23,575
	-	144,750
	-	64,293
	-	<u>269,834</u>
	-	114,159
	-	198,325
	-	46,692
	-	427,488
	-	<u>295,042</u>
	-	1,081,706
	-	<u>(811,872)</u>
	-	573,708
	-	(140,289)
	-	1,500
	-	<u>434,919</u>
	-	(376,953)
	13,848	<u>4,003,254</u>
\$	<u>13,848</u>	\$ <u>3,626,301</u>

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Local Law Enforcement Block Grant Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 85	\$ 85
Intergovernmental revenue	100,000	100,000	124,188	24,188
Total revenues	100,000	100,000	124,273	24,273
EXPENDITURES:				
Current:				
Public safety:	100,000	100,000	114,159	(14,159)
Total expenditures	100,000	100,000	114,159	(14,159)
Net change in fund balance	\$ -	\$ -	10,114	\$ 10,114
FUND BALANCE:				
Beginning of year			44,849	
End of year			\$ 54,963	

City of Susanville
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Police Mitigation Fund
For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 127	\$ 127
Other revenues	9,000	23,871	23,871	-
Total revenues	9,000	23,871	23,998	127
EXPENDITURES:				
Capital outlay	43,016	43,016	36,362	6,654
Total expenditures	43,016	43,016	36,362	6,654
Net change in fund balance	\$ (34,016)	\$ (19,145)	(12,364)	\$ 6,781
FUND BALANCE:				
Beginning of year			36,420	
End of year			\$ 24,056	

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Park Land In-lieu Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 759	\$ 759
Other revenues	850	850	2	(848)
Total revenues	850	850	761	(89)
EXPENDITURES:				
Current:				
Community services	-	13	-	13
Capital outlay	-	14,987	6,768	8,219
Total expenditures	-	15,000	6,768	8,232
REVENUE OVER (UNDER) EXPENDITURES	850	(14,150)	(6,007)	8,143
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ 850	\$ (14,150)	(6,007)	\$ 8,143
FUND BALANCE:				
Beginning of year			170,283	
End of year			\$ 164,276	

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

State Revolving Economic Development Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 198	\$ 198	\$ 7,580	\$ 7,382
Total revenues	198	198	7,580	7,382
EXPENDITURES:				
Current:				
Community Development	200,000	200,000	52,167	147,833
Total expenditures	200,000	200,000	52,167	147,833
Net change in fund balance	\$ (199,802)	\$ (199,802)	(44,587)	\$ 155,215
FUND BALANCE:				
Beginning of year			422,957	
End of year			\$ 378,370	

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Traffic Safety Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,283	\$ (2,717)
Use of money and property	158	158	305	147
Total revenues	10,158	10,158	7,588	(2,570)
EXPENDITURES:				
Capital outlay	32,000	32,000	3,562	28,438
Total expenditures	32,000	32,000	3,562	28,438
Net change in fund balance	\$ (21,842)	\$ (21,842)	4,026	\$ 25,868
FUND BALANCE:				
Beginning of year			72,416	
End of year			\$ 76,442	

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

State of California Prop 30 AB 109 Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 41,124	\$ 41,124	\$ 20,562	\$ (20,562)
Total revenues	<u>41,124</u>	<u>41,124</u>	<u>20,562</u>	<u>(20,562)</u>
EXPENDITURES:				
Current:				
Public safety	-	7,000	-	(7,000)
Total expenditures	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
REVENUE OVER (UNDER) EXPENDITURES	41,124	34,124	20,562	(27,562)
OTHER FINANCING SOURCES:				
Transfers out	(24,674)	(24,674)	(24,672)	2
Total other financing sources (uses)	<u>(24,674)</u>	<u>(24,674)</u>	<u>(24,672)</u>	<u>2</u>
Net change in fund balance	<u>\$ 16,450</u>	<u>\$ 9,450</u>	(4,110)	<u>\$ (27,560)</u>
FUND BALANCE:				
Beginning of year			<u>38,725</u>	
End of year			<u>\$ 34,615</u>	

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

City Hall Debt Service Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Debt service:				
Principal	89,488	89,488	89,488	-
Interest and fiscal charges	47,163	47,163	47,162	1
Total expenditures	<u>136,651</u>	<u>136,651</u>	<u>136,650</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(136,651)</u>	<u>(136,651)</u>	<u>(136,650)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	136,651	136,651	136,656	-
Total other financing sources (uses)	<u>136,651</u>	<u>136,651</u>	<u>136,656</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	6	<u>\$ 1</u>
FUND BALANCE:				
Beginning of year			<u>52,239</u>	
End of year			<u>\$ 52,245</u>	

City of Susanville

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Side Fund Debt Service Fund

For the year ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	218,000	218,000	218,000	-
Interest and fiscal charges	219,046	219,046	219,044	2
Total expenditures	437,046	437,046	437,044	2
Net change in fund balance	\$ -	\$ -	8	\$ 2
FUND BALANCE:				
Beginning of year			359,210	
End of year			\$ 359,218	

NON MAJOR ENTERPRISE FUNDS

Airport Fund accounts for the activities of the City's airport

Geothermal Fund accounts for the activities of providing geothermal heat to the residents of the City

Golf Course Fund accounts for the City's golf course

City of Susanville
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2016

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
OPERATING REVENUES:				
Sales and charges for services	\$ 69,394	\$ 334,800	\$ 86,132	\$ 490,326
Total operating revenues	<u>69,394</u>	<u>334,800</u>	<u>86,132</u>	<u>490,326</u>
OPERATING EXPENSES:				
Direct:				
Administration	59,359	298,761	28,288	386,408
Depreciation and amortization	159,667	24,105	621	184,393
Total direct operating expenses	<u>219,026</u>	<u>322,866</u>	<u>28,909</u>	<u>570,801</u>
Indirect:				
Overhead allocation	54,984	31,356	50,160	136,500
Total indirect operating expenses	<u>54,984</u>	<u>31,356</u>	<u>50,160</u>	<u>136,500</u>
Total operating expenses	<u>274,010</u>	<u>354,222</u>	<u>79,069</u>	<u>707,301</u>
OPERATING INCOME (LOSS):	<u>(204,616)</u>	<u>(19,422)</u>	<u>7,063</u>	<u>(216,975)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	27	42	1,352	1,421
Interest expense and fiscal charges	(41)	(51)	-	(92)
Reimbursements	-	-	-	-
Total nonoperating revenues (expenses)	<u>(14)</u>	<u>(9)</u>	<u>1,352</u>	<u>1,329</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(204,630)	(19,431)	8,415	(215,646)
Capital contributions	163,969	-	-	163,969
Change in net position	<u>(40,661)</u>	<u>(19,431)</u>	<u>8,415</u>	<u>(51,677)</u>
NET POSITION:				
Beginning of year	2,324,035	2,448,305	564,208	5,336,548
End of year	<u>\$ 2,283,374</u>	<u>\$ 2,428,874</u>	<u>\$ 572,623</u>	<u>\$ 5,284,871</u>

INTERNAL SERVICE FUNDS

Public Works Administration Fund accounts for the City's public works administration activities

Risk Administration Fund accounts for the City's risk administration activities

Retirement Benefits Fund accounts for expenses related to other postemployment benefit costs.

City of Susanville
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2016

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 781,547	\$ 675,933	\$ -	\$ 1,457,480
Total operating revenues	781,547	675,933	-	1,457,480
OPERATING EXPENSES:				
Administration	598,468	307,145	-	905,613
Insurance costs and claims	97,254	261,847	-	359,101
Total operating expenses	695,722	568,992	-	1,264,714
OPERATING INCOME (LOSS)	85,825	106,941	-	192,766
NONOPERATING REVENUES EXPENSES:				
Gain on sale of capital assets	-	-	-	-
Interest income	329	897	-	1,226
Total nonoperating revenues (expenses)	329	897	-	1,226
INCOME (LOSS) BEFORE TRANSFERS	86,154	107,838	-	193,992
Transfers in	-	-	85,064	85,064
Total transfers in (out)	-	-	85,064	85,064
Change in net position	86,154	107,838	85,064	279,056
NET POSITION:				
Beginning of year	1,695	273,724	(85,064)	190,355
End of year	\$ 87,849	\$ 381,562	\$ -	\$ 469,411

FIDUCIARY FUNDS

Section 125 Aflac/Wageworks accounts for agency activities for Section 125 Aflac activities.

LAFCO Fund, accounts for agency activities for LAFCO.

HUSA Business Improvement Fund accounts for agency activities for HUSA.

Air Pollution District Fund accounts for agency activities for the Air Pollution District.

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Total Agency Funds				
ASSETS				
Cash and investments	\$ 700,116	\$ 580,247	\$ (718,585)	\$ 561,778
Accounts receivable	29,760	21,688	(29,760)	21,688
Interest receivable	463	720	(463)	720
Prepaid expenses	-	840	-	840
Total Assets	<u>\$ 730,339</u>	<u>\$ 603,495</u>	<u>\$ (748,808)</u>	<u>\$ 585,026</u>
LIABILITIES				
Accounts payable	\$ 7,865	\$ 11,348	\$ (5,268)	\$ 13,945
Deposits payable	713,260	589,502	(733,486)	569,276
Other liabilities	-	1,805	-	1,805
Compensated absences	9,214	-	(9,214)	-
Total Liabilities	<u>\$ 730,339</u>	<u>\$ 602,655</u>	<u>\$ (747,968)</u>	<u>\$ 585,026</u>

Statistical Section

This part of the report is consisted of the City of Susanville's comprehensive annual financial report which presents detailed information as a context for understanding in regarding to what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health.

Contents

Financial Trends

These 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 factors affecting the City's ability to generate its property and sales 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 City's financial activities take place and to help make comparison over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 as of June 30, 2004; schedules presenting government-wide information, include information beginning in that year.

Fiscal Year							
2009	2010	2011	2012	2013	2014 (1)	2015	2016
\$ 2,062,283	\$ 1,849,411	\$ 1,829,076	\$ 2,308,372	\$ 2,012,346	\$ 1,857,866	\$ 2,419,492	\$ 2,861,071
1,547,711	1,568,520	1,498,398	4,528,631	4,087,019	4,440,352	3,939,682	3,228,998
5,607,906	5,810,858	5,908,797	2,409,681	2,510,650	(1,756,001)	(8,820,376)	(9,305,978)
<u>\$ 9,217,900</u>	<u>\$ 9,228,789</u>	<u>\$ 9,236,271</u>	<u>\$ 9,246,684</u>	<u>\$ 8,610,015</u>	<u>\$ 4,542,217</u>	<u>\$ (2,461,202)</u>	<u>\$ (3,215,909)</u>
\$ (1,804,335)	\$ (2,877,539)	\$ (990,783)	\$ (2,692,970)	\$ (488,623)	\$ (3,222,304)	\$ (2,742,485)	\$ (1,573,502)
2,864,798	2,864,195	2,287,718	2,289,356	2,446,070	2,445,921	2,446,530	2,446,094
2,269,768	3,649,199	3,672,627	6,180,214	5,049,590	8,308,203	7,722,700	6,449,364
<u>\$ 3,330,231</u>	<u>\$ 3,635,855</u>	<u>\$ 4,969,562</u>	<u>\$ 5,776,600</u>	<u>\$ 7,007,037</u>	<u>\$ 7,531,820</u>	<u>\$ 7,426,745</u>	<u>\$ 7,321,956</u>
\$ 257,948	\$ (1,028,128)	\$ 838,293	\$ (384,598)	\$ 1,523,723	\$ (1,364,438)	\$ (322,993)	\$ 1,287,569
4,412,509	4,432,715	3,786,116	6,817,987	6,533,089	6,886,273	6,386,212	5,675,092
7,877,674	9,460,057	9,581,424	8,589,895	7,560,240	6,552,202	(1,097,676)	(2,856,614)
<u>\$12,548,131</u>	<u>\$12,864,644</u>	<u>\$14,205,833</u>	<u>\$15,023,284</u>	<u>\$15,617,052</u>	<u>\$12,074,037</u>	<u>\$ 4,965,543</u>	<u>\$ 4,106,047</u>

Fiscal Year							
2009	2010	2011	2012	2013	2014	2015	2016
\$1,228,083	\$1,094,945	\$1,149,706	\$1,105,539	\$787,118	\$943,178	\$975,485	\$528,514
3,479,617	3,517,162	3,461,796	3,371,428	3,249,421	3,373,503	3,701,118	3,742,579
935,540	963,197	1,240,131	839,484	2,580,926	1,006,322	956,939	1,898,033
235,270	210,793	239,869	203,416	214,070	237,433	207,152	205,391
288,355	255,316	255,719	242,259	240,801	328,807	259,123	1,300,553
416,103	149,961	106,432	214,604	405,626	141,523	153,554	343,208
186,060	175,910	166,008	288,284	116,906	289,184	311,569	327,131
6,769,028	6,367,284	6,619,661	6,265,014	7,594,868	6,319,950	6,564,940	8,345,409
0	0	0	0	0	0	0	0
189,488	171,886	227,608	248,776	236,959	219,979	217,642	274,051
2,396,179	2,126,843	1,997,499	1,976,560	2,041,448	1,989,849	2,091,691	2,166,356
55,889	52,561	67,755	47,435	48,214	57,744	57,029	79,069
4,924,613	4,557,201	4,341,673	4,093,592	4,052,356	4,170,689	3,766,602	4,180,922
0	0	0	0	0	0	0	0
144,912	120,890	93,502	0	0	0	0	0
112,179	136,267	311,089	442,571	429,898	350,476	386,181	354,273
7,823,260	7,165,648	7,039,126	6,808,934	6,808,875	6,788,737	6,519,145	7,054,671
\$14,592,288	\$13,532,932	\$13,658,787	\$13,073,948	\$14,403,743	\$13,108,687	\$13,084,085	\$15,400,080
\$132,822	\$155,256	\$303,864	\$487,912	\$12,830	\$103,486	\$106,054	\$76,733
137,948	172,430	201,942	127,275	68,428	52,593	136,678	83,481
36,417	49,047	61,704	86,309	436	1,715	4,448	197,411
31,433	9,491	8,749	1,761	75,200	117,560	94,793	84,744
18,526	22,472	20,461	24,152	99,123	178,785	74,784	88,125
100,443	94,344	86,654	95,094	33,288	52,538	38,249	48,694
1,183,468	748,635	741,230	799,904	994,075	1,096,669	925,909	1,030,102
98,210	162,515	600,507	155,084	1,736,845	896,293	738,606	987,566
1,739,267	1,414,190	2,025,111	1,777,491	3,020,225	2,499,639	2,119,521	2,596,856
0	0	0	0	0	0	0	0
58,097	58,284	70,632	70,075	78,488	81,680	97,128	69,394
2,424,802	2,315,996	2,271,480	2,358,189	2,335,499	2,280,947	2,194,458	2,188,967
69,391	69,783	100,728	92,731	92,732	92,732	85,004	86,132
4,271,575	4,723,849	4,667,746	4,431,883	4,499,718	4,581,073	3,945,118	4,182,414
0	0	0	0	0	0	0	0
76,875	60,676	39,895	0	0	0	0	0
0	0	182,573	318,888	314,274	334,239	354,173	334,800
10,000	0	0	0	38,574	0	0	0
1,490,068	29,175	24,176	154,941	99,685	61,354	586,883	163,969
8,400,808	7,257,763	7,357,230	7,426,707	7,458,970	7,432,025	7,262,764	7,025,676
\$10,140,075	\$8,671,953	\$9,382,341	\$9,204,198	\$10,479,195	\$9,931,664	\$9,382,285	\$9,622,532

Fiscal Year							
2009	2010	2011	2012	2013	2014	2015	2016
(\$5,029,761)	(\$4,953,094)	(\$4,594,550)	(\$4,487,523)	(\$4,574,643)	(\$3,820,311)	(\$4,445,419)	(\$5,748,553)
577,548	92,115	318,104	617,773	650,095	643,288	743,619	(28,995)
(\$4,452,213)	(\$4,860,979)	(\$4,276,446)	(\$3,869,750)	(\$3,924,548)	(\$3,177,023)	(\$3,701,800)	(\$5,777,548)
\$913,055	\$829,452	\$824,578	\$757,463	\$859,457	\$1,455,797	\$858,107	\$877,382
1,193,085	1,076,014	1,081,602	1,161,677	1,162,834	1,118,328	1,209,899	1,449,788
405,860	380,354	366,382	391,546	379,119	400,724	442,376	455,099
45,197	48,855	60,840	49,988	24,493	49,776	24,242	36,767
235,283	231,796	227,101	220,339	226,004	221,939	237,758	241,985
70,723	188,948	105,350	79,625	45,175	39,786	37,731	42,996
1,488,666	298,882	409,887	304,260	428,017	384,924	358,806	349,848
474,943	1,523,051	1,461,838	1,407,887	1,362,579	1,335,361	1,353,298	1,389,739
(35,749)	29,896	28,872	61,101	12,535	34,761	11,607	39,206
0	0	0	0	0	0	7,514	0
0	351,735	142,288	59,050	0	0	0	0
5,000	5,000	(375,069)	5,000	(562,239)	(410,379)	(55,164)	111,036
4,796,063	4,963,983	4,333,669	4,497,936	3,937,974	4,631,017	4,486,174	4,993,846
120,656	27,132	25,297	21,743	18,103	18,698	24,380	35,242
0	0	0	0	0	0	0	0
12,713	42,542	20,098	276,346	0	0	0	0
(5,000)	(5,000)	375,069	(5,000)	562,239	410,379	55,164	(111,036)
128,369	64,674	420,464	293,089	580,342	429,077	79,544	(75,794)
4,924,432	5,028,657	4,754,133	4,791,025	4,518,316	5,060,094	4,565,718	4,918,052
(233,698)	10,889	(260,881)	10,413	(636,669)	810,706	40,755	(754,707)
705,917	156,789	738,568	910,862	1,230,437	1,072,365	823,163	(104,789)
\$472,219	\$167,678	\$477,687	\$921,275	\$593,768	\$1,883,071	\$863,918	(\$859,496)

Fiscal Year							
2009	2010	2011	2012	2013	2014(1)	2015	2016
\$434,141	\$441,654	\$0	\$0	\$0	\$0	\$0	\$0
1,838,236	2,010,551	0	0	0	0	0	0
		550,746	270,650	286,411	445,196	104,869	101,417
		17,931	18,011	0	18,145	18,196	18,196
		123,142	0	0	0	0	0
		13,776	25,212	14,776	17,066	63,462	63,462
		1,537,145	1,837,349	1,846,833	1,859,126	2,319,757	2,521,280
2,272,377	2,452,205	2,242,740	2,151,222	2,148,020	2,339,533	2,506,284	2,704,355
508,891	511,888	0	0	0	0	0	0
811,082	870,418	0	0	0	0	0	0
309,930	148,527	0	0	0	0	0	0
1,604,737	1,622,026	0	0	0	0	0	0
		0	0	742	0	0	0
		3,836,585	2,934,499	3,130,806	4,097,490	3,921,486	3,210,802
		0	0	0	0	0	0
		0	0	0	44,599	596,858	632,817
		(736,872)	(156,372)	(478,663)	0	0	0
\$3,234,640	\$3,152,859	\$3,099,713	\$2,778,127	\$2,652,885	\$4,142,089	\$4,518,344	\$3,843,619

Fiscal Year							
2009	2010	2011	2012	2013	2014	2015	2016
\$4,591,529	\$4,345,556	\$4,537,578	\$4,372,785	\$4,498,960	\$5,035,959	\$4,495,698	\$4,907,453
103,413	100,231	92,956	100,385	74,183	101,323	78,350	86,142
47,614	34,400	26,667	20,246	31,203	24,301	95,579	99,371
(45,822)	26,242	17,202	11,477	27,504	54,042	45,589	72,112
1,157,971	812,150	1,299,139	990,261	2,722,868	1,985,090	1,293,514	1,999,435
53,969	67,644	60,693	36,831	50,400	14,824	27,271	2,910
308,690	331,481	98,356	76,106	66,244	71,367	74,323	83,214
356,862	719,459	602,319	651,310	43,270	249,062	150,233	261,704
6,574,226	6,437,163	6,734,910	6,259,401	7,514,632	7,535,968	6,260,557	7,512,341
996,337	969,963	944,718	661,910	605,024	753,719	859,783	559,612
3,379,768	3,417,876	3,359,711	3,286,106	3,247,121	3,285,119	3,478,557	3,705,924
912,577	948,044	1,224,596	816,587	2,663,852	973,660	973,736	2,003,878
234,303	209,633	238,709	202,256	218,394	229,397	205,594	213,935
219,456	193,714	193,759	181,416	185,481	209,120	199,819	1,274,122
475,789	265,687	247,892	214,604	311,528	216,459	153,555	356,909
184,642	25,910	106,003	200,718	83,207	64,123	182,134	315,516
135,000	140,000	145,000	160,000	135,216	236,367	390,777	427,488
182,529	173,289	162,064	154,957	94,110	168,604	430,116	313,639
			86,454	0	108,809	0	45,444
6,720,400	6,344,115	6,622,451	5,965,008	7,543,933	6,245,377	6,874,071	9,216,467
(146,174)	93,047	112,458	294,392	(29,301)	1,290,591	(613,514)	(1,704,126)
883,648	492,437	358,322	1,083,137	168,537	1,335,422	353,284	719,001
(878,648)	(487,437)	(733,391)	(1,093,137)	(775,416)	(1,058,395)	(455,583)	(693,029)
			(1,787,682)	0	(4,798,191)	0	0
				16,356	4,300	7,499	1,500
					4,907,000	0	1,200,000
			1,581,555	0	0	0	0
5,000	5,000	(375,069)	(216,127)	(590,523)	390,136	(94,800)	1,227,472
(141,174)	98,047	(262,611)	78,266	(619,823)	1,680,727	(708,314)	(476,654)
4.9%	5.0%	4.7%	7.0%	3.1%	8.3%	12.3%	8.8%

Schedule 6
City of Susanville
Direct and Overlapping Property Tax Rates,
Last Sixteen Fiscal Years
Rate per \$1,000 of assessed value

<u>Fiscal Year</u>	<u>City Direct Rate</u>		<u>Overlapping Rates (a)</u>		Total Direct Rate
	Basic Rate	Elementary School Bond	Elementary Bond 2009		
2000	1.0000	0.0605			1.0605
2001	1.0000	0.0586			1.0586
2002	1.0000	0.0606			1.0606
2003	1.0000	0.0606			1.0606
2004	1.0000	0.0598			1.0598
2005	1.0000	0.0090			1.0090
2006	1.0000	0.0096			1.0096
2007	1.0000	0.0008			1.0008
2008	1.0000				1.0000
2009	1.0000			0.0279	1.0279
2010	1.0000			0.0264	1.0264
2011	1.0000			0.0268	1.0268
2012	1.0000			0.0288	1.0288
2013	1.0000			0.0324	1.0324
2014	1.0000			0.0389	1.0389
2015	1.0000			0.0379	1.0379
2016	1.0000			0.0396	1.0396

Source:
Lassen County

Notes:
The city's basic property tax rate is the same rate as Lassen County.
Refer to Schedule 5 for explanation on direct rate limits.

(a) Overlapping rates are those of city and county governments that apply to property owners within the City of Susanville. Not all overlapping rates apply to all Susanville property owners.

Schedule 8
City of Susanville
Property Tax Levies and Collections,
Last Thirteen Fiscal Years

Fiscal Year Ended June 30	County Taxes Levied	AB8 City Allocation Factor	Percent Growth	AB8 Allocations Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2003	13,685,201	0.04209031	1.05503834	\$586,769	\$527,781	89.95%	\$54,571	\$582,352	99.25%
2004	13,940,708	0.04209031	1.05503834	\$597,587	\$560,471	93.79%	\$29,938	\$590,409	98.80%
2005	14,508,790	0.04118791	1.01843656	\$632,964	\$583,624	92.20%	\$32,765	\$616,389	97.38%
2006	15,302,568	0.04136327	1.03366934	\$684,095	\$613,665	89.70%	\$48,911	\$662,576	96.85%
2007	16,409,859	0.04168806	1.08078017	\$752,391	\$661,347	87.90%	\$43,224	\$704,571	93.64%
2008	18,125,879	0.04150919	1.09983310	\$818,267	\$707,387	86.45%	\$67,882	\$775,269	94.75%
2009	19,437,444	0.04209745	1.08755598	\$872,175	\$773,822	88.72%	\$67,890	\$841,712	96.51%
2010	20,699,884	0.04252227	1.06588089	\$909,755	\$773,350	85.01%	\$61,820	\$835,170	91.80%
2011	21,394,891	0.04143931	0.95963029	\$856,069	\$774,719	90.50%	\$29,476	\$804,195	93.94%
2012	21,394,891	0.04141142	0.96529843	\$861,126	\$820,883	95.33%	\$37,125	\$858,008	99.64%
2013	20,794,398	0.04141142	0.96946497	\$834,831	\$749,821	89.82%	\$76,606	\$826,427	98.99%
2014	19,640,765	0.04092502	0.97446787	\$782,647	\$771,169	98.53%	\$9,654	\$780,823	99.77%
2015	19,123,922	0.04124459	1.01338253	\$793,121	\$789,650	99.56%	\$6,153	\$795,803	100.34%
2016	19,229,690	0.04128233	1.02660700	\$814,223	\$802,646	98.58%	\$0	\$802,646	98.58%

Sources:

Lassen County Assessors Office

Notes:

Taxes levied are totals for Lassen County. Taxes are based on 1% of assessed value. Taxes are distributed using an AB8 allocation factor. Therefore, city tax amounts will not compute using this 1% as a basis.

Property Tax amounts collected for 2014 will not match the CAFR due to the City receiving the PTA fees from the County that were charged for the Property Tax In-Lieu payments and held in trust during the court disputes.

Total Primary Government	Percentage of Property Values (1)	Per Capita (2)
12,665,211		
35,224,866		
38,205,467	9.05%	3,871
37,964,907	9.24%	4,098
37,662,549	8.45%	4,097
37,715,222	7.57%	4,116
37,451,123	6.92%	4,149
37,418,228	6.42%	4,114
38,810,575	6.27%	4,161
37,881,233	6.78%	4,047
37,389,223	6.88%	4,051
41,112,972	7.01%	3,937
40,222,195	7.75%	4,497
40,469,708	7.37%	4,406

Fiscal Year				
2012	2013	2014	2015	2016
\$572,065,132	\$550,683,209	\$533,097,276	\$530,454,231	\$545,847,294
25%	25%	25%	25%	\$0
\$143,016,283	\$137,670,802	\$133,274,319	\$132,613,558	\$136,461,824
15%	15%	15%	15%	\$0
\$21,452,442	\$20,650,620	\$19,991,148	\$19,892,034	\$20,469,274
\$1,581,555	\$1,541,339	\$1,457,972	\$1,370,195	\$2,480,708
\$19,870,887	\$19,109,281	\$18,533,175	\$18,521,839	\$17,988,566
7.4%	7.5%	7.3%	6.9%	12.1%

Schedule 12
City of Susanville
Ratios of General Bonded Debt Outstanding
Last Twelve Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita (a)
	General Obligation Bonds	Capital Leases	CalPERS Refunding Loans	Total		
2005	2,155,000	87,798		2,242,798	0.58%	241
2006	2,095,000	52,238		2,147,238	0.52%	232
2007	2,035,000	19,549		2,054,549	0.46%	225
2008	1,975,000	0		1,975,000	0.40%	217
2009	1,910,000	0		1,910,000	0.35%	210
2010	1,845,000	0		1,845,000	0.32%	205
2011	1,780,000	0		1,780,000	0.30%	186
2012	0	1,581,555		1,581,555	0.28%	169
2013	0	1,541,339		1,541,339	0.28%	162
2014	0	1,457,972	4,859,000	6,316,972	1.18%	691
2015	0	1,370,195	4,666,000	6,036,195	1.14%	661
2016	0	2,480,708	4,448,000	6,928,708	1.27%	759

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) Population data can be found in Schedule 13

Miller /Fletcher Assessment Bonds

Special (a) Assessment Collections	Debt Service		
	Principal	Interest	Coverage
	72,163	50,000	98,750
572,406	55,000	94,744	3.82
417,794	55,000	90,481	2.87
228,473	60,000	86,025	1.56
112,407	65,000	81,181	0.77
138,964	70,000	75,950	0.95
236,383	75,000	70,331	1.63
146,991	80,000	64,325	1.02
124,871	90,000	57,738	0.85
106,282	95,000	55,069	0.71
129,324	105,000	42,819	0.87
128,052	110,000	34,488	0.89
149,933	120,000	25,565	1.03

City Hall Improvement Lease (b)

Vehicle License Fees	Property Tax In Lieu of VLF	Debt Service		Coverage
		Principal	Interest	
		952,051	0	
120,328	988,907	60,000	106,605	6.66
174,072	1,138,723	60,000	105,015	7.96
116,605	1,256,457	60,000	103,215	8.41
83,753	1,396,408	60,000	101,265	9.18
63,206	1,488,666	65,000	99,043	9.46
54,597	1,523,051	65,000	96,573	9.76
85,151	1,461,838	65,000	94,005	9.73
9,022	1,407,887	70,000	91,235	8.79
		40,216	40,747	
		83,367	53,215	
		87,777	50,273	
		88,707	47,943	

Schedule 15
City of Susanville
Principal Employers
Current Year and Nine Years Ago

Employer (b)	2016			Employer (c)	2007		
	Employees	Rank	Percentage of Total City Employment (a)		Employees	Rank	Percentage of Total City Employment (a)
High Desert State Prison	1212	1	26.29%	Wal-Mart	224	1	5.33%
California Correctional Center	1050	2	22.78%	Banner Lassen Medical Center	202	2	4.81%
Lassen County	431	3	9.35%	Lassen Community College	155	3	3.69%
Lassen Community College	276	4	5.99%	Diamond Mountain Casino	150	4	3.57%
Banner Lassen Medical Center	205	5	4.45%	Susanville School District	142	5	3.38%
Wal-Mart	171	6	3.71%	Lassen Union High School	124	6	2.95%
Diamond Mountain Casino	160	7	3.47%	Northeastern Rural Heal	120	7	2.86%
Susanville Indian Rancheria	133	8	2.89%	Countryvilla Riverview Rehab	115	8	2.74%
Northeastern Rural Health	115	9	2.49%	Safeway	100	9	2.38%
Susanville School District	103	10	2.23%	City of Susanville	68	10	1.62%
Lassen Union High School	82	11	1.78%		1400		33.33%
City of Susanville	82	12	1.78%				
Safeway	80	13	1.74%				
Countryvilla Riverview Rehab	67	14	1.45%				
Susanville Supermarket	58	15	1.26%				
	4225		91.65%				

Source:
Employment Development Department, Lassen County Chamber of Commerce

Notes:
(a) Total Labor Force for the City is 4460 (2016) and 4500 (2007)
(b) Employers listed are within the city limits or have been annexed.
(c) High Desert State Prison and California Correction Center were not added to principal employers until 2008

Fiscal Year							
2009	2010	2011	2012	2013	2014	2015	2016
2.5	2.5	1.25	1.75	3.5	3.5	3.5	3.5
1.5	1.5	1	1	1.5	1.5	1.5	1.5
6	5	5	4.5	4	5	5	5
20	19	18	18	17	19	20	20
11	11	9	9	9	9	9	9
3	3	3.75	3.75	3	3	3	3
2	2	1	1	1	1	1	1
18	18	18	18	20	20	21	21
64	62	57	57	59	62	64	64

Fiscal Year									
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
352	281	332	262	260	342	264	317	336	174
1921	1152	1145	716	574	884	915	843	788	429
400	565	483	532	609	712	663	487	496	546
401	338	256	248	159	122	114	74	111	124
832	1180	790	834	564	432	469	182	374	361
1383	1390	1467	1552	1586	770	784	853	1137	1193
89	94	67	81	51	46	47	49	49	69
224	n/a	201	252	200	44	47	122	124	105
0	2.3	0	1	1.2	1.21	2.2	2.1	0	0.79
165	172	168	159	280	187	147	205	348	197
4	4	4	4	4	4	4	4	4	4
68	-12	22	0	0	0	0	2	2	4
2116	2123	3173	1931	1833	1949	2121	2708	1849	1547
4809	5308	5500	5500	3484	4258	3637	5230	5041	3859
109	73	84	71	63	90	134	174	78	52
499	539	472	553	579	548	565	*	505	561
1044	1099	980	887	913	1116	1403	1795	1595	1795

Fiscal Year

2008	2009	2010	2011	2012	2013	2014	2015	2016
1	1	1	1	1	1	1	1	1
8	13	14	14	13	13	13	14	14
1	1	1	1	1	1	1	1	1
6	6	7	7	7	7	7	6	6
54	54	54	54	54	54	54	54	54
0	0	0	0	0	0	0	0	0
532	532	532	532	532	532	534	534	534
0	0	0	0	0	0	0	0	0
147	147	147	147	147	147	147	147	147
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1
0	0	0	0	0	0	0	0	0
65	65	65	65	65	65	65	65	65
403	410	414	416	422	429	432	434	434
4000	4000	4000	4000	4000	4000	4000	4000	4000
3788	3797	3807	3800	3803	3803	3805	3807	3811
59	59	60	61	61	61	61	61	61
2462	2546	2630	2694	2785	2901	3075	3153	3180

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
514.31	478.38	519.60	548.43	487.15	485.07	485.07
190.50	190.24	191.80	225.28	202.28	197.26	197.26
704.8	668.6	711.4	773.7	689.43	682.34	682.34
\$2,315,996	\$2,271,480	\$2,358,189	\$2,333,534	\$2,280,209	\$2,185,204	\$2,187,569
0.0033	0.0034	0.0033	0.0030	0.0033	0.0032	0.0032

Schedule 21
City of Susanville
Water Department
Top Ten Water Customers
Current Year and Nine Years Ago

Water Customer	2016			2007	
	Water Charges (a)	Percent of Total Water Revenues		Water Charges (a)	Percent of Total Water Revenues
Lassen County	\$62,317	2.85%	Lassen County	\$57,854	2.80%
City of Susanville	\$51,188	2.34%	Susanville Indian Rancheria/Casino	\$28,030	1.36%
Lassen Union High School District	\$30,434	1.39%	Lassen County Fairgrounds	\$24,533	1.19%
Hidden Acres Mobile Home Park	\$21,399	0.98%	Lassen High School	\$24,373	1.18%
Susanville Indian Rancheria/Casino	\$20,359	0.93%	Meadowview Elementary School	\$13,842	0.67%
Diamond View School	\$19,699	0.90%	Meadowbrook Apartments	\$10,899	0.53%
Citrus Manor Apartments	\$11,164	0.51%	Millview Apartments	\$9,869	0.48%
Mountain View Mobile Home Park	\$10,679	0.49%	Hidden Acres	\$9,719	0.47%
Meadowview Elementary School	\$10,582	0.48%	Diamond View School	\$9,657	0.47%
Lassen Manor I	\$9,558	0.44%	Wal-mart	\$9,551	0.46%
	\$247,379	11.31%		\$198,329	9.61%

Source:
City of Susanville Finance Department

Notes:
(a) Total Water Revenue equals charges for services as found in schedule 2.

Fiscal Year							
2009	2010	2011	2012	2013	2014	2015	2016
837,390	937,912	969,365	970,855	989,815	1,018,373	937,529	1,002,170
926,457	1,092,072	1,145,538	1,059,126	1,072,065	1,133,858	992,290	1,059,923
1,763,847	2,029,984	2,114,903	2,029,981	2,061,880	2,152,231	1,929,819	2,062,093
\$4,271,575	\$4,723,849	\$4,667,746	\$4,431,883	\$4,499,459	\$4,580,771	\$3,942,591	\$4,181,963
\$2.42	\$2.33	\$2.21	\$2.18	\$2.18	\$2.13	\$2.04	\$2.03

Schedule 24
 City of Susanville
 Gas Department
 Top Ten Gas Customers
 Current Year and Nine Years Ago

Gas Customer	2016		2007	
	Gas Charges (a)	Percent of Total Gas Revenues	Gas Charges (a)	Percent of Total Gas Revenues
Banner Lassen Hospital	\$216,293	5.17%	Banner Lassen Hospital	347,058 8.02%
Lassen County	\$178,671	4.27%	Lassen Community College	193,881 4.48%
Lassen Community College	\$120,410	2.88%	Susanville Indian Rancheria/Casino	103,799 2.40%
Susanville Indian Rancheria/Casino	\$58,975	1.41%	Susanville Garden Apartments	87,639 2.03%
Northeastern Rural Health	\$45,682	1.09%	Diamond View School	61,825 1.43%
Susanville Garden Apartments	\$41,526	0.99%	Safeway	59,421 1.37%
McKinley Elementary School	\$41,462	0.99%	California Dept of Forestry	47,185 1.09%
Safeway	\$40,462	0.97%	McKinley Elementary School	46,409 1.07%
Lassen Union High School District	\$35,331	0.84%	Northeaster Rural Health	42,372 0.98%
Meadowview Elementary School	\$32,154	0.77%	Meadowview Elementary School	40,311 0.93%
	\$810,965	19.39%		1,029,900 23.81%

Source:
 City of Susanville Finance Department

Notes:
 (a) Total Gas Revenue equals charges for services as found in schedule 2.

Reviewed by: City Administrator
 City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Craig Sanders, City Planner

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: Ordinance No. 16-1007 Adoption of 2016 California Building Codes

PRESENTED BY: Craig Sanders, City Planner

SUMMARY: Every three years the State of California updates the State Building Codes and requires their use by all local jurisdictions issuing building permits. The 2016 Building Codes become effective on January 1, 2017 and will become effective by the City on that date. The ordinance before the Council will adopt the 2016 California Building Code by reference and amend Title 15 of the Susanville Municipal Code. In addition, there are several appendices that are adopted to assist with implementation of the Code. These appendixes are not mandated by the State but are provided for use if the local jurisdiction specifically adopts them. Some of these appendixes will be of a benefit to one community while not to another. The Building Official and the Fire Chief have reviewed all of the attached appendixes and has determined the following appendixes are relevant to our community and would benefit the Building Division and the Fire Department in implementation of the Codes.

One change from the previous code adoption is the addition of Chapter 15.02 which covers the authority of the Building Official and administration of building codes. These provisions are absent in the current code. Additionally, the proposed changes eliminate appendix B of the California Building Code. Appendix B required the appointment of an independent Board of Appeals to hear any disputes over the Building Official's application of the building codes. Staff is not aware of any disputes that have not been resolved internally. Thus, the need for a sitting independent body does not appear to be necessary. It is recommended that code sections be added identifying the City Administrator to serve the function of the appeals board with a further appeal to the City Council. Sections 15.02.060 to 090 of the attached ordinance outline the appeals process

California Building Code Appendixes:

Appendix C – Group U – Agricultural Buildings

Appendix C deals specifically with agricultural buildings. While the City of Susanville currently may not have many agricultural structures it is beneficial to have the appropriate codes in place for future and existing structures. Therefore, while current use is limited, this appendix could become necessary for construction and repairs to agricultural buildings.

Appendix G – Flood Resistant Construction

Appendix G is a supplemental Flood Resistant Construction code to the City's Flood Plain Ordinance. It contains provisions for fences, above ground utility tanks, temporary structures and utility buildings when they are located in a flood zone.

Appendix H - Signs

This appendix contains the construction standards for signs.

Appendix I – Patio Covers

Patio Covers are outdoor living areas used for recreation.

Appendix J – Grading

The provisions of this chapter apply to grading, excavation and earthwork construction, including fills and embankments.

California Residential Code Appendixes;

Appendix H – Patio Covers

This appendix is for patio covers attached to one- and two-family dwellings.

Appendix V – Swimming Pool Safety Act

This appendix covers the safety requirements for the installation of a pool.

California Electrical Code Annex

Annex C- Conduit & Tube Fill

This annex provides conduit material and sizing for various applications and wire configurations.

California Mechanical Code

Appendix B – Procedures to Place Gas Equipment in Operation

This Appendix provides procedures for adjusting natural gas burning equipment.

Appendix C – Installation and Testing of Oil Fuel Fired Equipment

This Appendix governs the installation, testing or repair of liquid fuel burning systems or equipment.

California Plumbing Code appendixes

Appendix A – Recommended Rules for Sizing Water Supply Systems

Provides methodology for determining the correct sizing of water pipe sizes.

Appendix C – Combination Waste and Vent Systems

This appendix provides explanatory notes for combined waste and vent systems. This will assist both inspectors and plumbers in the design and installation of these special plumbing systems.

Appendix I—Installation Standards for PEX Tubing Systems

This appendix provides the installation requirements for cross-linked polyethylene (PEX) tubing for hot and cold water distribution systems.

California Fire Code Appendixes

Appendix Chapter 4

The provisions of this chapter provide special requirements based on use and occupancy such as 24-hour care facilities in residential occupancies, daycare facilities etc.

Appendix B – Fire-Flow Requirements for Buildings

This appendix contains procedures for determining fire flow requirements for buildings.

Appendix BB – Fire-Flow Requirements for Buildings

This appendix provides fire-flow requirements for schools.

Appendix C – Fire Hydrant Locations and Distribution

This appendix specifies the location and spacing of fire hydrants.

Appendix CC – Fire Hydrant Locations and Distribution

This appendix provides fire hydrant locations and distribution requirements for schools.

Appendix D – Fire Apparatus Access Roads

Fire apparatus access roads shall be in accordance with the standards set forth in this appendix.

Appendix E – Hazard Categories

This appendix provides information, explanations and examples to illustrate and clarify the hazard categories contained in the code.

Appendix F – Hazard Ranking

Assignment of levels to be applied to specific hazard classes as required by NFPA 704.

Appendix G – Cryogenic Fluids

This appendix is a conversion table used to calculate the volume when cryogenic fluids are changed from liquid into gas.

Appendix H - Hazardous Materials Management Plans

This appendix provides the standards for hazardous material plans and hazardous material inventory statements that are required by the Fire Chief pursuant to Chapter 27.

Appendix I – Fire Protection Systems-Noncompliant Conditions

This appendix is intended to identify conditions that can occur when fire protection systems are not properly maintained or have been damaged.

Appendix J- Building Information Signs

This appendix specifies the location, placement and lettering size for building information signs which give information on construction type, fire protection system, occupancy type and hazard content.

Appendix K – Construction Requirements for Existing Ambulatory Care Facilities

This appendix provides a minimum degree of fire and life safety to persons occupying an existing building containing ambulatory facilities where such building don't comply with the minimum requirements of the building code.

Appendix N – Temporary Haunted Houses, Ghost Walks and Similar Amusement Uses

This appendix applies to temporary uses such as haunted houses and ghost walks where decorative materials and confusing sounds and/or visual effects are present.

Adoption of the Building Code requires that the City Council meet public noticing requirements by scheduling a properly noticed public hearing for the second reading and adoption of the Ordinance pursuant to Government Code Section 6066. Staff recommends that a public hearing be scheduled for January 4, 2017 to meet this requirement.

CEQA: The adoption of the building codes is not subject to review under the California Environmental Quality Act.

FISCAL IMPACT: None.

ACTION REQUESTED: Motion to waive the first reading and introduce Ordinance 16-1007 and set a meeting date for the second reading and adoption.

ATTACHMENTS: Ordinance No. 16-1007

6066. Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.

ORDINANCE NO. 16-1007

AN ORDINANCE ADDING CHAPTER 02 OF TITLE 15, BUILDING AND CONSTRUCTION, OF THE SUSANVILLE MUNICIPAL CODE INCLUDING SECTIONS 15.02.010 THROUGH 15.02.090 AND AMENDING CERTAIN SECTIONS OF CHAPTER 04 OF TITLE 15 BUILDING AND CONSTRUCTION, OF THE SUSANVILLE MUNICIPAL CODE TO REFLECT THE ADOPTION OF THE CALIFORNIA BUILDING STANDARDS CODE, 2016 EDITION INCLUDING CALIFORNIA BUILDING STANDARDS CODE, 2016 EDITION, INCLUDING APPENDIX C, G, H, I, AND J OF THE CALIFORNIA BUILDING CODE 2016 EDITION, APPENDIX H AND V OF THE CALIFORNIA RESIDENTIAL BUILDING CODE 2016 EDITION, ADOPTION OF ANNEX C OF THE CALIFORNIA ELECTRICAL CODE 2016 EDITION, ADOPTION OF APPENDIX B AND C OF THE CALIFORNIA MECHANICAL CODE 2016 EDITION, ADOPTION OF APPENDIX A, C AND I OF THE CALIFORNIA PLUMBING CODE, 2016 EDITION, ADOPTION OF APPENDIX B, BB, C, CC, D, E, F, G, H, I, J, K, N AND APPENDIX CHAPTER 4 OF THE CALIFORNIA FIRE CODE, 2016 EDITION

WHEREAS, the City of Susanville is required by law to enforce the provisions of the California Building Standards Code, 2016 Edition of the California Code of Regulations (CCR), Title 24, adopted by the California Building Standards Commission, on or around July 1, 2016, which is effective on January 1, 2017; and

WHEREAS, Along with the actual code body, each code has appendixes or annexes attached to it. These appendixes are not mandated by the State for adoption but can be utilized if the local jurisdiction specifically adopts them as they are geared towards specific geographic and climatic regions applicable to one community but not another. Some of these appendixes will be of a benefit to one community while not to another. The City Building Official and the City Fire Chief have reviewed all of the attached appendixes and has determined which referenced appendixes would be appropriate for the Susanville region/community and would be a valuable resource to the Building Division and the Fire Department to protect the public health and safety; and

WHEREAS, the City of Susanville proposes adopting by reference Appendix C, G, H, I, and J of the California Building Code 2016 edition, Adoption of Appendix H and V of the California Residential Building Code 2016 edition, Adoption of Annex C of the California Electrical Code, 2016 edition, Adoption of Appendix B and C of the California Mechanical Code 2016 edition, Adoption of Appendix A, C, and I of the California Plumbing Code 2016 edition, Adoption of Appendix B, BB, C, CC, D, E, F, G, H, I, J, K, N and Appendix Chapter 4 of the California Fire Code, 2016 edition; and

WHEREAS, This ordinance is enacted pursuant to Government Code §50022.2 and Health and Safety Code §18941.5, and regulates all new construction, alternations, repairs, relocations, reconstruction or demolition of any building or any portion thereof including any electrical, mechanical, gas, plumbing or fire protection equipment installed on any property or used on or within any building within the City of Susanville;

THE CITY COUNCIL OF THE CITY OF SUSANVILLE DOES ORDAIN AS FOLLOWS:

Section 1, City of Susanville Municipal Code: Title 15 Building and Construction, Chapter 02, Sections 15.02.010, 15.02.020, 15.02.030, 15.02.040, 15.02.050, 15.02.060, 15.04.070, 15.04.080 and 15.90.070 shall hereby be adopted as follows:

Chapter 15.02 Building Regulations- General Provisions

15.02.010 Purpose.

The purpose of the building regulations adopted by this title is to safeguard life, health, and safety by regulating the following:

- A. The design, construction, type of materials, use, occupancy, and maintenance of all buildings and structures within the city;
- B. The design, location, construction, installation, type of materials, use, operation, and maintenance of all building service equipment within the city, including all electrical equipment, mechanical equipment, and plumbing equipment; and
- C. The design, location, construction, installation, type of materials, and maintenance of all signs within the city.

15.02.020 Administration of building regulations.

The building official shall be primarily responsible for administration of the building regulations adopted by this title, subject to the overall direction and control of the director. In carrying out such responsibility the duties of the building official shall include but not be limited to the application of the building standards adopted by Chapter 15.04 of this title, issuance of the building permits, issuance of the certificates of occupancy and connection approvals, conduct of the

inspections, test and surveys, and undertaking the enforcement actions for violations of this Article. The fire chief shall assist the building official in administering the building regulations adopted by this title when specially required by such regulations.

15.02.030 Maintenance of copies of current building standards.

The building official shall make available in the offices of the building division, for review by the general public, at least one copy of all uniform codes or state building standards adopted by Chapter 15.04 of this title, as well as any other state regulations relating to buildings or structures, building service equipment or signs published in Titles 8, 19, 20, 24, and 25 of the California Code of Regulations.

15.02.040 Maintenance of building records.

A. The building official shall maintain an official copy, which may be on microfilm or electronically scanned image or another type of reproducible copy, of the approved plans and specifications for every building or structure for which a permit has been issued throughout the life of such building or structure; except that the building official need not maintain copies of approved plans and specifications for the following buildings or structures:

1. Single or multiple family dwellings not more than two stories and a basement in height;
2. Garages and other structures appurtenant to single or multiple family dwellings;
3. Farm or ranch buildings; and
4. Any one story building, other than steel frame or concrete buildings where the span between framed walls does not exceed 25 feet.

B. The official copy of all approved plans and specifications maintained by the building official pursuant to the provisions of this section, other than plans and specifications for banks, other financial institutions, or public utilities, shall be public records and open for inspection at the office of the building official. Provided that official copies of approved plans and specifications may not be duplicated, in whole or in part, except with the written permission of the certified, licensed, or registered professional or a successor, if any, who signed the original plans and specifications and a written permission of the owner of such building, or by order of a proper court.

15.02.050 Manner of serving notices.

Any notice required to be served on a person pursuant to the provisions of building regulations adopted by this title shall be deemed served when made in writing and either personally delivered

to such person or deposited in the U.S. mail, registered and postage prepaid, addressed to such person's last known address. However, when a notice is required to be served on the owner of any premises on which a building or structure, building service equipment or sign is located, such notice may be served by depositing a copy of same in the U.S. mail, registered and postage prepaid, addressed to the owner of the premises at the owner's address as it appears on the last equalized assessment roll of the County of Lassen. Service of a notice by mail in the manner provided by this section shall be effective on the date of mailing and the failure of any person to receive such notice shall not affect the validity of the notice.

15.02.060 Administrative review of determination or action of building official by City Administrator.

A. Right to Administrative Review. Any person aggrieved by a determination made or action taken by the building official under the building regulations adopted by this chapter, may apply to the City Administrator for administrative review of such determination or action.

B. Applications for Administrative Review.

Applications for the administrative review of a determination made or action taken by a building official shall be in writing and shall be filed in the office of the City Administrator no later than 15 days following the date such determination or action was made or taken, or where a written notice of such determination or action is required to be served, the date such notice is served, provided that the City Administrator may extend the time for filing an application for good cause shown. In addition to setting forth a request for administrative review of a determination made or action taken by the building official, such application shall contain a brief statement of the reasons why the applicant believes that such determination or action does not comply with the building regulations adopted by this title and the relief requested by the applicant from such determination or action.

C. Decision on Application for Administrative Review.

Upon the filing of an application for administrative review of a determination made or action taken by the building official, the City Administrator shall consider the application and render a decision either affirming the determination or action of the building official or reversing or modifying such determination or action. Prior to rendering a decision, the City Administrator may, with sole discretion, convene an informal hearing for the purpose of reviewing evidence or hearing arguments bearing on such decision, provided notice of the date, time, and place of such hearing

is served a reasonable time prior to such hearing on the applicant and any other person who would be aggrieved by a decision reversing or modifying the determination or action of the building official and who has filed with the City Administrator a written request for notice of such decision. After rendering a decision the City Administrator shall promptly inform the building official of the decision and cause a notice of the decision to be served on the applicant and any other person who would be aggrieved by a decision reversing or modifying the determination or action of the building official and who has filed with the director a written request for notice of such decision.

D. Stay of Determination Made or Action Taken by Building Official Pending Administrative Review.

Any determination made or action taken by the building official, save and except for an order revoking a permit, an order to stop work on a building or structure, building service equipment or sign, an order to vacate a building or structure, or an order to disconnect building service equipment which is made by the building official, shall be stayed pending a decision of the City Administrator on an application for administrative review of such determination or action.

16.02.070 Appeal from decision of City Administrator.

A. Right to Appeal. Any person aggrieved by a decision of the City Administrator following the filing of an application for the administrative review of a determination made or action taken by the building official, may appeal such decision to the city council by filing a written request within fifteen (15) days of the notice of decision of the City Administrator and accompanied by a fee as may be set by the City Council.

B. Stay of Decision of City Administrator Pending Appeal.

Any decision of the City Administrator on an application for administrative review of a determination made or action taken by the building official, save and except for a decision affirming or modifying an order revoking a permit, an order to vacate a building or structure, building service equipment or sign, or an order to disconnect building service equipment which was made by the building official pursuant to this title, shall be stayed pending a decision of the city council on such appeal.

15.02.080 Administrative review and appeals - Aggrieved person.

A person shall be deemed "aggrieved" for purposes of the administrative review of a determination made or action taken by the building official and for purposes of the appeal of a decision of the City Administrator following the filing of such application for administrative review, if such determination, action or decision has a significantly greater effect on such person than on the public in general.

15.02.090 Building regulations preempted by state or federal law.

The building regulations adopted by this title shall not apply to nor govern any building or structure, building service equipment, or sign where the local regulation of such building or structure, building service equipment, or sign is preempted by any federal or state law. Provided, however, that the purpose of this section is merely to confirm existing law and is not intended to grant an exemption or exclusion from compliance with the city's building regulations in any instances where the city may exercise jurisdiction under the laws of the federal and state government as well as this code.

Section 2, City of Susanville Municipal Code: Title 15 Building and Construction, Chapter 04 Sections 15.04.010, 15.04.020, 15.04.030, 15.04.040, 15.04.050, 15.04.060 A and C, and 15.04.070 shall hereby amended to read as follows:

Chapter 15.04 Building Standards Code

Section 15.04.010 California Building Standards Code - Adopted by reference

The California Building Standards Code, 2016 edition, adopted by the California Building Standards Commission, including the amendments, appendixes, annexes, attachments and modifications included in Title 15 Building and Construction of the City of Susanville Municipal Code is adopted as the building code of the City and one certified copy thereof shall be kept in the office of the Building Official.

Section 15.04.020 California Building Code Appendixes - Adopted by reference

Appendix C, G, H, I and J of the California Building Code, 2016 edition, are adopted as part of the building code of the City.

Section 15.04.030, California Residential Building Code appendixes - Adoption by reference,

Appendix H of the California Residential Building Code, 2016 edition, is adopted as part of the building code of the City.

Section 15.04.040 California Electrical Code - Adopted by reference.

Annex C of the California Electrical Code, 2013 Edition, is adopted as part of the building code of the City.

Section 15.04.050 California Mechanical Code Appendices - Adopted by reference.

Appendix B and C of the California Mechanical Code, 2016 edition, are adopted as part of the building code of the City.

Section 15.04.060 California Plumbing Code Appendices- Adopted by reference.

A. Appendix A, C, and I of the California Plumbing Code, 2016 edition, are adopted as part of the building code of the City.

B. A pressure expansion tank with a minimum acceptance capacity of one gallon shall be installed in every new potable water system connected to the city's water system. Additionally, when a water heater is replaced and there is not an expansion tank present one shall be installed.

C. A pressure regulator in compliance with California Plumbing Code, 2016 edition, Section 608.2 and with a maximum supply pressure setting of 80psi shall be installed in each water system where the City determines that there may be the potential for excess water pressure.

D. All proposed gray water systems shall require planning division use permit approval prior to issuance of a plumbing permit.

Section 15.04.070 California Fire Code Appendices - Adopted by reference

Appendix B, BB, C, CC, D, E, F, G, H, I, J, K, N and Appendix Chapter 4 of the California Fire Code, 2016 edition are adopted as part of the fire code of the City.

Section 3. The City Clerk shall, within fifteen days after its passage, cause this Ordinance to be published at least once in the Lassen County Times, an adjudicated newspaper of general circulation, published and circulated within the City.

Section 4. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance, it being expressly declared that this Ordinance and each section, subsection, clause and phrase hereof would have been prepared, proposed, adopted, approved and ratified irrespective of the fact that any one or more other sections, subsections, sentences, clause or phrases be declared invalid or unconstitutional.

Section 4. This Ordinance shall take effect upon the thirty-first day after its final passage.

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Ordinance No. 16-1007 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 4th day of January, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Gwenna MacDonald/City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

Reviewed by: City Administrator
 City Attorney

- Motion Only
- Public Hearing
- Resolution
- X Ordinance
- Information

Submitted By: Jim Uptegrove, Interim Police Chief

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: Ordinance No. 16-1006 amending Section 6.08.070 of the Susanville Municipal Code increasing fees for impounds of canines and daily care.

PRESENTED BY: Jared G. Hancock, City Administrator

SUMMARY: At its November 19, 2016 Council meeting, the City Council considered and introduced Ordinance No. 16-1006 to amend Susanville Municipal Code section 6.08.070 increasing fees and daily care for impounded and quarantined canines at the Lassen County Animal Shelter.

Currently the canine impound fee is \$20.00 per impound, plus \$5.00 per day for each day or fraction thereof such dog is kept. In the event the same dog is impounded a second time, during the twelve month period immediately following the first impound, the impound fee is increased to \$40.00 for the second impound and \$60.00 for the third and each subsequent impound that occurs within a 12 month period.

The amended fees are increased to: \$50.00 for the first impound, plus \$12.00 per day for each day or fraction thereof such canine is kept. In the event the same canine is impounded by the City a second time, the impound fee is increased to \$100.00 for the second impound and \$200.00 for the third and each subsequent impound. If the canine is not impounded for a period of 12 months from the most recent impoundment, then the impound fee for the canine will return to \$50 as if it were the first impound.

Animals, canine or feline, that are subject to quarantine for bites, due to the absence of a current rabies vaccination or that do not meet the conditions of a home quarantine, will be assessed a \$50.00 to \$200.00 impound fee based on the number of violations and impound schedule plus a \$20.00 per day maintenance fee, for each day or fraction thereof such animal is kept.

FISCAL IMPACT: Increase in revenue based on frequency type and duration of impound to offset City animal shelter fees.

ACTION REQUESTED: Motion to waive the second reading and adopt Ordinance No. 16-1006 by title only amending Susanville Municipal Code section 6.08.070

ATTACHMENTS: Ordinance No. 16-1006

ORDINANCE NO. 16-1006
AN ORDINANCE AMENDING SECTION 6.08.070 OF THE SUSANVILLE MUNICIPAL
CODE, INCREASING IMPOUND FEES AND CANINE SURRENDER FEES

The City Council of the City of Susanville does ordain as follows:

Section 6.08.070 of the Susanville Municipal Code is hereby amended to provide as follows:

"Sec. 6.08.070. Notice to owner and redemption.

"Not later than twenty-four hours after the impounding of any canine, the registered owner shall be notified by the united states mail, or if said owner of the dog is unknown, written notice shall be posted not later than twenty-four hours after impounding, for three days at 66 North Lassen Street (City Hall) and at 1801 Main Street (Police Department), describing the canine and the place and time of taking. The owner of any canine so impounded or an adoptive-owner, may claim (redeem) such canine upon payment of the license fee, if unpaid, and penalty if owing, and of all costs and expenses incurred by the city for impounding and maintenance of said canine.

The following charges shall be paid:

A service charge for the first impoundment in the sum of Fifty Dollars (\$50.00), plus Twelve Dollars (\$12.00) per day for each day or fraction thereof such canine is kept, beginning with the day of impoundment;

In the event that the subject canine is impounded by the city a second time, the service charge shall be increased to One Hundred Dollars (\$100.00) plus Twelve Dollars (\$12.00) per day for each day or fraction thereof such canine is kept, beginning with the day of impoundment and Two Hundred Dollars (\$200.00) plus Twelve Dollars (\$12.00) per day for each day or fraction thereof such canine is kept, beginning with the day of impoundment for the third and each subsequent impoundment. If the canine is not picked up or impounded for a period of twelve (12) months from the most recent violation or impoundment, the impound fee will return to Fifty Dollars \$50.00 as if it were the first impoundment, and increase accordingly to One Hundred Dollars (\$100.00) for the second impoundment, and Two Hundred Dollars (\$200.00) for the third and each subsequent impoundment.

Any animals, canine or feline, that are subject to quarantine for bites and do not have a current rabies vaccination, or that do not meet the conditions of home quarantine, will be assessed a Fifty (\$50.00) to Two Hundred Dollar (\$200.00) impound fee based on the number of violations and the impound schedule plus Twenty Dollars (\$20.00) per day for each day or fraction thereof, such dog is kept in quarantine or impounded. No animal may be redeemed by any owner unless such owner shall produce a certificate from a licensed veterinarian that such animal has been vaccinated with anti-rabies vaccine within the preceding twenty-four month period; provided, that any such owner shall have the right, consistent with the other provisions of this article, prior to such redemption, and at his or her own cost and expense to have a licensed veterinarian vaccinate such impounded animal."

Section 2. The City Clerk shall, within fifteen (15) days after its passage, cause this ordinance to be published at least once in the Lassen County Times, a newspaper of general circulation, printed, published and circulated within the City.

Section 3. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance, it being expressly declared that this ordinance and each section, subsection, clause and phrase hereof would have been prepared, proposed, adopted, approved and ratified irrespective of the fact that any one or more other sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

Section 4. This Ordinance shall take effect upon the Thirty-first Day after its final passage.

APPROVED:

Kathie Garnier, Mayor

ATTEST:

Gwenna MacDonald, City Clerk

The foregoing ordinance was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of December, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

Reviewed by: JH City Administrator
 _____ City Attorney

_____ Motion Only
 _____ Public Hearing
X Resolution
 _____ Ordinance
 _____ Information

Submitted By: Heidi Whitlock, Assistant to the City Administrator

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 16-5341** Approving and authorizing Mayor to execute MOU with the Miscellaneous bargaining unit.

PRESENTED BY: Jared G. Hancock, City Administrator

SUMMARY: An agreement has been reached with the Miscellaneous bargaining unit for the period of July 1, 2016 through June 30, 2018. The changes from the existing agreement include the update of Exhibit A Positions and the following:

Section 7 Salaries:

B For the period of July 1, 2016 through June 30, 2017 salaries shall be increased by 8% as shown in Exhibit B and shall be increased by an additional 1% on July 1, 2017 as shown on Exhibit C of the City of Susanville Global Range and Step Matrix.

Section 10 Retirement:

- A. For Legacy Employees as defined by the California Public Employee's Pension Reform Act (PEPRA) of 2013, the CITY shall pay the employer's share and the employee shall pay the employees' share (currently 8%) of the existing retirement program of 3% at 60, single highest year, with California Public Employees Retirement System for Legacy employees.
- B. New Employees as defined by the Calipers, hired after January 1, 2013 will be subject to the mandatory provisions of AB340/PEPRA.

Section 13 Uniform Allowance:

A. ...New hires shall receive a uniform allowance of \$700 for the first year only. Such uniform allowance shall be paid *at time of hiring*.

FISCAL IMPACT: Increase in current annual salary and benefits:
 Year 1 - \$33,535; Year 2 - \$7,170

ACTION

REQUESTED:

Motion to approve Resolution No. 16-5341 Approving and authorizing Mayor to execute MOU with the Miscellaneous bargaining unit.

ATTACHMENTS:

Resolution No. 16-5341
Miscellaneous Unit Memorandum of Understanding

RESOLUTION NO. 16-5341
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
APPROVING AND AUTHORIZING MAYOR TO EXECUTE MEMORANDUM OF
UNDERSTANDING WITH THE MISCELLANEOUS BARGAINING UNIT FOR FISCAL
YEAR 2016/2017 AND 2017/2018

WHEREAS, the City of Susanville and representatives from the Miscellaneous bargaining unit have negotiated a labor agreement according to the requirements of the Meyers-Milias-Brown Act; and

WHEREAS, the Bargaining Unit has ratified the respective agreement; and

WHEREAS, the agreement has been negotiated within the parameters established by City Council.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Susanville that the Memorandum of Understanding with the Miscellaneous bargaining unit for the period of July 1, 2016 through June 30, 2018 is hereby approved.

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 16-5341 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of December, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR THE
CITY OF SUSANVILLE
AND
THE OPERATING ENGINEERS LOCAL UNION NO. 3
MISCELLANEOUS EMPLOYEES

July 1, 2016 through and including June 30, 2018

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE(S)</u>
1	Introduction	1
2	Employee Rights	1
3	CITY Rights	1-2
4	Non-Discrimination	2
5	Unit Recognition	2
6	Unit Description	2
7	Salary Scale, Merit Step, Career Development and Pay	2-3
8	IRS Section 125 Plan, Deferred Compensation	3
9	Continuing Education	3
10	Retirement	3
11	Work Schedule	4
12	Holidays	4
13	Uniform Allowance	4
14	Overtime	4-5
15	Health, Dental and Vision Insurance	5-6
16	Group Life Insurance	6
17	Employee Sick Leave	6
18	Military Leave	6
19	Jury Duty	6
20	Vacation Leave	7
21	Family Illness Leave	7
22	Bereavement Leave	7
23	Layoff Policy	7-8
24	Past Practices	8
25	Grievance/Discipline Procedures	9
26	Sole Agreement	9
27	Savings Clause	9
28	Term of Memorandum of Understanding	9
29	Authorized Signatures	10
	Exhibit A, Unit Positions	11
	Exhibit B, Salary Matrix 2016-2017	12
	Exhibit C, Salary Matrix 2017-2018	13

1 **INTRODUCTION**

The representatives of the City of Susanville, hereinafter called the CITY, and the representatives of the Miscellaneous Employees Unit, hereinafter called the UNIT, having met and conferred in good faith, have mutually agreed to the following Memorandum of Understanding (MOU).

The purpose of the MOU is to promote harmonious relations between the CITY and the employees covered herein so as to promote employer-employee relations by providing a written document enumerating the entire agreement between the employer and employees pursuant to the purpose and intent of California Government Code §3500.

2 **EMPLOYEE RIGHTS**

Employees of the CITY have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations within the scope of representation. Employees of the CITY shall also have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the CITY.

3 **CITY RIGHTS**

A The CITY retains the right, subject to and in accordance with applicable laws and the provisions of the MOU, to:

- 1 Direct employees in the performance of their duties;
- 2 Hire, promote, transfer, assign and discipline employees;
- 3 Dismiss employees because of lack of work, or in accordance with personnel rules and regulations;
- 4 Determine the mission of its division and departments, and its budget, organization, number of employees, and the numbers, types, classifications, descriptions and grades of positions or employees assigned to an organizational unit, work project shift or tour of duty, and the methods and technology of performing its work; and
- 5 Take whatever action may be appropriate to carry out its mission in situations of emergency.

B In addition, the CITY specifically retains all the rights, subject to the provisions of this MOU, to take whatever actions and set whatever policies it deems necessary, with appropriate notification to UNIT employees.

C This section will not operate to deny any employee rights guaranteed by applicable law, including the Meyers-Milias-Brown Act.

4 NON-DISCRIMINATION

The CITY and UNIT agree not to discriminate against any employees in accordance with applicable laws. Also, it is recognized that whenever the masculine gender is referred to in this MOU, it shall include the female gender and *vice versa*.

5 UNIT RECOGNITION

A Acknowledgment: The CITY agrees to acknowledge the Operating Engineers Local Union No. 3 as the only recognized employee organization representing the non-management employees itemized in Exhibit A of this MOU.

B Payroll Deduction/Dues: For those UNIT full-time, regular employees itemized in Exhibit A, the CITY will deduct from their wages the regular monthly dues. Such dues shall be deducted and transmitted to the Union upon voluntary, revocable, written authorization of the UNIT employees in a manner complying with legal requirements. Written authorization forms will be provided by the CITY unless submitted by the Union. The Union agrees to hold harmless and indemnify the CITY for any liability the CITY should incur from any mistakes, negligence or intentional wrong sustained as a result of this service; provided, however, that the proper amount as specified by the Union has been deducted and paid over.

6 UNIT DESCRIPTION

This unit shall consist of all full-time, regular or probationary employees of the CITY and departments listed in Exhibit A of this MOU.

7 SALARY SCALE, MERIT STEP, CAREER DEVELOPMENT and PAY PERIOD

A Pay Period
Pay periods will conform to 26 pay periods within a full year with pay day occurring every other Friday.

- B Salaries:
For the period from July 1, 2016 through June 30, 2017 salaries shall be increased by 8% as shown in Exhibit B shall be increased by an additional 1% on July 1, 2017 as shown on Exhibit C of the City of Susanville Global Range and Step Matrix.
- C Longevity:
When an employee has been at Step E for two years, he/she may, according to merit, be moved to Step F where Step F is five percent higher than the current range and step. If the employee remains in Step F for two additional years, he/she may, according to merit, go to Step G. Merit increases will not be automatic and will be based upon merit as evidenced by a performance evaluation. Merit increases will be limited to one per fiscal year. Longevity begins after an employee has been at Step E for two years and goes to Step F for two years, and is then eligible to move to Step G. Longevity ends at Step G.
- D SDI:
The CITY will pay the State Disability Insurance (SDI) for the employees of this UNIT.

8 IRS SECTION 125 PLAN, DEFERRED COMPENSATION

- A The CITY agrees to establish an IRS Section 125 Plan for employees' use.
- B The CITY will contribute \$25 per pay period as a contribution to an employee's Section 125 plan; or
- C The CITY will match on a dollar-for-dollar basis contributions to a deferred compensation plan with a maximum contribution of \$25 per pay period.

9 CONTINUING EDUCATION

The CITY will reimburse employees for the cost of books and tuition for job-related training that has received approval of the City Administrator prior to enrollment. Reimbursement shall be made upon successful completion of course. Required training that takes place after work hours will be paid at 1.5 times the base rate. Attendance at optional training or college classes will not qualify for overtime pay.

10 RETIREMENT

- a) For Legacy Employees as defined by the California Public Employee's Pension Reform Act (PEPRA) of 2013, the CITY shall pay the employer's share and the employee shall pay the employee's share (currently 8%) of the existing retirement program of 3% at 60, single highest year, with California Public Employees Retirement System for Legacy Employees.

- b) New Employees as defined by the CalPERS hired after January 1, 2013 will be subject to the mandatory provisions of AB340 / PEPRA.

11 WORK SCHEDULE

A Work Period:

The work period for this UNIT shall begin at midnight Saturday and end at midnight the following Friday. Employees shall be normally scheduled for two consecutive days off.

B Work Week:

A 40-hour work week shall constitute a regular work schedule for this UNIT unless the needs of the CITY require an alteration of the schedule because of emergencies, snow removal, budgetary reasons or in order to accommodate temporary schedule adjustments.

Normally the work week for Miscellaneous employees shall be Monday through Friday, 8:00 a.m. to 5:00 p.m. with a 60-minute lunch break. The needs of the CITY will be paramount when making assignments under the 40-hour work week.

The CITY may assign employees to an alternate work schedule, a 9-80, 4-10 or other work week with the concurrence of the affected employees, subject to the provisions of Section 3.

12 HOLIDAYS

A The holidays listed in the Employee Manual will be recognized as eight-hour holidays during the existence of this MOU.

B Regular employees required to work on any of the designated holidays shall be entitled to be paid overtime or receive compensatory time off for such work at a rate of 1.5 times regular salary level, in addition to receiving holiday pay

13 UNIFORM ALLOWANCE

During the term of this MOU, the CITY shall provide the Police clerk(s), Fire Department secretary/administrative assistant and Community Services Officer in this UNIT with an annual uniform allowance of \$650. New hires shall receive a uniform allowance of \$700 for the first year only. Such uniform allowance shall be paid at time of hiring.

14 **OVERTIME**

- A The City agrees that all hours worked in excess of forty (40) hours per week, or normal assigned shift hours (8 or 9) hours per day, including vacation time and sick leave time, or hours worked on a holiday designated in the employee manual, will be counted as hours worked, and shall be compensated for at a rate of 1.5 times the regular rate of pay.
- B The assignment of overtime will be at the CITY'S sole discretion and scheduled by supervisory personnel. However, the CITY shall endeavor to select among those employees who are qualified, those individuals who wish to work overtime, and when reasonably possible, to schedule such overtime work in advance. When an employee cannot work unscheduled overtime, for whatever reason, such action will not be considered insubordination and no other sanctions will be imposed on the employee.
- C The CITY shall have the right to require employees to work whenever necessary.
- D The CITY shall grant either pay for overtime, pursuant to Section 14.A of this MOU, or compensatory time off at the rate of 1.5 times the number of overtime hours worked. It shall be the employee's option to select cash or compensating time off.
- E No employee subject to the terms of this MOU shall accrue more than 240 hours of compensatory time off. Employees may elect to receive lump sum cash out for compensatory time off in June and December. Lump sum cash out may not exceed 80 hours in any one fiscal year.
- F An employee who is called in to work (non-scheduled overtime) after clocking out shall receive a minimum of two hours at 1.5 times the regular rate of pay.
- G An employee who works more than ten consecutive hours shall receive a meal allowance of \$13.50.
- H If an employee is required to work at one or more of the following City special events (Easter, Fishing Derby, Junior Rodeo, Rodeo, Quarter Horse Show, Christmas Tree Lighting or Main Street Cruise), employee shall receive two times their regular salary rate for the hours worked.

15 **HEALTH, DENTAL, VISION INSURANCE**

- A Effective July 1, 2013 the City shall pay the cost of health, dental and vision insurance premium for each unit member covered under this MOU. Each unit member shall contribute \$30 per month towards the current plan premium. City will

continue to research options for the best cost-effective coverage, at its discretion. The City reserves the right to select, change, administer and shall have the right to select any carrier or other method providing coverage to fund the benefits and may adjust the amount the City shall pay for such benefits. If the insurance provider is changed and the cost is less than \$952 per month per employee, the City shall cap the amount of its contribution to an amount not less than 100 percent of the cost of the new plan.

- B Health insurance will be made available to retirees with no minimum vesting, if allowed under the current plan. Retirees will be eligible to purchase health insurance under the above-mentioned plan with no vesting requirement if allowed by the plan. A credit of 50 percent of accumulated sick leave at time of retirement, capped at \$15,000, will be paid out per month toward 50 percent of the premium. This amount is subject to CalPERS regulations.

16 GROUP LIFE INSURANCE

- A The CITY will provide \$25,000 of group life insurance for each employee at no cost to the employee.

17 EMPLOYEE SICK LEAVE

- A Employees within this UNIT will receive 3.69 hours of sick leave or accident allowance for each full pay period of employment, up to a total of 96 hours per calendar year.
- B Benefits shall be payable commencing the first day of absence due to the employee's sickness or accident.
- C Sick leave benefits and the use thereof are outlined in the Employee Manual.
- D Under the Public Employees' Retirement System, credit for unused sick leave (Government Code '20965) shall be a benefit provided to each employee of this UNIT upon retirement and in accordance with the rules and regulations of CalPERS.

18 MILITARY LEAVE

Military leave shall be granted in accordance with the provisions of state law. All employees entitled to military leave shall give the City Administrator, and/or the City Administrator's authorized representative, an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

19 **JURY DUTY**

While serving on jury duty, employees will still be paid by the CITY on the basis of a 40-hour week, at their normal rate of pay, on condition that any compensation (in excess of mileage expenses) received from the court be turned over to the CITY.

20 **VACATION LEAVE**

Employees shall accrue vacation at the following rate:

0-1 years	3.69 hrs per pay period
1-5 years	4.62 hrs per pay period
5-10 years	5.23 hrs per pay period
10-15 years	6.15 hrs per pay period
15-20 years	7.69 hrs per pay period
20+ years	9.23 hrs per pay period

21 **FAMILY ILLNESS LEAVE**

Family illness leave, family leave and extended medical leave benefits are outlined in the Employee Manual.

22 **BEREAVEMENT LEAVE**

Up to five days of paid bereavement leave will be provided to eligible employees as outlined in the Employee Manual.

23 **LAYOFF POLICY**

Purpose:

It is recognized by the UNIT that when, due to fiscal, operational or organizational reasons, it is necessary to reduce CITY employment, such action and its implementation, except as qualified herein, shall be at the sole discretion of the CITY. When it is deemed necessary to reduce CITY employment by layoff of employees, the layoff procedure shall protect the right of the CITY to retain the most qualified employees, while also recognizing the relative seniority of affected employees. The following layoff policy is adopted to accomplish this purpose:

- A The CITY shall have the sole right to determine which class or classes shall be subject to layoff.

- B The order of layoff of employees within a class, or classes, subject to layoff shall be:
 - 1 Provisional or temporary employees

- 2 Part-time employees
- 3 Probationary employees
- 4 Full-time, regular employees

Within each of the first three categories, the order of layoff shall be at the discretion of the appointing authority. Order of layoff of regular, full-time employees shall be according to the following procedure established in this Section.

In the case of layoffs for full-time, regular employees, the following factors shall be considered in the following order:

- 1 Knowledge, training, ability, skill, adaptability, attitude and efficiency.
- 2 Physical fitness required for the job.
- 3 Seniority.

C Seniority Determination:

Seniority will be established by department and within a class. Among employees with equal seniority, the order of layoff shall be determined by the appointing authority.

Procedure:

Each department is considered separately when layoff occurs. Employees shall first exhaust demotion rights within a department and class in which the employee had prior regular status provided the demotee has higher seniority than an employee working in that classification. Employees demoting to a lower classification in which they held prior full-time, regular status shall be subject to Factors 1 and 2 in Section 24.B above.

D Re-employment:

Employees laid off, or demoted in lieu of layoff, shall have a priority right of return to their prior class. This right shall remain effective for one year from the date of demotion or separation from the service.

24 **PAST PRACTICES**

Nothing contained in this MOU shall be interpreted as to imply or permit the invocation of past practice, or tradition, or accumulation, or vesting of any employee rights or privileges other than those expressly stated herein.

The CITY and UNIT agree that only those past practices, standards, obligations and/or other commitments of the CITY to its employees which are expressly stated herein shall be in full force and effect during the term of this MOU.

25 GRIEVANCE/DISCIPLINE PROCEDURES

The CITY has revised and updated the Grievance and Discipline Procedures with review and input from this UNIT.

26 SOLE AGREEMENT

A The policies which are collected in this MOU constitute the entirety of the policies which are subject to the meet and confer obligation as agreed to by the parties. To the extent that any other agreement should be in conflict with these policies, these policies shall prevail.

B If, during its term, the parties hereto should mutually agree to modify, amend or alter the provisions of the MOU in any respect, any such change shall be effective only if and when reduced to writing and executed by the authorized representatives of the CITY and the UNIT. Any such changes, validly made, shall become a part of this MOU and subject to its terms.

C The waiver of any breach or condition of this MOU, by either party, shall not constitute a precedent in the future enforcement of all terms and conditions herein.

27 SAVINGS CLAUSE

In the event that any of the policies contained in this MOU should be declared by a court of competent jurisdiction to be unenforceable or illegal, that policy, or set of policies, shall be declared void.

However, this action shall in no way invalidate the remaining policies contained in this MOU.

Should a policy within the MOU become void as outlined above, either the CITY or the UNIT may institute the meet and confer process in regard to instituting a substitute item.

28 TERM OF THE MEMORANDUM OF UNDERSTANDING

This MOU shall remain in effect for the period of July 1, 2016 through and including June 30, 2018 or until a successor agreement is rendered, unless a specific provision provides for a different commencement and/or termination date.

Dated this _____ day of _____, 2016.

29 AUTHORIZED SIGNATURES

CITY OF SUSANVILLE

OPERATING ENGINEERS LOCAL NO. 3,
MISCELLANEOUS UNIT

Kathie Garnier, Mayor

Russ Burns, Business Manager

Jared G. Hancock, City Administrator

Dan Reding, President

ATTEST:

Gwenna MacDonald, City Clerk

Jim Sullivan, Rec/Corr Secretary

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

Art Frolli, Business Representative

Rick Davis, Director of Public Employees

Arlene Zelano, Employee Representative

EXHIBIT A
MISCELLANEOUS UNIT
Position Schedule/Salary Ranges
July 1, 2016 through June 30, 2018

<u>POSITION</u>	<u>RANGE</u>
Account Technician Administrative Staff Assistant	124
Community Services Officer	132
Accounting Technician I	133
Administrative Specialist	134
Administrative Assistant	138
Accounting Technician II	142

CITY OF SUSANVILLE GLOBAL RANGE AND STEP MATRIX
2016-2017 MISCELLANEOUS MOU

RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G
101	663.12	696.28	731.09	767.66	806.04	846.34	888.65
102	679.70	713.89	749.37	786.85	826.20	867.49	909.55
103	696.28	731.09	767.66	806.04	846.34	888.65	933.08
104	713.89	749.37	786.85	826.20	867.49	909.55	956.40
105	731.09	767.66	806.04	846.34	888.65	933.08	979.73
106	749.37	786.85	826.20	867.49	909.55	956.40	1,004.23
107	767.66	806.04	846.34	888.65	933.08	979.73	1,028.71
108	786.85	826.20	867.49	909.55	956.40	1,004.23	1,054.43
109	806.04	846.34	888.65	933.08	979.73	1,028.71	1,080.14
110	826.20	867.49	909.55	956.40	1,004.23	1,054.43	1,107.14
111	846.34	888.65	933.08	979.73	1,028.71	1,080.14	1,134.14
112	867.49	909.55	956.40	1,004.23	1,054.43	1,107.14	1,162.50
113	888.65	933.08	979.73	1,028.71	1,080.14	1,134.14	1,190.85
114	910.86	956.40	1,004.23	1,054.43	1,107.14	1,162.50	1,220.64
115	933.08	979.73	1,028.71	1,080.14	1,134.14	1,190.85	1,250.42
116	956.40	1,004.23	1,054.43	1,107.14	1,162.50	1,220.64	1,281.69
117	979.73	1,028.71	1,080.14	1,134.14	1,190.85	1,250.42	1,312.94
118	1,004.23	1,054.43	1,107.14	1,162.50	1,220.64	1,281.69	1,345.77
119	1,028.71	1,080.14	1,134.14	1,190.85	1,250.42	1,312.94	1,378.59
120	1,054.43	1,107.14	1,162.50	1,220.64	1,281.69	1,345.77	1,413.06
121	1,080.14	1,134.14	1,190.85	1,250.42	1,312.94	1,378.59	1,447.52
122	1,107.14	1,162.50	1,220.64	1,281.69	1,345.77	1,413.06	1,483.70
123	1,134.14	1,190.85	1,250.42	1,312.94	1,378.59	1,447.52	1,519.89
124	1,162.50	1,220.64	1,281.69	1,345.77	1,413.06	1,483.70	1,557.89
125	1,190.85	1,250.42	1,312.94	1,378.59	1,447.52	1,519.89	1,595.89
126	1,220.64	1,281.69	1,345.77	1,413.06	1,483.70	1,557.89	1,635.79
127	1,250.42	1,312.94	1,378.59	1,447.52	1,519.89	1,595.89	1,675.68
128	1,281.69	1,345.77	1,413.06	1,483.70	1,557.89	1,635.79	1,717.58
129	1,312.94	1,378.59	1,447.52	1,519.89	1,595.89	1,675.68	1,759.46
130	1,345.77	1,413.06	1,483.70	1,557.89	1,635.79	1,717.58	1,803.46
131	1,378.59	1,447.52	1,519.89	1,595.89	1,675.68	1,759.46	1,847.44
132	1,413.06	1,483.70	1,557.89	1,635.79	1,717.58	1,803.46	1,893.63
133	1,447.52	1,519.89	1,595.89	1,675.68	1,759.46	1,847.44	1,939.82
134	1,483.70	1,557.89	1,635.79	1,717.58	1,799.46	1,883.63	1,988.32
135	1,519.89	1,595.89	1,675.68	1,759.46	1,847.44	1,939.82	2,036.81
136	1,557.89	1,635.79	1,717.58	1,803.46	1,893.63	1,988.32	2,087.74
137	1,595.89	1,675.68	1,759.46	1,847.44	1,939.82	2,036.81	2,138.85
138	1,635.79	1,717.58	1,803.46	1,893.63	1,988.32	2,087.74	2,192.12
139	1,675.68	1,759.46	1,847.44	1,939.82	2,036.81	2,138.85	2,245.59
140	1,717.58	1,803.46	1,893.63	1,988.32	2,087.74	2,192.12	2,301.73
141	1,759.46	1,847.44	1,939.82	2,036.81	2,138.85	2,245.59	2,357.87
142	1,803.46	1,893.63	1,988.32	2,087.74	2,192.12	2,301.73	2,416.82
143	1,847.44	1,939.82	2,036.81	2,138.85	2,245.59	2,357.87	2,475.77
144	1,893.63	1,988.32	2,087.74	2,192.12	2,301.73	2,416.82	2,537.66
145	1,939.82	2,036.81	2,138.85	2,245.59	2,357.87	2,475.77	2,599.55
146	1,988.32	2,087.74	2,192.12	2,301.73	2,416.82	2,537.66	2,729.53
147	2,036.81	2,138.85	2,245.59	2,357.87	2,475.77	2,599.55	2,797.76
148	2,087.74	2,192.12	2,301.73	2,416.82	2,537.66	2,664.54	2,937.85
149	2,138.85	2,245.59	2,357.87	2,475.77	2,599.55	2,729.53	3,009.29
150	2,192.12	2,301.73	2,416.82	2,537.66	2,664.54	2,797.76	3,084.53
151	2,245.59	2,357.87	2,475.77	2,599.55	2,729.53	2,866.00	3,159.76
152	2,301.73	2,416.82	2,537.66	2,664.54	2,797.76	2,937.85	3,238.76
153	2,357.87	2,475.77	2,599.55	2,729.53	2,866.00	3,009.29	3,317.75
154	2,416.82	2,537.66	2,664.54	2,797.76	2,937.85	3,084.53	3,400.69
155	2,475.77	2,599.55	2,729.53	2,866.00	3,009.29	3,159.76	3,483.63
156	2,537.66	2,664.54	2,797.76	2,937.85	3,084.53	3,238.76	3,570.73
157	2,599.55	2,729.53	2,866.00	3,009.29	3,159.76	3,317.75	3,657.81
158	2,664.54	2,797.76	2,937.85	3,084.53	3,238.76	3,400.69	3,749.26
159	2,729.53	2,866.00	3,009.29	3,159.76	3,317.75	3,483.63	3,840.71
160	2,797.76	2,937.85	3,084.53	3,238.76	3,400.69	3,570.73	3,936.74
161	2,866.00	3,009.29	3,159.76	3,317.75	3,483.63	3,657.81	4,032.75
162	2,937.85	3,084.53	3,238.76	3,400.69	3,570.73	3,749.26	4,133.58
163	3,009.29	3,159.76	3,317.75	3,483.63	3,657.81	3,840.71	4,234.39
164	3,084.53	3,238.76	3,400.69	3,570.73	3,749.26	3,936.74	4,339.25
165	3,159.76	3,238.76	3,483.63	3,657.81	3,840.71	4,032.75	4,446.11
166	3,238.76	3,400.69	3,570.73	3,749.26	3,936.74	4,133.58	4,557.26
167	3,317.75	3,483.63	3,657.81	3,840.71	4,032.75	4,234.39	4,668.40
168	3,400.69	3,570.73	3,749.26	3,936.74	4,133.58	4,340.25	4,785.11
169	3,483.63	3,657.81	3,840.71	4,032.75	4,234.39	4,446.11	4,901.82
170	3,570.73	3,749.26	3,936.74	4,133.58	4,340.25	4,557.26	5,024.37
171	3,657.81	3,840.71	4,032.75	4,234.39	4,446.11	4,668.40	5,146.91
172	3,749.26	3,936.74	4,133.58	4,340.25	4,557.26	4,785.11	5,275.59
173	3,840.71	4,032.75	4,234.39	4,446.11	4,668.40	4,901.82	5,404.25
174	3,936.74	4,133.58	4,340.25	4,557.26	4,785.11	5,024.37	5,539.37
175	4,032.75	4,234.39	4,446.11	4,668.40	4,901.82	5,146.91	5,674.47
176	4,133.58	4,340.25	4,557.26	4,785.11	5,024.37	5,275.59	5,809.56
177	4,234.39	4,446.11	4,668.40	4,901.82	5,146.91	5,399.37	6,024.37
178	4,340.25	4,557.26	4,785.11	5,024.37	5,275.59	5,539.37	6,250.42
179	4,446.11	4,668.40	4,901.82	5,146.91	5,399.37	5,674.47	6,481.16
180	4,557.26	4,785.11	5,024.37	5,275.59	5,539.37	5,809.56	6,727.44
181	4,668.40	4,901.82	5,146.91	5,399.37	5,674.47	5,958.20	7,000.00
182	4,785.11	5,024.37	5,275.59	5,539.37	5,809.56	6,116.34	7,297.76
183	4,901.82	5,146.91	5,404.25	5,674.47	5,958.20	6,297.76	7,620.00
184	5,024.37	5,275.59	5,539.37	5,809.56	6,116.34	6,492.12	7,977.76
185	5,146.91	5,404.25	5,674.47	5,958.20	6,297.76	6,702.12	8,360.00
186	5,275.59	5,539.37	5,809.56	6,116.34	6,492.12	6,927.76	8,760.00
187	5,404.25	5,674.47	5,958.20	6,297.76	6,702.12	7,169.76	9,180.00
188	5,539.37	5,809.56	6,116.34	6,492.12	6,927.76	7,428.76	9,620.00
189	5,674.47	5,958.20	6,297.76	6,702.12	7,169.76	7,694.76	10,080.00
190	5,816.34	6,116.34	6,492.12	6,927.76	7,428.76	7,977.76	10,560.00
191	5,958.20	6,297.76	6,702.12	7,169.76	7,694.76	8,260.00	11,060.00
192	6,107.16	6,412.50	6,733.14	7,069.79	7,423.28	7,944.44	11,580.00
193	6,256.10	6,568.90	6,897.36	7,242.22	7,604.33	8,184.16	12,120.00
194	6,412.50	6,733.14	7,069.79	7,423.28	7,794.44	8,383.77	12,680.00
195	6,568.90	6,897.36	7,242.22	7,604.33	7,994.54	8,593.37	13,260.00
196	6,733.14	7,069.79	7,423.28	7,794.44	8,184.16	8,802.99	13,860.00
197	6,897.36	7,242.22	7,604.33	7,994.54	8,383.77	8,997.44	14,480.00
198	7,069.79	7,423.28	7,794.44	8,184.16	8,593.37	9,203.00	15,120.00
199	7,242.22	7,604.33	7,994.54	8,383.77	8,802.99	9,423.11	15,780.00
200	7,423.28	7,794.44	8,184.16	8,593.37	9,023.04	9,474.19	16,460.00

CITY OF SUSANVILLE GLOBAL RANGE AND STEP MATRIX
2017-2018 MISCELLANEOUS MOU

	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G
101	669.76	703.24	738.40	775.33	814.10	854.81	897.53
102	696.50	720.83	756.87	794.72	834.46	876.17	918.65
103	703.24	738.40	775.33	814.10	854.81	897.53	942.41
104	720.83	756.87	794.72	834.46	876.17	918.65	965.97
105	738.40	775.33	814.10	854.81	897.53	942.41	989.52
106	756.87	794.72	834.46	876.17	918.65	965.97	1,014.27
107	775.33	814.10	854.81	897.53	942.41	989.52	1,039.00
108	794.72	834.46	876.17	918.65	965.97	1,014.27	1,064.97
109	814.10	854.81	897.53	942.41	989.52	1,039.00	1,090.94
110	834.46	876.17	918.65	965.97	1,014.27	1,064.97	1,118.21
111	854.81	897.53	942.41	989.52	1,039.00	1,090.94	1,148.48
112	876.17	918.65	965.97	1,014.27	1,064.97	1,118.21	1,174.13
113	897.53	942.41	989.52	1,039.00	1,090.94	1,148.48	1,202.76
114	919.97	965.97	1,014.27	1,064.97	1,118.21	1,174.13	1,232.84
115	942.41	989.52	1,039.00	1,090.94	1,148.48	1,202.76	1,262.93
116	965.97	1,014.27	1,064.97	1,118.21	1,174.13	1,232.84	1,294.51
117	989.52	1,039.00	1,090.94	1,148.48	1,202.76	1,262.93	1,328.07
118	1,014.27	1,064.97	1,118.21	1,174.13	1,232.84	1,294.51	1,359.23
119	1,039.00	1,090.94	1,148.48	1,202.76	1,262.93	1,328.07	1,427.19
120	1,064.97	1,118.21	1,174.13	1,232.84	1,294.51	1,359.23	1,461.99
121	1,090.94	1,148.48	1,202.76	1,262.93	1,328.07	1,392.38	1,498.54
122	1,118.21	1,174.13	1,232.84	1,294.51	1,359.23	1,427.19	1,535.09
123	1,148.48	1,202.76	1,262.93	1,328.07	1,392.38	1,461.99	1,573.47
124	1,174.13	1,232.84	1,294.51	1,359.23	1,427.19	1,498.54	1,611.85
125	1,202.76	1,262.93	1,328.07	1,392.38	1,461.99	1,535.09	1,652.15
126	1,232.84	1,294.51	1,359.23	1,427.19	1,498.54	1,573.47	1,692.43
127	1,262.93	1,328.07	1,392.38	1,461.99	1,535.09	1,611.85	1,734.75
128	1,294.51	1,359.23	1,427.19	1,498.54	1,573.47	1,652.15	1,777.06
129	1,328.07	1,392.38	1,461.99	1,535.09	1,611.85	1,692.43	1,821.49
130	1,359.23	1,427.19	1,498.54	1,573.47	1,652.15	1,734.75	1,865.92
131	1,392.38	1,461.99	1,535.09	1,611.85	1,692.43	1,777.06	1,912.57
132	1,427.19	1,498.54	1,573.47	1,652.15	1,734.75	1,821.49	1,959.22
133	1,461.99	1,535.09	1,611.85	1,692.43	1,777.06	1,865.92	2,008.20
134	1,498.54	1,573.47	1,652.15	1,734.75	1,821.49	1,912.57	2,057.18
135	1,535.09	1,611.85	1,692.43	1,777.06	1,865.92	1,959.22	2,108.62
136	1,573.47	1,652.15	1,734.75	1,821.49	1,912.57	2,008.20	2,160.04
137	1,611.85	1,692.43	1,777.06	1,865.92	1,959.22	2,057.18	2,214.04
138	1,652.15	1,734.75	1,821.49	1,912.57	2,008.20	2,108.62	2,268.04
139	1,692.43	1,777.06	1,865.92	1,959.22	2,057.18	2,160.04	2,324.75
140	1,734.75	1,821.49	1,912.57	2,008.20	2,108.62	2,214.04	2,381.45
141	1,777.06	1,865.92	1,959.22	2,057.18	2,160.04	2,268.04	2,440.99
142	1,821.49	1,912.57	2,008.20	2,108.62	2,214.04	2,324.75	2,500.52
143	1,865.92	1,959.22	2,057.18	2,160.04	2,268.04	2,381.45	2,563.04
144	1,912.57	2,008.20	2,108.62	2,214.04	2,324.75	2,440.99	2,625.55
145	1,959.22	2,057.18	2,160.04	2,268.04	2,381.45	2,500.52	2,691.18
146	2,008.20	2,108.62	2,214.04	2,324.75	2,440.99	2,563.04	2,758.82
147	2,057.18	2,160.04	2,268.04	2,381.45	2,500.52	2,625.55	2,825.74
148	2,108.62	2,214.04	2,324.75	2,440.99	2,563.04	2,691.18	2,894.66
149	2,160.04	2,268.04	2,381.45	2,500.52	2,625.55	2,758.82	2,967.02
150	2,214.04	2,324.75	2,440.99	2,563.04	2,691.18	2,825.74	3,039.39
151	2,268.04	2,381.45	2,500.52	2,625.55	2,758.82	2,894.66	3,115.38
152	2,324.75	2,440.99	2,563.04	2,691.18	2,825.74	2,967.02	3,193.36
153	2,381.45	2,500.52	2,625.55	2,758.82	2,894.66	3,039.39	3,271.15
154	2,440.99	2,563.04	2,691.18	2,825.74	2,967.02	3,115.38	3,350.93
155	2,500.52	2,625.55	2,758.82	2,894.66	3,039.39	3,193.36	3,434.70
156	2,563.04	2,691.18	2,825.74	2,967.02	3,115.38	3,271.15	3,518.47
157	2,625.55	2,758.82	2,894.66	3,039.39	3,193.36	3,350.93	3,606.44
158	2,691.18	2,825.74	2,967.02	3,115.38	3,271.15	3,434.70	3,694.39
159	2,758.82	2,894.66	3,039.39	3,193.36	3,350.93	3,518.47	3,786.76
160	2,825.74	2,967.02	3,115.38	3,271.15	3,434.70	3,599.59	3,879.12
161	2,894.66	3,039.39	3,193.36	3,350.93	3,518.47	3,694.39	3,976.10
162	2,967.02	3,115.38	3,271.15	3,434.70	3,599.59	3,791.21	4,073.07
163	3,039.39	3,193.36	3,350.93	3,518.47	3,694.39	3,791.21	4,174.91
164	3,115.38	3,271.15	3,434.70	3,599.59	3,791.21	4,073.07	4,276.74
165	3,193.36	3,350.93	3,518.47	3,694.39	3,791.21	4,174.91	4,383.65
166	3,271.15	3,434.70	3,694.39	3,791.21	4,073.07	4,276.74	4,490.57
167	3,350.93	3,518.47	3,694.39	3,791.21	4,174.91	4,383.65	4,602.83
168	3,434.70	3,694.39	3,791.21	4,073.07	4,276.74	4,490.57	4,715.09
169	3,518.47	3,694.39	3,791.21	4,073.07	4,276.74	4,490.57	4,832.96
170	3,606.44	3,786.76	3,976.10	4,174.91	4,383.65	4,602.83	4,950.84
171	3,694.39	3,791.21	4,073.07	4,276.74	4,490.57	4,832.96	5,074.61
172	3,786.76	3,976.10	4,174.91	4,383.65	4,602.83	4,950.84	5,198.38
173	3,879.12	4,073.07	4,276.74	4,490.57	4,715.09	5,074.61	5,328.55
174	3,976.10	4,174.91	4,383.65	4,602.83	4,832.96	5,198.38	5,458.30
175	4,073.07	4,276.74	4,490.57	4,715.09	4,950.84	5,328.55	5,594.76
176	4,174.91	4,383.65	4,602.83	4,832.96	5,074.61	5,458.30	5,731.21
177	4,276.74	4,490.57	4,715.09	4,950.84	5,198.38	5,594.76	5,874.50
178	4,383.65	4,602.83	4,832.96	5,074.61	5,328.55	5,731.21	6,017.78
179	4,490.57	4,715.09	4,950.84	5,198.38	5,458.30	5,731.21	6,168.23
180	4,602.83	4,832.96	5,074.61	5,328.55	5,594.76	5,976.10	6,318.66
181	4,715.09	4,950.84	5,198.38	5,458.30	5,731.21	6,017.78	6,478.63
182	4,832.96	5,074.61	5,328.55	5,594.76	5,874.50	6,168.23	6,634.59
183	4,950.84	5,198.38	5,458.30	5,731.21	6,017.78	6,318.66	6,800.47
184	5,074.61	5,328.55	5,594.76	5,874.50	6,168.23	6,478.63	7,095.15
185	5,198.38	5,458.30	5,731.21	6,017.78	6,318.66	6,634.59	7,314.84
186	5,328.55	5,594.76	5,874.50	6,168.23	6,478.63	6,800.47	7,549.51
187	5,458.30	5,731.21	6,017.78	6,318.66	6,634.59	7,095.15	7,893.12
188	5,594.76	5,874.50	6,168.23	6,478.63	6,800.47	7,314.84	8,245.71
189	5,731.21	6,017.78	6,318.66	6,634.59	7,095.15	7,549.51	8,602.38
190	5,874.50	6,168.23	6,478.63	6,800.47	7,314.84	7,893.12	9,064.30
191	6,017.78	6,318.66	6,634.59	7,095.15	7,549.51	8,064.30	9,535.54
192	6,168.23	6,478.63	6,800.47	7,314.84	7,893.12	8,245.71	9,917.23
193	6,318.66	6,634.59	7,095.15	7,549.51	8,064.30	8,434.58	10,313.27
194	6,478.63	6,800.47	7,314.84	7,893.12	8,245.71	8,634.59	10,726.86
195	6,634.59	7,095.15	7,549.51	8,064.30	8,434.58	8,890.99	11,159.53
196	6,800.47	7,314.84	7,893.12	8,245.71	8,634.59	9,113.27	11,612.98
197	6,966.34	7,549.51	8,064.30	8,434.58	8,890.99	9,335.54	12,088.83
198	7,140.49	7,893.12	8,245.71	8,634.59	9,113.27	9,568.93	12,590.38
199	7,314.84	8,064.30	8,434.58	8,890.99	9,335.54	9,802.32	13,121.53
200	7,497.51	8,245.71	8,634.59	9,064.30	9,568.93	10,047.98	

Reviewed by: JGH City Administrator
_____ City Attorney

_____ Motion Only
_____ Public Hearing
X Resolution
_____ Ordinance
_____ Information

Submitted By: Heidi Whitlock, Assistant to the City Administrator

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 16-5342** Approving and authorizing Mayor to execute MOU with the Public Works bargaining unit.

PRESENTED BY: Jared G. Hancock, City Administrator

SUMMARY: An agreement has been reached with the Public Works bargaining unit for the period of July 1, 2016 through June 30, 2018. The changes from the existing agreement include the update of Exhibit A Positions and the following:

Section 7 Salaries:

B For the period of July 1, 2016 through June 30, 2017 salaries shall be increased by 8% as shown in Exhibit B and shall be increased by an additional 1% on July 1, 2017 as shown on Exhibit C of the City of Susanville Global Range and Step Matrix.

Section 9 Retirement:

A. For Legacy Employees as defined by the California Public Employee's Pension Reform Act (PEPRA) of 2013, the CITY shall pay the employer's share and the employee shall pay the employees' share (currently 8%) of the existing retirement program of 3% at 60, single highest year, with California Public Employees Retirement System for Legacy employees.

B. New Employees as defined by the Calipers, hired after January 1, 2013 will be subject to the mandatory provisions of AB340/PEPRA.

FISCAL IMPACT: Increase in current annual salary and benefits:
Year 1 - \$84,125; Year 2 - \$13,477

ACTION REQUESTED: Motion to approve Resolution No. 16-5342 Approving and authorizing Mayor to execute MOU with the Public Works bargaining unit.

ATTACHMENTS: Resolution No. 16-5342
Public Works Unit Memorandum of Understanding

RESOLUTION NO. 16-5342
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
APPROVING AND AUTHORIZING MAYOR TO EXECUTE MEMORANDUM OF
UNDERSTANDING WITH THE PUBLIC WORKS BARGAINING UNIT FOR FISCAL
YEAR 2016/2017 AND 2017/2018

WHEREAS, the City of Susanville and representatives from the Public Works bargaining unit have negotiated a labor agreement according to the requirements of the Meyers-Miliias-Brown Act; and

WHEREAS, the Bargaining Unit has ratified the respective agreement; and

WHEREAS, the agreement has been negotiated within the parameters established by City Council.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Susanville that the Memorandum of Understanding with the Public Works bargaining unit for the period of July 1, 2016 through June 30, 2018 is hereby approved.

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 16-5342 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 7th day of December, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR THE
CITY OF SUSANVILLE
AND
THE OPERATING ENGINEERS LOCAL UNION NO. 3

PUBLIC WORKS EMPLOYEES

July 1, 2016 through and including June 30, 2018

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE(S)</u>
1	Introduction	1
2	Employee Rights	1
3	CITY Rights	1-2
4	Non-Discrimination	2
5	Unit Recognition	2
6	Unit Description	2
7	Salary Scale, Merit Step, Career Development and Pay Period	2-3
8	IRS Section 125 Plan; Deferred Compensation	3
9	Retirement	3
10	Work Schedule	3-4
11	Holidays	4
12	Uniform Allowance	4
13	Overtime	4-5
14	Health, Dental, Vision Insurance	5-6
15	Group Life Insurance	6
16	Hearing Test	6
17	Employee Sick Leave	6
18	Military Leave	6
19	Jury Duty	7
20	Vacation	7
21	Family Illness Leave	7
22	Bereavement Leave	7
23	Layoff Policy	7-8
24	Past Practices	9
25	Grievances/Discipline Procedures	9
26	Sole Agreement	9
27	Savings Clause	9-10
28	Special Licenses	10
29	Workers' Compensation Bonus	10
30	Term of the Memorandum of Understanding	10
31	Authorized Signatures	10-11
	Exhibit A, Positions/Salary	12
	Exhibit B, Salary Matrix	13
	Exhibit C, 9/80 Work Schedule	14

1 **INTRODUCTION**

The representatives of the City of Susanville, hereinafter called the CITY, and the representatives of the Public Works Unit, hereinafter called the UNIT, having met and conferred in good faith, have mutually agreed that the following Memorandum of Understanding (MOU) be adopted and that the wages, hours and other terms and conditions of employment in this exclusive agreement be implemented.

The purpose of the MOU is to promote harmonious relations between the CITY and the employees covered herein so as to promote employer-employee relations by providing a written document enumerating the entire agreement between the employer and employees pursuant to the purpose and intent of California Government Code §3500.

2 **EMPLOYEE RIGHTS**

Employees of the CITY have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations within the scope of representation. Employees of the CITY shall also have the right to represent themselves individually in their employment relations with the CITY.

3 **CITY RIGHTS**

A The CITY retains the right, subject to and in accordance with applicable laws and the provisions of the MOU, to:

- 1 Direct employees in the performance of their duties;
- 2 Hire, promote, transfer, assign and discipline employees;
- 3 Dismiss employees because of lack of work, or in accordance with personnel rules and regulations;
- 4 Determine the mission of its divisions and departments, and its budget, organization, number of employees, and the numbers, types, classifications, descriptions and grades of positions or employees assigned to an organizational unit, work project shift or tour of duty, and the methods and technology of performing its work; and
- 5 Take whatever action may be appropriate to carry out its mission in situations of emergency.

B In addition, the CITY specifically retains all the rights, subject to the provisions of this MOU, to take whatever actions and set whatever policies it deems necessary, with appropriate notification to UNIT employees.

C This section will not operate to deny any employee rights guaranteed by applicable law, including the Myers-Milias-Brown Act.

4 NON-DISCRIMINATION

The CITY and UNIT agree not to discriminate against any employees in accordance with applicable laws. Also, it is recognized that whenever the masculine gender is referred to in this MOU, it shall include the female gender and *vice versa*.

5 UNIT RECOGNITION

A Acknowledgment:

The CITY agrees to acknowledge the Operating Engineers Local Union No. 3 as the only recognized employee organization representing the non-management employees itemized in Exhibit A of this MOU.

B Payroll Deduction/Dues:

For those unit full-time, regular employees itemized in Exhibit A, the CITY will deduct from their wages the regular monthly dues. Such dues shall be deducted and transmitted to the Union upon voluntary, revocable, written authorization of the UNIT employees in a manner complying with legal requirements. Written authorization forms will be provided by the CITY unless submitted by the Union. The Union agrees to hold harmless and indemnify the CITY for any liability the CITY should incur from any mistakes, negligence, or intentional wrong sustained as a result of this service; provided, however, that the proper amount as specified by the Union has been deducted and paid over.

6 UNIT DESCRIPTION

This UNIT shall consist of all full-time, regular or probationary employees of the CITY of Susanville Public Works UNIT listed in Exhibit A of this MOU.

7 SALARY SCALE, MERIT STEP, CAREER DEVELOPMENT and PAY PERIOD

A Pay Period:

Pay period will conform to 26 pay periods within a full year with pay day occurring every other Friday.

B Salaries:
For the period from July 1, 2016 through June 30, 2017 salaries shall be increased by 8% as shown in Exhibit B shall be increased by an additional 1% on July 1, 2017 as shown on Exhibit C of the City of Susanville Global Range and Step Matrix.

C Longevity:
When an employee has been at Step E for two years, he/she may, according to merit, be moved to Step F where Step F is five percent higher than the current range and step. If the employee remains in Step F for two additional years, he/she may, according to merit, go to Step G. Merit increases will not be automatic and will be based upon merit as evidenced by a performance evaluation. Merit increases will be limited to one per fiscal year. Longevity begins after an employee has been at Step E for two years and goes to Step F for two years, then is eligible to move to Step G. Longevity ends at Step G.

D SDI:
The CITY will pay the State Disability Insurance (SDI) for the employees of this unit.

8 IRS SECTION 125 PLAN, DEFERRED COMPENSATION

- A The CITY agrees to establish an IRS Section 125 Plan for employees' use.
- B The CITY will contribute \$25 per pay period as a contribution to an employee's Section 125 plan; or
- C The CITY will match on a dollar-for-dollar basis contributions to a deferred compensation plan with a maximum contribution of \$25 per pay period.

9 RETIREMENT

- a) For Legacy Employees as defined by the California Public Employee's Pension Reform Act (PEPRA) of 2013, the CITY shall pay the employer's share and the employee shall pay the employee's share (currently 8%) of the existing retirement program of 3% at 60, single highest year, with California Public Employees Retirement System for Legacy Employees.
- b) New Employees as defined by the CalPERS hired after January 1, 2013 will be subject to the mandatory provisions of AB340 / PEPRA.

10 WORK SCHEDULE

A Work Period:

If a standard eight-hour/10-day pay period is worked, the work period for this UNIT shall begin at midnight Saturday and end at midnight the following Friday. Employees shall normally be scheduled for two consecutive days off.

B Work Week:

A 40-hour work week shall constitute a regular work schedule for this UNIT unless the needs of the CITY require an alteration of the schedule because of emergencies, snow removal, budgetary reasons, or in order to accommodate temporary schedule adjustments.

Normally, the work week for Public Works employees shall be Monday through Friday, 7:00 a.m. to 3:30 p.m. with a 30-minute lunch break. The needs of the CITY will be paramount when making assignments under the 40-hour work week.

The CITY may assign employees to a 4-10 work week with the concurrence of the affected employees.

- C The CITY may assign employees to an alternative work week pursuant to Labor Code §500-558, incorporated herein by reference and further defined by, "The Sample Schedule for 9/80 Work Week" attached hereto as Exhibit C.

11 HOLIDAYS

A The holidays listed in the Employee Manual will be recognized as eight-hour holidays.

B Full-time, regular employees required to work on any of these holidays shall be entitled to paid overtime or receive compensatory time off for such work at 1.5 times their regular salary, in addition to receiving holiday pay.

12 UNIFORM ALLOWANCE

The CITY will provide each UNIT employee with laundered uniform shirt and pants (five sets per week) in colors and style mutually agreed to by the UNIT and the City Administrator. A \$100 boot allowance for the purchase of footwear appropriate for job classification will be paid annually in the first payroll of the fiscal year.

13 OVERTIME

A The assignment of overtime will be at the CITY'S sole discretion and scheduled by supervisory personnel. However, the CITY shall endeavor to select among those employees who are qualified, those individuals who wish to work overtime, and when reasonably possible, to schedule such overtime work in advance.

- B The CITY shall have the right to require employees to work whenever necessary.
- C The CITY shall grant either pay for overtime, pursuant to Section 13.A of this MOU, or compensatory time off at the rate of 1.5 times the number of overtime hours worked. It shall be the employee's option to select cash or compensating time off.
- D No employee subject to the terms of the MOU shall accrue more than 240 hours of compensatory time off. Employee may elect to receive lump sum cash out for compensatory time between September 1 and December 1 of each year of this MOU. Lump sum cash out may not exceed 40 hours in any one fiscal year.
- E An employee who is called in to work one hour or more following conclusion of the work shift, or a previous call in, shall receive a minimum of two hours at 1.5 times the regular rate of pay.
- F An employee who works more than ten consecutive hours shall receive a meal allowance of \$15.00.
- G When warranted, and in the interest of CITY operations, Department Heads, or their designee, may assign employees to "on-call" status. "On-call" duty is an assigned duty outside the normal work-week assignment during which an employee must remain where he can be contacted by telephone, or other device, and he is ready for immediate call-back to his department to perform an essential service. An employee assigned on-call duty shall be compensated at the rate of 20% of employee's base hourly wage per hour for each hour of such duty.
- H If an employee is required to work at one or more of the following City special events (Lassen County Fair Parade, Main Cruise, Veterans' Parade, Christmas Parade or Halloween festivities), he shall receive two times his regular salary rate for the hours worked.
- I The CITY agrees that all hours worked in excess of forty (40) hours per week, or normal assigned shift hours (8 or 9) hours per day, including vacation time and sick leave time, or hours worked on a holiday designated in the employee manual, will be counted as hours worked, and shall be compensated for at a rate of 1.5 times the regular rate of pay.

14 **HEALTH, DENTAL and VISION INSURANCE**

- A Effective July 1, 2013 the City shall pay the cost of health, dental and vision insurance premium for each unit member covered under this MOU. Each unit member shall contribute \$30 per month towards the current plan premium. City will continue to research options for the best cost-effective coverage, at its discretion.

The City reserves the right to select, change, administer and shall have the right to select any carrier or other method providing coverage to fund the benefits and may adjust the amount the City shall pay for such benefits. If the insurance provider is changed and the cost is less than \$952 per month per employee, the City shall cap the amount of its contribution to an amount not less than 100 percent of the cost of the new plan.

- B Health insurance will be made available to retirees with no minimum vesting, if allowed under the current plan. A credit of 50 percent of accumulated sick leave at time of retirement, capped at \$15,000, will be paid out per month towards 50 percent of the premium. This amount is subject to CalPERS regulations.

15 **GROUP LIFE INSURANCE**

The CITY will provide \$25,000 of group life insurance for each employee at no cost to the employee.

16 **HEARING TEST**

The CITY shall provide, at no expense to the employee, an annual hearing test to non-office workers. Where necessary, protective hearing devices and equipment modifications will be required at CITY cost to prevent hearing loss.

17 **EMPLOYEE SICK LEAVE**

- A Employees within this UNIT will accrue four hours of sick or accident leave per pay period.
- B Benefits shall be administered according to the provisions of the Employee Manual.
- C Under the Public Employees' Retirement System, credit for unused sick leave (Government Code '20965) shall be a benefit provided to each employee of this UNIT upon retirement and in accordance with the rules and regulations of CalPERS.
- D Upon retirement from the City, unused sick leave may be capitalized at 50 percent of current hourly salary. This fund may be used to pay 50 percent of monthly health insurance premiums, capped at \$15,000, subject to CalPERS regulations.

18 **MILITARY LEAVE**

Military leave shall be granted in accordance with the provisions of state law. All employees entitled to military leave shall give the City Administrator, and/or the City

Administrator's authorized representative, an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

19 JURY DUTY

While serving on jury duty, employees will still be paid by the CITY on the basis of a 40-hour week, at their normal rate of pay, on condition that any compensation (in excess of mileage expenses) received from the court be turned over to the CITY.

20 VACATION

A Employees in this UNIT shall earn vacation credit as outlined in the Employee Manual.

B In order that employees obtain the maximum benefit for themselves, each vacation should be taken in a single period, if possible. It is desirable that vacations not be split to less than one calendar week. It is recognized by the CITY that employees may want to save a few vacation days to be taken at their discretion throughout the year.

C Vacation schedules will be arranged to avoid the necessity of work stoppage, slowing down of work or need for additional help.

D The time at which the employee shall be granted a vacation is at the sole discretion of the Department Head. The employee's preference will be taken into account as far as possible. The predominant factor to be considered will be the CITY's needs.

E Subject to the provisions of Section 20.D above, vacation will be taken in accordance with departmental seniority regardless of classification or job assignment.

21 FAMILY ILLNESS LEAVE

Family illness leave is available per guidelines set out in the Employee Manual.

22 BEREAVEMENT LEAVE

Bereavement leave is available per guidelines set out in the Employee Manual.

23 LAYOFF POLICY

A Purpose:

It is recognized by the UNIT that when, due to fiscal, operational or organizational reasons, it is necessary to reduce CITY employment, such action and its implementation, except as qualified herein, shall be at the sole discretion of the CITY. When it is deemed necessary to reduce CITY employment by layoff of employees, the layoff procedure shall protect the right of the CITY to retain the most qualified employees while also recognizing the relative seniority of affected employees. The following layoff policy is adopted to accomplish this purpose.

B The order of layoff of employees within a class, or classes, subject to layoff, shall be as follows:

- 1 Provisional or temporary employees
- 2 Part-time employees
- 3 Probationary employees
- 4 Full-time regular employees

Within each of the first three categories, the order of layoff shall be at the discretion of the appointing authority. Order of layoff of regular employees shall be according to the following procedure established in this Section.

In the case of layoffs for full-time regular employees, the following factors shall be considered in the following order:

- 1 Knowledge, training, ability, skill, adaptability, attitude and efficiency
- 2 Physical fitness required for the job
- 3 Seniority

C Seniority Determination:

Seniority will be established by department and within a class. Among employees with equal seniority, the order of layoff shall be determined by the appointing authority.

Procedure:

Each department is considered separately when layoff occurs. Employees shall first exhaust demotion rights within a department and class in which the employee had prior regular status provided the demotee has higher seniority than an employee working in that classification. Employees demoting to a lower classification in

which they held prior regular status shall be subject to Factors 1 and 2 in Section 23.B above.

- D Re-employment:
Employees laid off, or demoted in lieu of layoff, shall have a priority right of return to their prior class. This right shall remain effective for one year from the date of demotion or separation from the service.

24 PAST PRACTICES

Nothing contained in this MOU shall be interpreted as to imply or permit the invocation of past practice, or tradition, or accumulation, or vesting of any employee rights or privileges other than those expressly stated herein.

The CITY and UNIT agree that only those past practices, standards, obligations and/or other commitments of the CITY to its employees which are expressly stated herein shall be in full force and effect during the term of this MOU.

25 GRIEVANCE/DISCIPLINE PROCEDURES

The parties agree that the CITY will review its grievance and discipline procedures. The UNIT will be invited to provide recommendations during that review and will be provided draft copies of any proposed changes for the purpose of review and comment.

26 SOLE AGREEMENT

- A The policies that are collected in the MOU constitute the entirety of the policies which are subject to the meet and confer obligation as agreed to by the parties. To the extent that any other agreement should be in conflict with these policies, these policies shall prevail.
- B If, during its term, the parties hereto should mutually agree to modify, amend or alter the provisions of the MOU in any respect, any such change shall be effective only if and when reduced to writing and executed by the authorized representatives for the CITY and the UNIT. Any such changes, validly made, shall become a part of this MOU and subject to its terms.
- C The waiver of any breach of condition of this MOU, by either party, shall not constitute a precedent in the future enforcement of all terms and conditions herein.

27 SAVINGS CLAUSE

In the event that any of the policies contained in this MOU should be declared by a court of competent jurisdiction to be unenforceable or illegal, that policy, or set of policies, shall be declared void.

However, this action shall in no way invalidate the remaining policies contained in this MOU.

Should a policy within the MOU become void as outlined above, either the CITY or the UNIT may institute the meet and confer process in regard to instituting a substitute item.

28 SPECIAL LICENSES

The CITY shall pay all costs associated with members of UNIT obtaining and maintaining special vehicle operator licenses required by the CITY. The implementation of the Class A and Class B license requirements for employees, as of July 1, 1992 of the CITY will not result in job discrimination (i.e., loss of promotional or transfer opportunities, etc. not requiring such licenses) or adverse action if the employee is physically unable to maintain the required license. In such instances, the CITY will make reasonable accommodation for the employee.

29 WORKERS' COMPENSATION BONUS

An annual \$100 cash bonus will be paid to employees of this UNIT who do not lose (at a minimum) an eight-hour work day due to Workers' Compensation claim during the fiscal year. Bonus will be paid during the first payroll session of July in the year following the previous fiscal year in which there were no claims. This provision took effect July 1, 2004.

30 TERM OF THE MEMORANDUM OF UNDERSTANDING

This MOU shall remain in effect for the period of July 1, 2016 through and including June 30, 2018 or until a successor agreement is rendered, unless a specific provision provides for a different commencement and/or termination date.

Dated this _____ day of _____, 2016.

31 AUTHORIZED SIGNATURES

CITY OF SUSANVILLE

OPERATING ENGINEERS LOCAL UNION
NO. 3, PUBLIC WORKS EMPLOYEES

Kathie F. Garnier, Mayor

Russ Burns, Business Manager

Jared G. Hancock, City Administrator

Dan Reding, President

ATTEST:

Gwenna MacDonald, City Clerk

Jim Sullivan, Rec/Corr Secretary

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

Rick Davis, Director of Public Employees

Art Frolli, Business Representative

Reuben Downing, Employee Representative

Robert Godman, Employee Representative

**EXHIBIT A
PUBLIC WORKS UNIT
SALARY RANGES
FY 2016/2018**

<u>POSITION</u>	<u>RANGE</u>
Maintenance Worker I	121
Maintenance Worker II Utility Services Technician	125
Gas Technician II Mechanic II Streets maintenance Operator II Water System Operator II	130
Gas Technician III Mechanic III Streets Maintenance Operator III Water System Operator III	135
Fleet Maintenance Supervisor Gas Utility Supervisor Parks/Facilities Maintenance Supervisor Streets Maintenance Supervisor Water Utility Supervisor	140

CITY OF SUSANVILLE GLOBAL RANGE AND STEP MATRIX
2016-2017 PUBLIC WORKS MOU

RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G
101	663.12	696.28	731.09	767.66	805.04	846.34	888.65
102	679.70	713.69	749.37	786.85	826.20	867.49	909.55
103	696.28	731.09	767.66	805.04	846.34	888.65	933.08
104	713.69	749.37	786.85	826.20	867.49	909.55	956.40
105	731.09	767.66	805.04	846.34	888.65	933.08	979.73
106	749.37	786.85	826.20	867.49	909.55	956.40	1,004.23
107	767.66	805.04	846.34	888.65	933.08	979.73	1,028.71
108	786.85	826.20	867.49	909.55	956.40	1,004.23	1,054.43
109	805.04	846.34	888.65	933.08	979.73	1,028.71	1,080.14
110	826.20	867.49	909.55	956.40	1,004.23	1,054.43	1,107.14
111	846.34	888.65	933.08	979.73	1,028.71	1,080.14	1,134.14
112	867.49	909.55	956.40	1,004.23	1,054.43	1,107.14	1,162.50
113	888.65	933.08	979.73	1,028.71	1,080.14	1,134.14	1,190.85
114	910.86	956.40	1,004.23	1,054.43	1,107.14	1,162.50	1,220.64
115	933.08	979.73	1,028.71	1,080.14	1,134.14	1,190.85	1,250.42
116	956.40	1,004.23	1,054.43	1,107.14	1,162.50	1,220.64	1,281.69
117	979.73	1,028.71	1,080.14	1,134.14	1,190.85	1,250.42	1,312.94
118	1,004.23	1,054.43	1,107.14	1,162.50	1,220.64	1,281.69	1,345.77
119	1,028.71	1,080.14	1,134.14	1,190.85	1,250.42	1,312.94	1,378.59
120	1,054.43	1,107.14	1,162.50	1,220.64	1,281.69	1,345.77	1,413.06
121	1,080.14	1,134.14	1,190.85	1,250.42	1,312.94	1,378.59	1,447.52
122	1,107.14	1,162.50	1,220.64	1,281.69	1,345.77	1,413.06	1,493.70
123	1,134.14	1,190.85	1,250.42	1,312.94	1,378.59	1,447.52	1,519.89
124	1,162.50	1,220.64	1,281.69	1,345.77	1,413.06	1,483.70	1,557.89
125	1,190.85	1,250.42	1,312.94	1,378.59	1,447.52	1,519.89	1,595.89
126	1,220.64	1,281.69	1,345.77	1,413.06	1,483.70	1,557.89	1,635.79
127	1,250.42	1,312.94	1,378.59	1,447.52	1,519.89	1,595.89	1,675.68
128	1,281.69	1,345.77	1,413.06	1,483.70	1,557.89	1,635.79	1,717.58
129	1,312.94	1,378.59	1,447.52	1,519.89	1,595.89	1,675.68	1,759.46
130	1,345.77	1,413.06	1,483.70	1,557.89	1,635.79	1,717.58	1,803.46
131	1,378.59	1,447.52	1,519.89	1,595.89	1,675.68	1,759.46	1,847.44
132	1,413.06	1,483.70	1,557.89	1,635.79	1,717.58	1,803.46	1,893.63
133	1,447.52	1,519.89	1,595.89	1,675.68	1,759.46	1,847.44	1,939.82
134	1,483.70	1,557.89	1,635.79	1,717.58	1,803.46	1,893.63	1,988.32
135	1,519.89	1,595.89	1,675.68	1,759.46	1,847.44	1,939.82	2,036.81
136	1,557.89	1,635.79	1,717.58	1,803.46	1,893.63	1,988.32	2,087.74
137	1,595.89	1,675.68	1,759.46	1,847.44	1,939.82	2,036.81	2,138.65
138	1,635.79	1,717.58	1,803.46	1,893.63	1,988.32	2,087.74	2,192.12
139	1,675.68	1,759.46	1,847.44	1,939.82	2,036.81	2,138.65	2,245.59
140	1,717.58	1,803.46	1,893.63	1,988.32	2,087.74	2,192.12	2,301.73
141	1,759.46	1,847.44	1,939.82	2,036.81	2,138.65	2,245.59	2,357.87
142	1,803.46	1,893.63	1,988.32	2,087.74	2,192.12	2,301.73	2,416.82
143	1,847.44	1,939.82	2,036.81	2,138.65	2,245.59	2,357.87	2,475.77
144	1,893.63	1,988.32	2,087.74	2,192.12	2,301.73	2,416.82	2,537.66
145	1,939.82	2,036.81	2,138.65	2,245.59	2,357.87	2,475.77	2,599.55
146	1,988.32	2,087.74	2,192.12	2,301.73	2,416.82	2,537.66	2,664.54
147	2,036.81	2,138.65	2,245.59	2,357.87	2,475.77	2,599.55	2,729.53
148	2,087.74	2,192.12	2,301.73	2,416.82	2,537.66	2,664.54	2,797.76
149	2,138.65	2,245.59	2,357.87	2,475.77	2,599.55	2,729.53	2,866.00
150	2,192.12	2,301.73	2,416.82	2,537.66	2,664.54	2,797.76	2,937.65
151	2,245.59	2,357.87	2,475.77	2,599.55	2,729.53	2,866.00	3,009.29
152	2,301.73	2,416.82	2,537.66	2,664.54	2,797.76	2,937.65	3,084.53
153	2,357.87	2,475.77	2,599.55	2,729.53	2,866.00	3,009.29	3,159.76
154	2,416.82	2,537.66	2,664.54	2,797.76	2,937.65	3,084.53	3,238.76
155	2,475.77	2,599.55	2,729.53	2,866.00	3,009.29	3,159.76	3,317.75
156	2,537.66	2,664.54	2,797.76	2,937.65	3,084.53	3,238.76	3,400.69
157	2,599.55	2,729.53	2,866.00	3,009.29	3,159.76	3,317.75	3,483.63
158	2,664.54	2,797.76	2,937.65	3,084.53	3,238.76	3,400.69	3,570.73
159	2,729.53	2,866.00	3,009.29	3,159.76	3,317.75	3,483.63	3,657.81
160	2,797.76	2,937.65	3,084.53	3,238.76	3,400.69	3,570.73	3,749.26
161	2,866.00	3,009.29	3,159.76	3,317.75	3,483.63	3,657.81	3,840.71
162	2,937.65	3,084.53	3,238.76	3,400.69	3,570.73	3,749.26	3,936.74
163	3,009.29	3,159.76	3,317.75	3,483.63	3,657.81	3,840.71	4,032.75
164	3,084.53	3,238.76	3,400.69	3,570.73	3,749.26	3,936.74	4,133.58
165	3,159.76	3,317.75	3,483.63	3,657.81	3,840.71	4,032.75	4,234.39
166	3,238.76	3,400.69	3,570.73	3,749.26	3,936.74	4,133.58	4,340.25
167	3,317.75	3,483.63	3,657.81	3,840.71	4,032.75	4,234.39	4,446.11
168	3,400.69	3,570.73	3,749.26	3,936.74	4,133.58	4,340.25	4,557.26
169	3,483.63	3,657.81	3,840.71	4,032.75	4,234.39	4,446.11	4,785.11
170	3,570.73	3,749.26	3,936.74	4,133.58	4,340.25	4,557.26	4,901.82
171	3,657.81	3,840.71	4,032.75	4,234.39	4,446.11	4,785.11	5,024.37
172	3,749.26	3,936.74	4,133.58	4,340.25	4,557.26	4,901.82	5,146.91
173	3,840.71	4,032.75	4,234.39	4,446.11	4,785.11	5,024.37	5,275.59
174	3,936.74	4,133.58	4,340.25	4,557.26	4,901.82	5,146.91	5,404.25
175	4,032.75	4,234.39	4,446.11	4,785.11	5,024.37	5,275.59	5,539.37
176	4,133.58	4,340.25	4,557.26	4,901.82	5,146.91	5,404.25	5,674.47
177	4,234.39	4,446.11	4,785.11	5,024.37	5,275.59	5,539.37	5,816.34
178	4,340.25	4,557.26	4,901.82	5,024.37	5,275.59	5,674.47	5,958.20
179	4,446.11	4,668.40	5,146.91	5,275.59	5,539.37	5,816.34	6,107.16
180	4,557.26	4,785.11	5,024.37	5,275.59	5,539.37	5,816.34	6,256.10
181	4,668.40	4,901.82	5,146.91	5,404.25	5,674.47	5,958.20	6,412.50
182	4,785.11	5,024.37	5,275.59	5,539.37	5,816.34	6,107.16	6,568.90
183	4,901.82	5,146.91	5,404.25	5,674.47	5,958.20	6,256.10	6,733.14
184	5,024.37	5,275.59	5,539.37	5,816.34	6,107.16	6,412.50	6,897.36
185	5,146.91	5,404.25	5,674.47	5,958.20	6,256.10	6,568.90	7,069.79
186	5,275.59	5,539.37	5,816.34	6,107.16	6,412.50	6,733.14	7,242.22
187	5,404.25	5,674.47	5,958.20	6,256.10	6,568.90	6,897.36	7,423.28
188	5,539.37	5,816.34	6,107.16	6,412.50	6,733.14	7,069.79	7,604.33
189	5,674.47	5,958.20	6,256.10	6,568.90	6,897.36	7,242.22	7,794.44
190	5,816.34	6,107.16	6,412.50	6,733.14	7,069.79	7,423.28	7,984.54
191	5,958.20	6,256.10	6,568.90	6,897.36	7,242.22	7,604.33	8,184.16
192	6,107.16	6,412.50	6,733.14	7,069.79	7,423.28	7,984.54	8,383.77
193	6,256.10	6,568.90	6,897.36	7,242.22	7,604.33	8,184.16	8,593.37
194	6,412.50	6,733.14	7,069.79	7,423.28	7,984.54	8,383.77	8,802.96
195	6,568.90	6,897.36	7,242.22	7,604.33	8,184.16	8,593.37	9,023.04
196	6,733.14	7,069.79	7,423.28	7,984.54	8,383.77	8,802.96	9,243.11
197	6,897.36	7,242.22	7,604.33	8,184.16	8,593.37	9,023.04	9,474.19
198	7,069.79	7,423.28	7,984.54	8,383.77	8,802.96	9,243.11	9,705.26
199	7,242.22	7,604.33	8,184.16	8,593.37	9,023.04	9,474.19	9,947.90
200	7,423.28	7,984.54	8,593.37	9,184.16	9,705.26	10,243.11	

CITY OF SUSANVILLE GLOBAL RANGE AND STEP MATRIX
2017-2018 PUBLIC WORKS MOU

RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G
101	669.76	703.24	736.72	770.20	803.68	837.16	870.64
102	669.76	720.83	754.31	787.79	821.27	854.75	888.23
103	703.24	736.72	770.20	803.68	837.16	870.64	904.12
104	720.83	754.31	787.79	821.27	854.75	888.23	921.71
105	736.72	770.20	803.68	837.16	870.64	904.12	938.60
106	754.31	787.79	821.27	854.75	888.23	921.71	955.49
107	770.20	803.68	837.16	870.64	904.12	938.60	972.38
108	787.79	821.27	854.75	888.23	921.71	955.49	989.27
109	803.68	837.16	870.64	904.12	938.60	972.38	1,006.16
110	821.27	854.75	888.23	921.71	955.49	989.27	1,023.05
111	837.16	870.64	904.12	938.60	972.38	1,006.16	1,040.04
112	854.75	888.23	921.71	955.49	989.27	1,023.05	1,057.03
113	870.64	904.12	938.60	972.38	1,006.16	1,040.04	1,074.02
114	888.23	921.71	955.49	989.27	1,023.05	1,057.03	1,091.01
115	904.12	938.60	972.38	1,006.16	1,040.04	1,074.02	1,108.00
116	921.71	955.49	989.27	1,023.05	1,057.03	1,091.01	1,125.00
117	938.60	972.38	1,006.16	1,040.04	1,074.02	1,108.00	1,142.00
118	955.49	989.27	1,023.05	1,057.03	1,091.01	1,125.00	1,159.00
119	972.38	1,006.16	1,040.04	1,074.02	1,108.00	1,142.00	1,176.00
120	989.27	1,023.05	1,057.03	1,091.01	1,125.00	1,159.00	1,193.00
121	1,006.16	1,040.04	1,074.02	1,108.00	1,142.00	1,176.00	1,210.00
122	1,023.05	1,057.03	1,091.01	1,125.00	1,159.00	1,193.00	1,227.00
123	1,040.04	1,074.02	1,108.00	1,142.00	1,176.00	1,210.00	1,244.00
124	1,057.03	1,091.01	1,125.00	1,159.00	1,193.00	1,227.00	1,261.00
125	1,074.02	1,108.00	1,142.00	1,176.00	1,210.00	1,244.00	1,278.00
126	1,091.01	1,125.00	1,159.00	1,193.00	1,227.00	1,261.00	1,295.00
127	1,108.00	1,142.00	1,176.00	1,210.00	1,244.00	1,278.00	1,315.00
128	1,125.00	1,159.00	1,193.00	1,227.00	1,261.00	1,295.00	1,330.00
129	1,142.00	1,176.00	1,210.00	1,244.00	1,278.00	1,315.00	1,350.00
130	1,159.00	1,193.00	1,227.00	1,261.00	1,295.00	1,330.00	1,370.00
131	1,176.00	1,210.00	1,244.00	1,278.00	1,315.00	1,350.00	1,390.00
132	1,193.00	1,227.00	1,261.00	1,295.00	1,330.00	1,370.00	1,410.00
133	1,210.00	1,244.00	1,278.00	1,315.00	1,350.00	1,390.00	1,430.00
134	1,227.00	1,261.00	1,295.00	1,330.00	1,370.00	1,410.00	1,450.00
135	1,244.00	1,278.00	1,315.00	1,350.00	1,390.00	1,430.00	1,470.00
136	1,261.00	1,295.00	1,330.00	1,370.00	1,410.00	1,450.00	1,490.00
137	1,278.00	1,315.00	1,350.00	1,390.00	1,430.00	1,470.00	1,510.00
138	1,295.00	1,330.00	1,370.00	1,410.00	1,450.00	1,490.00	1,530.00
139	1,315.00	1,350.00	1,390.00	1,430.00	1,470.00	1,510.00	1,550.00
140	1,330.00	1,370.00	1,410.00	1,450.00	1,490.00	1,530.00	1,570.00
141	1,350.00	1,390.00	1,430.00	1,470.00	1,510.00	1,550.00	1,590.00
142	1,370.00	1,410.00	1,450.00	1,490.00	1,530.00	1,570.00	1,610.00
143	1,390.00	1,430.00	1,470.00	1,510.00	1,550.00	1,590.00	1,630.00
144	1,410.00	1,450.00	1,490.00	1,530.00	1,570.00	1,610.00	1,650.00
145	1,430.00	1,470.00	1,510.00	1,550.00	1,590.00	1,630.00	1,670.00
146	1,450.00	1,490.00	1,530.00	1,570.00	1,610.00	1,650.00	1,690.00
147	1,470.00	1,510.00	1,550.00	1,590.00	1,630.00	1,670.00	1,710.00
148	1,490.00	1,530.00	1,570.00	1,610.00	1,650.00	1,690.00	1,730.00
149	1,510.00	1,550.00	1,590.00	1,630.00	1,670.00	1,710.00	1,750.00
150	1,530.00	1,570.00	1,610.00	1,650.00	1,690.00	1,730.00	1,770.00
151	1,550.00	1,590.00	1,630.00	1,670.00	1,710.00	1,750.00	1,790.00
152	1,570.00	1,610.00	1,650.00	1,690.00	1,730.00	1,770.00	1,810.00
153	1,590.00	1,630.00	1,670.00	1,710.00	1,750.00	1,790.00	1,830.00
154	1,610.00	1,650.00	1,690.00	1,730.00	1,770.00	1,810.00	1,850.00
155	1,630.00	1,670.00	1,710.00	1,750.00	1,790.00	1,830.00	1,870.00
156	1,650.00	1,690.00	1,730.00	1,770.00	1,810.00	1,850.00	1,890.00
157	1,670.00	1,710.00	1,750.00	1,790.00	1,830.00	1,870.00	1,910.00
158	1,690.00	1,730.00	1,770.00	1,810.00	1,850.00	1,890.00	1,930.00
159	1,710.00	1,750.00	1,790.00	1,830.00	1,870.00	1,910.00	1,950.00
160	1,730.00	1,770.00	1,810.00	1,850.00	1,890.00	1,930.00	1,970.00
161	1,750.00	1,790.00	1,830.00	1,870.00	1,910.00	1,950.00	1,990.00
162	1,770.00	1,810.00	1,850.00	1,890.00	1,930.00	1,970.00	2,010.00
163	1,790.00	1,830.00	1,870.00	1,910.00	1,950.00	1,990.00	2,030.00
164	1,810.00	1,850.00	1,890.00	1,930.00	1,970.00	2,010.00	2,050.00
165	1,830.00	1,870.00	1,910.00	1,950.00	1,990.00	2,030.00	2,070.00
166	1,850.00	1,890.00	1,930.00	1,970.00	2,010.00	2,050.00	2,090.00
167	1,870.00	1,910.00	1,950.00	1,990.00	2,030.00	2,070.00	2,110.00
168	1,890.00	1,930.00	1,970.00	2,010.00	2,050.00	2,090.00	2,130.00
169	1,910.00	1,950.00	1,990.00	2,030.00	2,070.00	2,110.00	2,150.00
170	1,930.00	1,970.00	2,010.00	2,050.00	2,090.00	2,130.00	2,170.00
171	1,950.00	1,990.00	2,030.00	2,070.00	2,110.00	2,150.00	2,190.00
172	1,970.00	2,010.00	2,050.00	2,090.00	2,130.00	2,170.00	2,210.00
173	1,990.00	2,030.00	2,070.00	2,110.00	2,150.00	2,190.00	2,230.00
174	2,010.00	2,050.00	2,090.00	2,130.00	2,170.00	2,210.00	2,250.00
175	2,030.00	2,070.00	2,110.00	2,150.00	2,190.00	2,230.00	2,270.00
176	2,050.00	2,090.00	2,130.00	2,170.00	2,210.00	2,250.00	2,290.00
177	2,070.00	2,110.00	2,150.00	2,190.00	2,230.00	2,270.00	2,310.00
178	2,090.00	2,130.00	2,170.00	2,210.00	2,250.00	2,290.00	2,330.00
179	2,110.00	2,150.00	2,190.00	2,230.00	2,270.00	2,310.00	2,350.00
180	2,130.00	2,170.00	2,210.00	2,250.00	2,290.00	2,330.00	2,370.00
181	2,150.00	2,190.00	2,230.00	2,270.00	2,310.00	2,350.00	2,390.00
182	2,170.00	2,210.00	2,250.00	2,290.00	2,330.00	2,370.00	2,410.00
183	2,190.00	2,230.00	2,270.00	2,310.00	2,350.00	2,390.00	2,430.00
184	2,210.00	2,250.00	2,290.00	2,330.00	2,370.00	2,410.00	2,450.00
185	2,230.00	2,270.00	2,310.00	2,350.00	2,390.00	2,430.00	2,470.00
186	2,250.00	2,290.00	2,330.00	2,370.00	2,410.00	2,450.00	2,490.00
187	2,270.00	2,310.00	2,350.00	2,390.00	2,430.00	2,470.00	2,510.00
188	2,290.00	2,330.00	2,370.00	2,410.00	2,450.00	2,490.00	2,530.00
189	2,310.00	2,350.00	2,390.00	2,430.00	2,470.00	2,510.00	2,550.00
190	2,330.00	2,370.00	2,410.00	2,450.00	2,490.00	2,530.00	2,570.00
191	2,350.00	2,390.00	2,430.00	2,470.00	2,510.00	2,550.00	2,590.00
192	2,370.00	2,410.00	2,450.00	2,490.00	2,530.00	2,570.00	2,610.00
193	2,390.00	2,430.00	2,470.00	2,510.00	2,550.00	2,590.00	2,630.00
194	2,410.00	2,450.00	2,490.00	2,530.00	2,570.00	2,610.00	2,650.00
195	2,430.00	2,470.00	2,510.00	2,550.00	2,590.00	2,630.00	2,670.00
196	2,450.00	2,490.00	2,530.00	2,570.00	2,610.00	2,650.00	2,690.00
197	2,470.00	2,510.00	2,550.00	2,590.00	2,630.00	2,670.00	2,710.00
198	2,490.00	2,530.00	2,570.00	2,610.00	2,650.00	2,690.00	2,730.00
199	2,510.00	2,550.00	2,590.00	2,630.00	2,670.00	2,710.00	2,750.00
200	2,530.00	2,570.00	2,610.00	2,650.00	2,690.00	2,730.00	2,770.00

Reviewed by: JH City Administrator
 City Attorney

 Motion only
 Public Hearing
 Resolution
 Ordinance
 X Information

Submitted by: Heidi Whitlock, Assistant to the City Administrator

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: Golf Course Update

PRESENTED BY: Jared G. Hancock, City Administrator

SUMMARY: As the peak golf season has come to an end, winter preparations have begun for the Diamond Mountain Golf Course. Irrigation lines have been winterized as well as the old clubhouse. The course has been cleared of all debris from early winter storms, maintenance equipment has been stored for the winter and staffing has been reduced to cover core functions.

Staff is pleased to announce the arrival of the new Golf Course Manager, Alan Hoover, whose first day was November 29th. He comes to us with experience in both private and municipal courses and managing the following areas: capital improvements, restaurant sales, tournaments, marketing and practical experience with course renovation / construction.

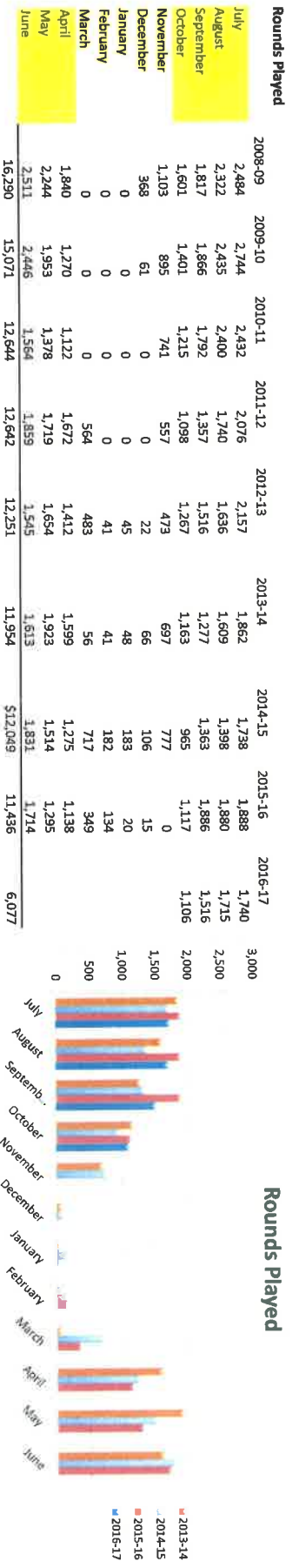
Attached is the monthly golf course financial report and staff is also working on advertisements for the sale of 2017/2018 Annual Memberships to be available during the holidays.

In addition, staff has been recently notified of the American Legions' interest in running the Diamond Mountain Bar & Grill next season. Staff will continue to provide updates on the status of their interest.

FISCAL IMPACT: None at this time.

ACTION REQUESTED: Direction to staff.

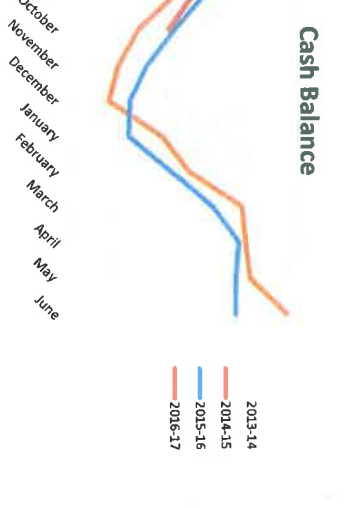
ATTACHMENTS: Monthly Golf Course Financial Report



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
July	2,484	2,744	2,432	2,076	2,157	1,862	1,738	1,888	1,740
August	2,322	2,435	2,400	1,740	1,636	1,609	1,398	1,880	1,715
September	1,817	1,866	1,792	1,357	1,516	1,277	1,363	1,886	1,516
October	1,601	1,401	1,215	1,098	1,267	1,163	965	1,117	1,106
November	1,103	895	741	557	473	697	777	0	0
December	368	61	0	0	22	66	106	15	15
January	0	0	0	0	45	48	183	20	20
February	0	0	0	0	41	41	182	134	134
March	0	0	0	564	483	56	717	349	349
April	1,840	1,270	1,122	1,672	1,412	1,599	1,275	1,138	1,138
May	2,244	1,953	1,378	1,719	1,654	1,923	1,514	1,295	1,295
June	2,511	2,446	1,564	1,859	1,545	1,613	1,831	1,714	1,714
Total	16,290	15,071	12,644	12,642	12,251	11,954	\$12,049	11,436	6,077

Winter Play does not include rounds played for annual members.
 * Golf Course Manager unable to verify rounds played due to computer software malfunction.

(1) - General Fund transferred in \$244,886 to remove negative cash

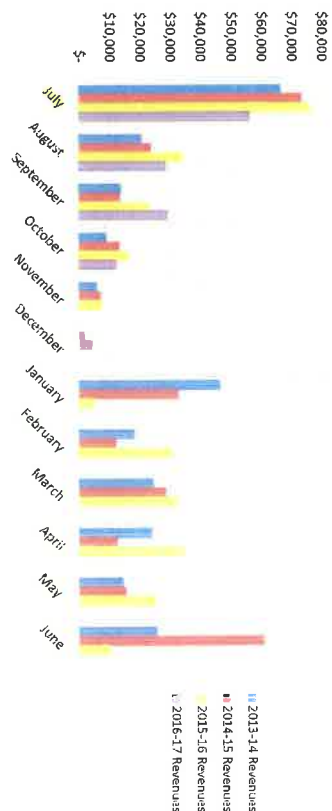


GOLF COURSE

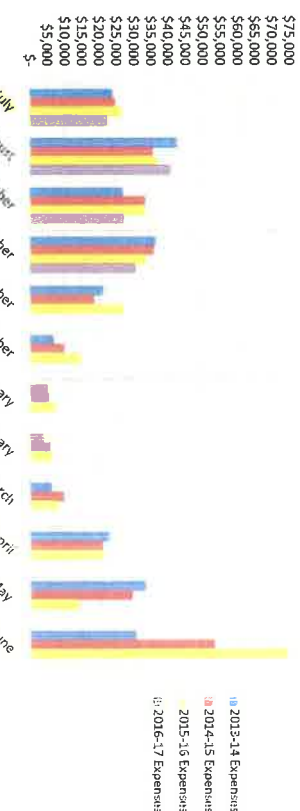
Revenue (\$)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
July	\$ 2,284	\$ 55,333	\$ 78,704	\$ 66,861	\$ 73,478	\$ 76,998	\$ 556,462
August	\$ 2,286	\$ 40,342	\$ 28,151	\$ 20,948	\$ 23,506	\$ 34,678	\$ 28,757
September	\$ 2,286	\$ 22,355	\$ 16,907	\$ 14,243	\$ 13,563	\$ 23,559	\$ 29,301
October	\$ 13,147	\$ 14,270	\$ 18,531	\$ 9,281	\$ 13,443	\$ 16,780	\$ 12,538
November	\$ 10,151	\$ 11,739	\$ 9,340	\$ 6,097	\$ 7,190	\$ 7,772	
December	\$ 445	\$ 1,315	\$ 2,541	\$ 2,031	\$ 4,372	\$ 5	
January	\$ 175	\$ -	\$ 627	\$ 46,874	\$ 32,962	\$ 5,290	
February	\$ 1,504	\$ 771	\$ 8,479	\$ 18,544	\$ 12,215	\$ 30,997	
March	\$ 7,256	\$ 71,957	\$ 52,973	\$ 24,741	\$ 28,803	\$ 32,949	
April	\$ 89,414	\$ 27,191	\$ 34,671	\$ 24,241	\$ 12,655	\$ 35,048	
May	\$ 38,039	\$ 30,147	\$ 17,400	\$ 14,632	\$ 15,488	\$ 25,647	
June	\$ 21,516	\$ 45,943	\$ 25,172	\$ 25,839	\$ 60,973	\$ 10,525	\$ 127,058
	\$ 188,503	\$ 321,262	\$ 299,494	\$ 274,322	\$ 299,048	\$ 300,247	\$ 1,120,578

Golfing Revenues



Golfing Expenses



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
July	\$ 8,495	\$ 33,627	\$ 36,737	\$ 24,054	\$ 24,593	\$ 26,790	\$ 22,204
August	\$ 3,970	\$ 71,919	\$ 58,916	\$ 42,984	\$ 35,518	\$ 36,961	\$ 40,668
September	\$ 11,204	\$ 51,818	\$ 31,511	\$ 27,049	\$ 33,330	\$ 33,660	\$ 27,251
October	\$ 47,590	\$ 47,451	\$ 35,092	\$ 36,693	\$ 35,939	\$ 33,758	\$ 30,455
November	\$ 34,276	\$ 54,972	\$ 29,001	\$ 21,353	\$ 18,556	\$ 27,341	
December	\$ 19,451	\$ 22,233	\$ 17,629	\$ 6,914	\$ 9,723	\$ 14,683	
January	\$ (3,769)	\$ 14,766	\$ 15,224	\$ 5,311	\$ 5,484	\$ 7,588	
February	\$ 15,222	\$ 15,038	\$ 25,556	\$ 4,144	\$ 5,611	\$ 6,376	
March	\$ 24,881	\$ 25,361	\$ 12,940	\$ 6,208	\$ 9,580	\$ 8,322	
April	\$ 29,967	\$ 35,536	\$ 22,179	\$ 22,989	\$ 20,917	\$ 21,600	
May	\$ 31,809	\$ 39,833	\$ 46,152	\$ 33,686	\$ 29,452	\$ 14,145	
June	\$ 87,589	\$ 33,799	\$ 60,118	\$ 30,895	\$ 53,327	\$ 79,409	\$ 120,578
Net Profit(loss)	\$ 310,685	\$ 442,570	\$ 391,057	\$ 262,280	\$ 282,280	\$ 310,633	\$ 56,479
	(122,182)	(121,308)	(97,563)	12,042	16,768	(10,386)	

- * Expense higher due to pump maintenance.
- (1) Revenue numbers changed for annual amounts due in this fiscal year
- (2) Revenue numbers lower for accruing annual revenues into correct period (\$30,828)
- (3) Revenue higher for transfer in of \$18,000 from General Fund

GOLF COURSE RESTAURANT

Revenues
 July
 August
 September
 October
 November
 December
 January
 February
 March
 April
 May
 June

2012-13			2013-14		
Revenues	Expenses	Net Profit(Loss)	Revenues	Expenses	Net Profit(Loss)
\$ 8,793	\$ 8,793	\$ -	\$ 8,793	\$ 9,078	\$ (285)
\$ 5,594	\$ 5,594	\$ -	\$ 5,594	\$ 13,999	\$ (8,405)
\$ 7,767	\$ 7,767	\$ -	\$ 7,767	\$ 5,924	\$ 1,843
\$ 4,097	\$ 4,097	\$ -	\$ 4,097	\$ 7,101	\$ (3,004)
\$ 2,411	\$ 2,411	\$ -	\$ 2,411	\$ 5,261	\$ (2,850)
\$ 5,200	\$ 9,478	\$ (4,278)	\$ 5,183	\$ 600	\$ (4,583)
\$ 7,047	\$ 7,298	\$ (251)	\$ 8,453	\$ 8,264	\$ 189
\$ 8,632	\$ 5,928	\$ 2,704	\$ 17,708	\$ 13,272	\$ 4,436
\$ 16,138	\$ 1,118	\$ 15,020	\$ 216,694	\$ 216,694	\$ -
\$ 20,878	\$ 38,842	\$ (17,964)	\$ 59,994	\$ 88,194	\$ (28,200)

2014-15		
Revenues	Expenses	Net Profit(Loss)
\$ 9,328	\$ 10,493	\$ (1,165)
\$ 10,671	\$ 19,842	\$ (9,171)
\$ 10,204	\$ 18,853	\$ (8,649)
\$ 8,645	\$ 11,004	\$ (2,359)
\$ 3,512	\$ 5,218	\$ (1,706)
\$ 3,757	\$ 4,730	\$ (973)
\$ 10,754	\$ 13,156	\$ (2,402)
\$ 16,253	\$ 20,809	\$ (4,556)
\$ 73,125	\$ 103,504	\$ (30,379)

Revenues
 July
 August
 September
 October
 November
 December
 January
 February
 March
 April
 May
 June

2015-16		
Revenues	Expenses	Net Profit(Loss)
\$ 10,644	\$ 10,935	\$ (291)
\$ 16,198	\$ 17,875	\$ (1,677)
\$ 7,628	\$ 11,322	\$ (3,694)
\$ 126	\$ 3,288	\$ (3,162)
\$ -	\$ 241	\$ (241)

CLOSED

\$ 34,595	\$ 43,641	\$ (9,046)
-----------	-----------	------------

AGENDA ITEM NO. 13B

Reviewed by: City Administrator
 City Attorney

 Motion only
 Public Hearing
 Resolution
 Ordinance
 X Information

Submitted by: Dan Newton, Public Works Director

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

SUBJECT: Public Works Department Report

PRESENTED BY: Dan Newton, Public Works Director

SUMMARY: Staff will provide an update of the projects and operations of the Public Works Department, including the Administration/Engineering, Streets, Natural Gas, and Water/Geothermal Department Divisions.

FISCAL IMPACT: None

ACTION REQUESTED: Information only.

ATTACHMENTS: Department update

City of Susanville Public Works Departmental Report

December 2016

Administration / Engineering Division

Accomplishments:

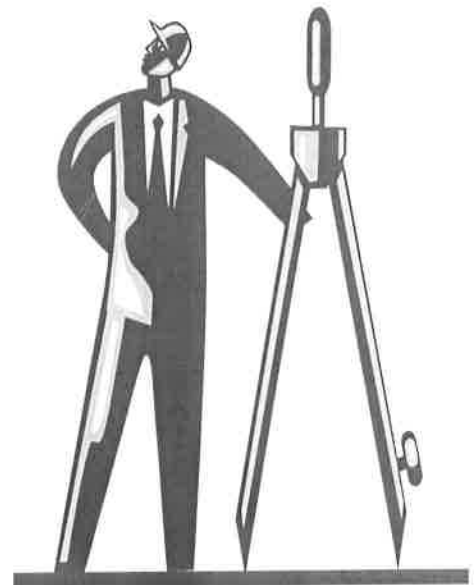
- Susanville Rehab SC; SC1; SC2; SC3 project design, environmental clearance, bid and construction
- Water Main Replacement project design, bid and construction
- Water Rate Analysis and Calculations Report
- Water Conservation Order Rescission
- Environmental Clearance Rehab FC - NEPA & CEQA
- Design Geothermal Extension

Key projects in progress:

- Street Rehab FC - Design.
- Street Rehab FD - Environmental and Design
- Integrated Regional Water Management Implementation Grant - Design
- Review and update safety manuals, drug and alcohol policy, etc.
- Air Pollution Control District Responsibilities

On going duties / responsibilities:

- Encroachment permit inspection
- Air Pollution Permit / Inspection
- STIP monitoring
- Invoice processing/record keeping
- Fleet maintenance
- Support other department divisions: mapping, research, property boundaries
- Review development projects



Streets Division

Accomplishments:

- Pavement Patching at various locations
- Painting school zone crosswalks and roadway markings
- Fall Leaf Collection
- Grade Alleys
- Tree Trimming
- Hang Christmas lights

Key projects in progress:

- Trimming trees/bushes street operations
- Preparing for snow removal operations

On going duties / responsibilities:

- Vegetation control, pruning
- Street sweeping
- Alley maintenance
- Clear floodways
- Remove dead animals from right of way
- Assist other Public Works Divisions



Water/Geothermal Division

Accomplishments:

- 46 Leaks repaired
- Extend Geothermal Supply line to pool
- Water Main Replacement projects, inspection of work

Key projects in progress:

- Exercise zone closure valves
- Pump control reconfiguration
- Water meter maintenance checklist

On going duties / responsibilities:

- Compliance monitoring / sampling
- Water treatment
- 908 Service calls
- Maintain and clean well sites
- Respond to complaints



Natural Gas Division

Accomplishments:

- Gas meters installed: 29
- Pending propane conversion services: 0
- Pending non-propane services: 31
- Service risers installed (customers not connected): 10
- Service calls: 996
- Update emergency response plan
- Operator requalification pipe joining procedures
- Meter calibration - CCC and PSREC
- Stub for future development SC; SC1; SC2; SC3

Key projects in progress:

- Leak Survey
- Annual reports to DOT and DOE

On going duties/ responsibilities:

- Operation and maintenance training
- Service calls



Reviewed by: JGH City Administrator
 City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- X Information

Submitted by: Gwenna MacDonald, City Clerk

Action Date: December 7, 2016

CITY COUNCIL AGENDA ITEM

PRESENTED BY: Jared G. Hancock, City Administrator

SUBJECT: Susanville Library District

PRESENTED BY: Jared G. Hancock, City Administrator

SUMMARY: The City of Susanville and the Susanville Library District entered into a loan agreement in 1996 for purchase and acquisition of the property that is located at 1618 Main Street. Provisions in the contract include providing the City annual financial reports stating the financial condition of the library. Staff is providing the reports for City Council's acceptance and filing.

FISCAL IMPACT: None at this time.

ACTION REQUESTED: Review and file.

ATTACHMENTS: Susanville Library District Annual Financial Reports

LASSEN LIBRARY DISTRICT

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2016**

TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	3
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance	4
Statement of Revenues and Expenditures - Compared to Budget	5
Notes to Financial Statements	6-12
Supplemental Information:	
Principal Officials	14
Statement of Cash Flows	15



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohnsoncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Lassen Library District
Susanville, California

Report on the Financial Statements

We have audited the accompanying financial statements of Lassen Library District, as of and for the year ended June 30, 2016, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lassen Library District as of June 30, 2016, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Other Matters

Required Supplementary Information

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis 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, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Robert W. Johnson, An Accountant

Citrus Heights, California
October 7, 2016

LASSEN LIBRARY DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2016

ASSETS	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash (Note 3)	\$ 131,212	\$ -	\$ 131,212
Accounts receivable	120	-	120
Prepaid expenses	-	-	-
Capital assets, at cost (Note 4)	-	1,447,112	1,447,112
Less, accumulated depreciation	<u>-</u>	<u>(722,437)</u>	<u>(722,437)</u>
Total assets	<u>\$ 131,332</u>	<u>\$ 724,675</u>	<u>\$ 856,007</u>
LIABILITIES AND FUND BALANCES/NET POSITION			
Accounts payable and accrued liabilities	\$ 1,536	\$ -	\$ 1,536
Long-term debt (Note 5)	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Total liabilities	<u>1,536</u>	<u>200,000</u>	<u>201,536</u>
Fund balances/net position (Note 6):			
Fund balances:			
Restricted	14,832	(14,832)	-
Committed	-	-	-
Unassigned	<u>114,964</u>	<u>(114,964)</u>	<u>-</u>
Total fund balances	<u>129,796</u>	<u>(129,796)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 131,332</u>		
Net position (Note 6):			
Net investment in capital assets		524,675	524,675
Restricted		14,832	14,832
Unrestricted		<u>114,964</u>	<u>114,964</u>
Total net position		<u>\$ 654,471</u>	<u>\$ 654,471</u>

See notes to financial statements

LASSEN LIBRARY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
for the year ended June 30, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Library:			
Personnel	\$ 67,015	\$ -	\$ 67,015
Building costs	30,174	-	30,174
Operating supplies	6,186	-	6,186
Other costs	22,089	-	22,089
Capital outlay	18,124	(18,124)	-
Library weeding expense	-	32,825	32,825
Depreciation	<u>-</u>	<u>68,204</u>	<u>68,204</u>
Total program expenditures/expenses	<u>143,588</u>	<u>82,905</u>	<u>226,493</u>
Program revenues:			
Operating grants	9,549	-	9,549
User fees	8,750	-	8,750
Donations	7,904	-	7,904
Other income	<u>3,715</u>	<u>-</u>	<u>3,715</u>
Total program revenues	<u>29,918</u>	<u>-</u>	<u>29,918</u>
General revenues:			
County assessment	120,940	-	120,940
Interest income	<u>38</u>	<u>-</u>	<u>38</u>
Total general revenues	<u>120,978</u>	<u>-</u>	<u>120,978</u>
Revenue over (under) expenditures before contributions/change in net position before contributions	7,308	(82,905)	(75,597)
Capital contributions	<u>15,134</u>	<u>-</u>	<u>15,134</u>
Revenue over (under) expenditures/change in net position	22,442	(82,905)	(60,463)
Beginning fund balances/net position	<u>107,354</u>	<u>607,580</u>	<u>714,934</u>
Ending fund balances/net position	<u>\$ 129,796</u>	<u>\$ 524,675</u>	<u>\$ 654,471</u>

See notes to financial statements

LASSEN LIBRARY DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET
for the year ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Grants	\$ 8,849	\$ 9,549	\$ 700
County assessment	112,223	120,940	8,717
User fees	8,435	8,750	315
Interest income	57	38	(19)
Donations	7,411	7,904	493
Other income	3,999	3,715	(284)
Capital contributions	<u>14,569</u>	<u>15,134</u>	<u>565</u>
 Total revenues	 <u>155,543</u>	 <u>166,030</u>	 <u>10,487</u>
 Expenditures:			
Payroll	61,778	61,126	652
Employee benefits	6,068	5,889	179
Building costs	27,751	30,174	(2,423)
Operating supplies	5,885	6,186	(301)
Other costs	21,699	22,089	(390)
Capital outlay	<u>17,737</u>	<u>18,124</u>	<u>(387)</u>
 Total expenditures	 <u>140,918</u>	 <u>143,588</u>	 <u>(2,670)</u>
 Revenue over (under) expenditures	 <u>\$ 14,625</u>	 <u>\$ 22,442</u>	 <u>\$ 7,817</u>

See notes to financial statements

LASSEN LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. Organization:

The Lassen Library District (the "District") is located in Northeastern California in Lassen County. Initially formed as the Susanville Library District, the District was approved by the Lassen County Local Agency Formation Commission on August 10, 1994 and approved by 71.4 percent of Susanville voters on November 8, 1994. The Lassen Library District was formed pursuant to library sections of the California Education code.

As a special district the Library is independent of other local governments and solely responsible for its policies and funding. The District is governed by a five member elected Board of Trustees and operated by a staff of 6 paid part time employees.

The Library District provides a single service, that of a library, to the residents of Lassen County and its visitors, conducting programs and providing services and resources that enable its patrons to acquire high-level literacy and life-long learning skills and to improve the quality of their personal and professional lives. The Library is located in a single story, 11,100 square foot building in the heart of Susanville, California and has a collection of more than 43,000 items.

2. Summary of Significant Accounting Policies:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report as follows:

Governmental Funds:

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

LASSEN LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Basis of Accounting

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using the current financial resources measurement focus. Under this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) as changes in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period they become measurable and available. The District considers revenues as available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes, interest and certain other intergovernmental revenues. Expenditures are recognized in the accounting period in which the liability is incurred.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Structures and equipment and the District's collection materials are depreciated using the straight-line method over the estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of the donation, including an estimated value of \$4 each for used books. Weeding of book inventory is performed annually.

Contributed Services

The District receives a substantial amount of services donated by members of the community. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final budget for each fiscal year.

LASSEN LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Cash and Investments

The District maintains a non-interest bearing checking account with a local bank. Investments consist of LAIF (State of California pooled investment fund). Investments are stated at market value. Such investment is within the State statutes and the District's investment policies.

Property Taxes

The County of Lassen bills and collects a special assessment approved by the voters of the City of Susanville in the amount of \$28 per habitable dwelling unit.

Use of Estimates

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

Government-wide Financial Statements

The Statement of net position and statement of activities display information about the primary activities of the District. These statements include the financial activities of the overall District.

The statement of activities present direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program, and are clearly identifiable to a particular function. Program revenues include 1) charges for services and 2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

LASSEN LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Fund Financial Statements

The fund financial statements provide information about the District's funds, which include only governmental funds.

The District has combined the statements of net position and the statement of activities, with the balance sheet and the statement of revenues, expenditures, and changes in fund balances, into two statements, the statement of net position and governmental funds balance sheet and the statement of activities and governmental fund revenues, expenditures, and changes in fund balances, for simplicity.

The District reports a General Fund that is used to account for all financial resources except those required or designated by the Board of Trustees to be accounted for in another fund.

3. Cash and Investments:

The District maintains certain portions of its funds with a local bank. The funds are either secured by federal depository insurance or are collateralized. The District's funds in LAIF are invested in a diversified portfolio (of underlying investments e.g. U.S. Treasury obligations) such that it considers the risk of material loss to be minimal. The funds held in LAIF can be withdrawn on demand.

	Balance June 30, <u>2016</u>
Cash in bank	\$ 119,256
Circulation desk change fund	100
LAIF	<u>11,856</u>
	<u>\$ 131,212</u>

LASSEN LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

4. Capital Assets:

Changes in capital assets for year ended June 30, 2016 was as follows:

	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, June 30, 2016</u>
Building and improvements	\$ 995,014	\$ -	\$ -	\$ 995,014
Collection materials	429,115	15,456	36,473	408,098
Furniture and equipment	63,309	(5,024)	28,718	29,567
Computers & software	<u>6,741</u>	<u>7,692</u>	<u>-</u>	<u>14,433</u>
	<u>\$1,494,179</u>	<u>\$ 18,124</u>	<u>\$ 65,191</u>	<u>\$1,447,112</u>

5. Long-term Debt:

Long-term debt activities for the year ended June 30, 2016 are as follows:

	<u>2015</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2016</u>	<u>Current Portion</u>
Note payable – City of Susanville	<u>\$200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$200,000</u>	<u>\$ -</u>

This interest-free deferred note payable to the City of Susanville is due upon the sale or transfer of the Library facility or termination of provision of library services. The note payable is secured by Library Facility.

LASSEN LIBRARY DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

6. Equity:

General Fund:

Total fund balances consist of:

Restricted:

Contingency reserve	\$ 11,856	
Literacy program	2,976	
		\$ 14,832

Committed:

Unassigned:		114,964
		\$ 129,796

Statement of Net Position:

Total net position consists of:

Net investment in capital assets	\$ 524,675
Restricted	14,832
Unrestricted:	
Board designated	-
Undesignated	114,964
	\$ 654,471

LASSEN LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

7. Contingencies:

The District may receive grant funding for specific purposes that are subject to review and audit by grantor agencies. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

8. Subsequent Events:

Management has evaluated subsequent events through October 7, 2016, the date these June 30, 2016 financial statements were available to be issued.

SUPPLEMENTAL DATA

LASSEN LIBRARY DISTRICT
PRINCIPAL OFFICIALS

Board of Trustees:

Margie Meserve	President
Riki Dimond	Vice President
Marilyn Shears	Secretary
Amy Owens	
Jennifer Cote	

Staff:

Deborah Probst	Library Director
Jeffrey Hawkins	Interim Library Director
Maria Richards	Library Services Administrator

LASSEN LIBRARY DISTRICT
 SCHEDULE OF CASH FLOWS
 for the year ended June 30, 2016

Cash flows from operating activities:

Change in net position (loss)		\$(60,463)
Adjustments to reconcile change in net position (loss) to net cash provided by operating activities		
Depreciation	\$ 68,204	
Library weeding expense	32,825	
(Increase) decrease in:		
Accounts receivable	161	
Prepaid expenses	-	
(Decrease) increase in:		
Accounts payable and accrued liabilities	(2,141)	<u>99,049</u>
Net cash provided by operating activities		38,586
Cash flows from investing activities:		
Purchase of property		(18,124)
Cash flows from financing activities:		
Reduction of long-term debt, net		<u>-</u>
Net increase in cash		20,462
Cash at beginning of year		<u>110,750</u>
Cash at end of year		<u>\$ 131,212</u>

