



CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR TOM PARNHAM • MAYOR PRO-TEM STEVE HARVEY
COUNCILMEMBERS • KIM DOUGLASS • TONY HESCH • WILL STOCKWIN



REGULAR MEETING AGENDA

January 13, 2015

Closed Session 6:00 PM • Regular Session begins at 7:00 PM

1) CONVENE CLOSED SESSION

1A. **Call Closed Session to Order**

1B. **Roll Call**

1C. **Public Comment – Closed Session Items**

1D. **Closed Session Agenda**

Conference with Labor Negotiators pursuant To Government Code Section 54957.6 Employee Organization: General Employees and Bargaining Unit Represented by Operating Engineers, Local 39 City's Designated Representative: Mark Miller

Public employee performance evaluation pursuant to Government Code Section 54957
Title: City Manager

2) CONVENE OPEN SESSION

2A. **Call Open Session to Order**

2B. **Pledge of Allegiance**

2C. **Report from Closed Session**

2D. **Roll Call**

2E. **Approval of Agenda Order**

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

RECOMMENDED ACTION: By motion, accept the agenda as presented or amended.

3) PRESENTATIONS

3A. **Winterfest Report**

Gary Howard – Event Organizer

3B. **City of Colfax Audit Reports as of June 30, 2015**

Ingrid Sheipline (Richardson and Co.), Auditor

RECOMMENDATION: Receive City Audit Reports as of June 30, 2015 Included in Packet – Discuss and Approve as Appropriate.

3C. **Presentation from Placer County Sheriff's Department, Overview Colfax Law in Enforcement**

Sergeant Ty Conners

4) CONSENT CALENDAR

All matters listed under the Consent Agenda are considered routine in nature and will be approved by one blanket motion with a roll call vote. There will be no separate discussion of these items unless persons request specific items to be removed from the Consent Agenda for discussion and separate action. Any items removed will be considered after the motion to approve the Consent Agenda. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the City staff.

RECOMMENDED ACTION: Approve Consent Calendar

4A. **Minutes City Council Meeting of December 9, 2015**

Recommendation: Approve the Minutes of the Regular Meeting of December 9, 2015.

4B. **CalRecycle Payment Plan**

Recommendation: Adopt Resolution 01-2016 Authorizing Submittal of Application for Payment Programs to CalRecycle, and Related Authorizations.



4C. **Closed Landfill Land Clearing Agreement**

Recommendation: Adopt Resolution 02-2016 Authorizing the City Manager to Execute an Agreement with All Phase Land Clearing for Vegetation Maintenance at the Closed Landfill.

4D. **Placer County Transportation Planning Agency Funding Claims and Agreements**

Recommendation: Adopt Resolution 03-2016 Authorizing the City Manager to File Claims or Execute Agreements for Local Transportation Funds in the Amount of \$110,664 for Streets and Roads Purposes (Article 8 – Section 99400 of the California Public Utilities Code) and Local Transportation Funds of \$4,657 for Transit Services (Article 8C, Section 99400C of the California Public Utilities Code).

5) COUNCIL, STAFF AND OTHER REPORTS

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

5A. **Committee Reports and Colfax Informational Items – All Councilmembers**

5B. **City Operations Update – City staff**

5C. **Additional Reports – Agency partners**

6) PUBLIC COMMENT

Members of the audience are permitted to address the Council on matters of concern to the public within the subject jurisdiction of the City Council that are not listed on this agenda. Please make your comments as brief as possible. Comments should not exceed three (3) minutes in length. The Council cannot act on items not included on this agenda; however, if action is required it will be referred to staff.

7) COUNCIL BUSINESS

7A. **Draft Updated Sales Tax Agreement with Winner Chevrolet**

STAFF PRESENTATION: Mark Miller, City Manager

RECOMMENDATIONS: Review and discuss draft updated sales tax, property and lease agreement with Winner Chevrolet.

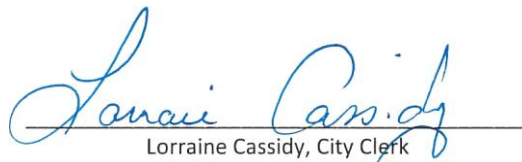
7B. **City Manager Compensation**

STAFF PRESENTATION: Mark Miller, City Manager and Mick Cabral, City Attorney

RECOMMENDATION: Adopt Resolution 04-2016 Authorizing Adjustment to the City Manager Contract as Provided for in the City Manager Employment Agreement.

8) ADJOURNMENT

IN WITNESS THEREOF, I have hereunto set my hand and posted this agenda
at Colfax City Hall and Colfax Post Office.


Lorraine Cassidy, City Clerk

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.



CITY OF COLFAX

AUDIT PRESENTATION AGENDA

January 13, 2016

Presentation by Richardson & Company, LLP of the Audit, including the following communications required by Generally Accepted Auditing Standards:

Reports issued

- Audited Financial Statements with auditors opinion
- Internal Control and Compliance Report
- Governance (required communications) letter
- Management letter with findings and recommendations
- Appropriations limit testing report

Independent Auditor's Report

- Unmodified (clean) opinion

Financial Statements highlights

- Overall revenues exceeded expenses by \$482,000
- General Fund revenues exceeded expenses by \$416,000
- General Fund revenues exceeded budget by \$283,000—higher property taxes
- Positive unrestricted/unassigned fund balance in General Fund of \$696,000, an increase from the fiscal year 2013/14 balance of \$154,000
- Positive unrestricted Sewer Fund reserve of \$836,000
- Net pension obligation recorded of \$57,000 (new accounting requirement)

Report on Internal Control and Compliance

- No internal control weaknesses
- City complied with laws, regulations material to the financials

Governance (required communications) letter

- Restatement for implementation of GASB No. 68 to record pension liability of \$40,205 as of July 1, 2014.
- Significant adjusted audit differences
 - No adjustments to accounting records needed as a result of the audit
 - Two unadjusted differences noted (immaterial, not adjusted)
 - No difficulties in performing the audit and no unusual accounting practices

Management letter

- No material weaknesses in internal control
- Good controls in place
- All prior year comments were addressed
- Other items noted
 - Verification of information used to calculate pension liability

CITY OF COLFAX, CALIFORNIA

Audited Financial Statements and Supplemental Information

June 30, 2015

CITY OF COLFAX, CALIFORNIA

Audited Financial Statements and Supplemental Information

June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the City Council
Colfax, California

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 Colfax, California as of and for the year ended June 30, 2015, 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.

Opinions

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

To the City Council
City of Colfax, California

Change in Accounting Principle

As discussed in Note K to the basic financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the year ended June 30, 2015. Due to the implementation of these Statements, the City recognized deferred outflows of resources, a pension liability and deferred inflows of resources for its cost-sharing pension plans in the financial statements as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 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, regulation, contracts, 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.

Richardson & Company, LLP

January 6, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Colfax (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage the readers to consider the information presented here in conjunction with the accompanying basic financial statements and the additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of Fiscal Year 2014-2015 by \$17,803,796 (*Net Position*) which represents an increase of 2.54% or \$441,418. These assets are allocated as follows:
 - Net Investment in capital assets - \$14,853,752. Total capital expenditures for the fiscal year were \$378,000.
 - Restricted net position - \$1,456,607. This amount is for both governmental and business type activities and is restricted for capital projects, debt service and legally segregated taxes, grants and fees.
 - Unrestricted net position for combined governmental and business type activities - \$1,493,437. This is an increase of \$274,743 over the previous year. These funds may be used to meet ongoing obligations of the City.
- Total revenue from all sources was \$4,022,043 of which \$144,375 was from capital grants and contributions. Total operating expenditures from all sources were \$3,540,420.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$696,110, of which \$327,000 is designated by City Council as General Fund reserves (25% of annual operating expenditures)

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Government-Wide Statement of Net Position on page 12 and the Government-Wide Statement of Activities on page 13 provide information about the activities as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements explain how programs and services were financed in the short term (the most recently completed fiscal year), as well as the amounts remaining available for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Fund financial statements also provide financial information about activities for which the City acts solely as a trustee or agent (fiduciary) for the benefit of individuals and entities external to this governmental unit.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "*Is the City as a whole better off or worse off as a result of the year's activities?*" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector business entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and related changes. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. To reach a conclusion on this issue, you may need to consider other matters of a non-financial nature, such as:

- the condition of the City's infrastructure (streets and roadways, storm drainage improvements, sewer system, city hall), or
- the economic vitality of the core business districts, or
- the adequacy of emergency response times of police and fire personnel, in order to properly assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two (2) kinds of activities:

1. Governmental activities: most of the City's basic services are reported here, including the operations of the police, fire, building inspection, public works and general administration. Taxes (primarily property and sales), licenses, permits, state and federal grants, and franchise payments finance most of these activities.
2. Business-type activities: the City charges fees to customers to cover most of the cost of certain services and programs it provides. The City's wastewater treatment operations are reported here.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 14. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law (Gas Tax and Law Enforcement Grants funds). However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two (2) kinds of funds – *governmental* and *proprietary* (business activities/enterprise funds) – use different accounting approaches:

- **Governmental funds:** Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that may be available for future spending. These funds are reported using an accounting method described as *modified accrual* accounting. This accounting method (basis) measures the availability of cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations, and the basic services it provides to residents and visitors of the City. Governmental fund information helps you to determine what financial resources are available to be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and the governmental *funds*, in a reconciliation (see pages 15 and 17).
- **Proprietary funds:** When the City charges customers for the full cost for the services it provides, those services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (Sewer Operations) are the business-type activities that we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Colfax, assets exceeded liabilities by \$17,803,796 at the close of the current fiscal year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, street, sewer and storm drain systems, buildings and park assets, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debts, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's combined net position for the years ending June 30, 2015 and 2014 are summarized (Table 1), as follows:

Table 1
City of Colfax, Net Position
(in Thousands)

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 2,493	\$ 1,995	\$ 1,111	\$ 1,007	\$ 3,604	\$ 3,002
Non-current and Capital assets	4,303	4,270	20,541	21,029	24,844	25,299
Total Assets	6,796	6,265	21,652	22,036	28,448	28,301
Liabilities:						
Long-term liabilities	681	816	9,107	9,451	9,788	10,267
Other liabilities	344	155	513	516	857	671
Total Liabilities	1,025	971	9,620	9,967	10,645	10,938
Net Position:						
Net Investment in capital assets	4,193	4,018	10,661	10,857	14,854	14,875
Restricted	921	793	536	476	1,457	1,269
Unrestricted	657	483	835	736	1,492	1,219
Total Net Position	\$ 5,771	\$ 5,294	\$ 12,032	\$ 12,069	\$ 17,803	\$ 17,363

The amount reported for net position of Governmental activities does not include the value of the City's infrastructure (roadways, bridges and storm drainage improvements) constructed prior to July 1, 2003.

Governmental Activities

Total program revenues for Governmental Activities increased 5.8% in fiscal year 2014-2015 as compared to the previous year. The increase was consistent in all revenue categories with the exception of capital grants which decreased slightly – which also relates to a reduction of capital outlay. The City's governmental activities net position increased by \$499,255 for the fiscal year before restatements. Sources of revenue and expenditures are noted in Table 2 below.

The restatement is for the new GASB 68 reporting requirement that requires the reporting of net pension liability.

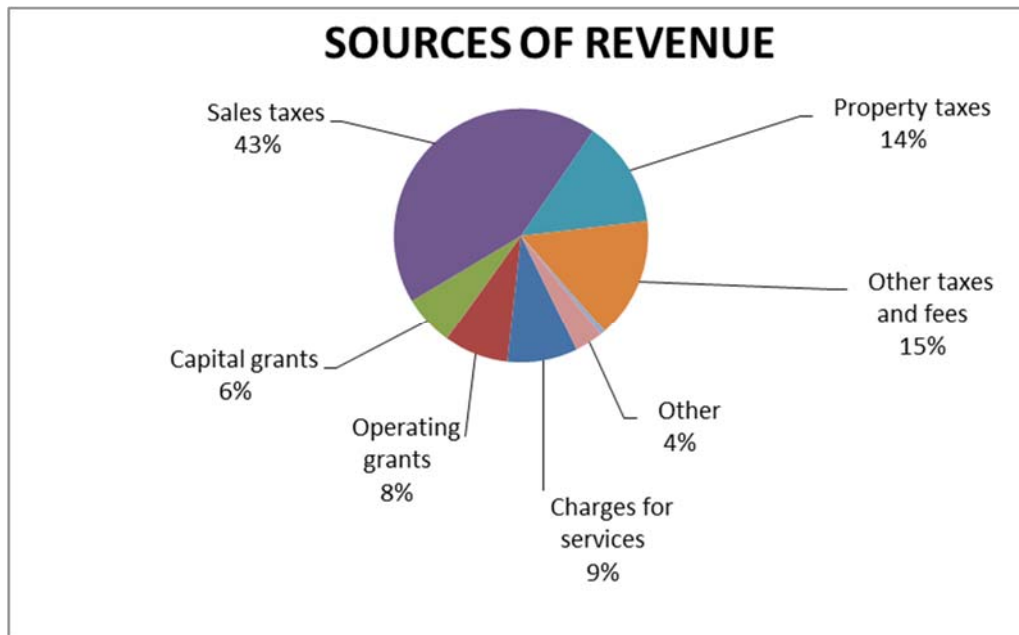
Business-Type Activities

Business-type activities decreased the City of Colfax's net position by \$17,632 for the fiscal year before restatements. Detailed revenues and expenditures are reported in Table 2 below. The restatement is for the new GASB reporting requirement that requires the reporting of the net pension liability.

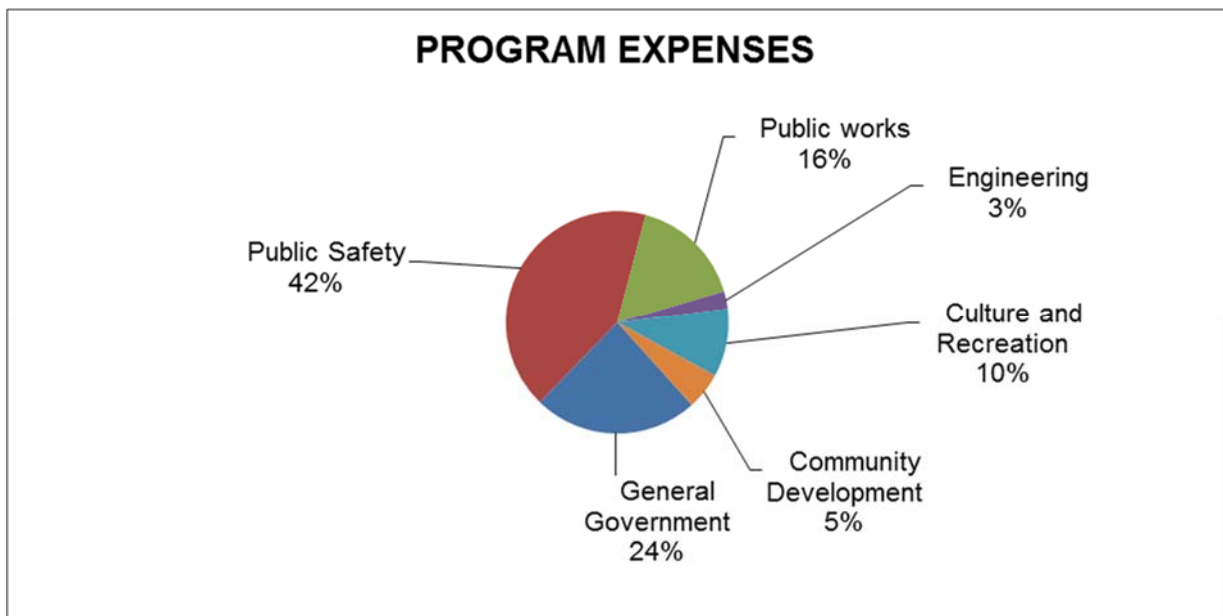
Table 2
City of Colfax, Change in Net Position
(in Thousands)

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 198	\$ 158	\$ 1,791	\$ 1,705	\$ 1,989	\$ 1,863
Operating grants and contributions	182	149	-	-	182	149
Capital grants and contributions	144	172	-	-	144	172
General revenues:						
Sales taxes	956	929	-	-	956	929
Property taxes	300	292	3	6	303	298
Other taxes and fees	342	339	-	-	342	339
Earnings on investments	13	5	13	9	26	14
Other	80	49	-	-	80	49
Total revenues	2,215	2,093	1,807	1,720	4,022	3,813
Expenses:						
General government	410	468	-	-	410	468
Public Safety	719	732	-	-	719	732
Public works	280	286	-	-	280	286
Engineering	44	38	-	-	44	38
Culture and recreation	171	60	-	-	171	60
Community development	92	87	-	-	92	87
Sewer	-	-	1,825	1,681	1,825	1,681
Garbage	-	-	-	-	-	-
Total expenses	1,716	1,671	1,825	1,681	3,541	3,352
Change in net position	499	422	(18)	39	481	461
Net position, July 1						
-as previously reported	5,294	4,674	12,069	12,030	17,363	16,704
Restatement	(22)	198	(19)		(41)	198
Net position, July 1	5,272	4,872	12,050	12,030	17,322	16,902
-as restated						
Net position, June 30	\$ 5,771	\$ 5,294	\$ 12,032	\$ 12,069	\$ 17,803	\$ 17,363

Fiscal Year 2014-2015
Governmental Activities – Sources of Revenue
 (Graphic representation of Table 2 in percentages)



Fiscal Year 2014-2015
Governmental Activities – Program Expenses
 (Graphic representation of Table 2 in percentages)



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital assets include police, fire and public works equipment, vehicles, buildings, roads, wastewater treatment facilities and sewer lines. At June 30, 2015, net capital assets of the governmental activities totaled \$4,302,968 and the net capital assets of the business-type activities totaled \$20,005,638. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See table 3 and Note D to the financial statements.)

Table 3
City of Colfax, Capital Assets
(in Thousands)

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 758	\$ 758	\$ 135	\$ 135	\$ 893	\$ 893
Construction in progress	236	121	-	-	236	121
Building and Improvements	4,345	4,291	24,343	24,343	28,688	28,634
Vehicles	420	420	3	3	423	423
Furniture and Fixtures	7	7	-	-	7	7
Machinery and equipment	382	382	594	509	976	891
Accumulated depreciation	(1,845)	(1,709)	(5,069)	(4,437)	(6,914)	(6,146)
Total Assets	\$ 4,303	\$ 4,270	\$ 20,006	\$ 20,553	\$ 24,309	\$ 24,823

Major capital asset improvements and additions/deletions during the current fiscal year included the following:

- Construction costs incurred for Grass Valley Street Road Rehabilitation and Railroad Pedestrian crossing improvements.
- Purchase of equipment for Business Activities including a new wastewater and storm water systems trailer mounted Jetter.

Long-Term Debt

At the end of fiscal year 2014-2015, the City of Colfax had total long-term debts outstanding of \$10,175,282, as compared to a total of \$10,723,805 last year after the pension liability restatement (See Table 4 and Note E to the financial statements).

Table 4
City of Colfax, Outstanding Debt
(in Thousands)

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Note Payable	\$ 109	\$ 252	\$ -	\$ -	\$ 109	\$ 252
Compensated absences	8	23	8	11	16	34
Landfill Closure	537	552	-	-	537	552
General obligation bond	-	-	20	26	20	26
County Loan	-	-	-	-	-	-
State Loans	-	-	9,325	9,670	9,325	9,670
Legal Settlements	-	-	111	112	111	112
Pension Liability	31	42	26	36	57	78
Total Long-term Debt	\$ 685	\$ 869	\$ 9,490	\$ 9,855	\$ 10,175	\$ 10,724

The City's long-term debt includes: compensated absences due employees for accrued vacation and sick leave pay, Post Closure expenses related to the City's closed landfill site, notes payable for the construction of the sewer plant and improvements projects, and notes payable for the purchase of property, legal settlements, and the pension liability. Additionally, the City issued general obligation bonds to finance the sewer facility back in 1978.

The activity in outstanding debt for the fiscal year ended was:

- Payments made on Note Payable associated with the purchase of property (Governmental Activities)
- First payment on State loan associated with Pond 3 liner, I&I mitigation and SCADA project which started in fiscal year 2011-2012. This project completed in early fiscal year 2013-2014.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In considering the City Budget for fiscal year 2015-2016, the City Council and management were cautiously optimistic as to the growth of revenues and expenditures due to the lingering effects of the economic downturn in recent years.

Operating revenues and expenses are projected to remain fairly level with fiscal year 2014-2015. The budget is balanced, with expenditure amounts in the General Fund and Enterprise Fund within projected revenues and available funds, while providing for contributions toward prudent fund balance reserves. The City will continue to provide existing services at the reduced staff levels achieved over the past several years.

The City's Capital Improvement program is in transition, from recent very large expenditure projects required to bring the wastewater system in compliance, to smaller projects addressing deferred infrastructure needs. For fiscal year 2015-2016, the City expects to complete the Road rehabilitation and Railroad Pedestrian Crossing improvements which were started in the fiscal year ended June 30, 2013. Funding is secured for these improvements. Staff is pursuing appropriate grant opportunities to assist in funding other improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Colfax, 33 S. Main Street, Colfax, California 95713.

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BASIC FINANCIAL STATEMENTS

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CITY OF COLFAX

GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,268,022	\$ 904,903	\$ 3,172,925
Accounts receivable, net of allowance for doubtful accounts	37,946	180,299	218,245
Due from other government agencies	137,028	3,953	140,981
Interest receivable	1,250	832	2,082
Notes receivable	49,652	20,327	69,979
Prepaid expenses		864	864
Total current assets	<u>2,493,898</u>	<u>1,111,178</u>	<u>3,605,076</u>
Noncurrent assets:			
Restricted cash		535,762	535,762
Capital assets, net of accumulated depreciation			
Non-depreciable	994,122	134,700	1,128,822
Depreciable	<u>3,308,846</u>	<u>19,870,938</u>	<u>23,179,784</u>
	<u>4,302,968</u>	<u>20,541,400</u>	<u>24,844,368</u>
Total assets	<u>6,796,866</u>	<u>21,652,578</u>	<u>28,449,444</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made subsequent to measurement date	<u>17,647</u>	<u>15,072</u>	<u>32,719</u>
LIABILITIES			
Current liabilities:			
Accounts payable	337,462	65,593	403,055
Accrued expenses	1,420	63,679	65,099
Unearned revenue	1,500		1,500
Current portion of long-term liabilities	<u>3,960</u>	<u>383,361</u>	<u>387,321</u>
Total current liabilities	<u>344,342</u>	<u>512,633</u>	<u>856,975</u>
Long-term liabilities:			
Postclosure landfill costs	536,561		536,561
Bonds payable		14,000	14,000
Notes payable	109,564	9,063,057	9,172,621
Compensated absences	3,960	3,809	7,769
Net pension liability	<u>30,748</u>	<u>26,262</u>	<u>57,010</u>
Total long-term liabilities	<u>680,833</u>	<u>9,107,128</u>	<u>9,787,961</u>
Total liabilities	<u>1,025,175</u>	<u>9,619,761</u>	<u>10,644,936</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized gains on pension investments	<u>18,031</u>	<u>15,400</u>	<u>33,431</u>
NET POSITION			
Net investment in capital assets	4,193,404	10,660,348	14,853,752
Restricted net position	920,845	535,762	1,456,607
Unrestricted net position	<u>657,058</u>	<u>836,379</u>	<u>1,493,437</u>
Total net position	<u>\$ 5,771,307</u>	<u>\$ 12,032,489</u>	<u>\$ 17,803,796</u>

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

CITY OF COLFAX

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

	Program Revenues				Governmental Activities	Business-type Activities	Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions			
Governmental Activities							
General government	\$ 410,221	\$ 111,463			\$ (298,758)		\$ (298,758)
Public safety	718,795	85,189	\$ 128,649		(504,957)		(504,957)
Public works	279,942			\$ 106,307	(173,635)		(173,635)
Community development	92,208		53,278	38,068	(862)		(862)
Engineering services	44,435				(44,435)		(44,435)
Culture and recreation	170,436	1,330			(169,106)		(169,106)
Total governmental activities	<u>1,716,037</u>	<u>197,982</u>	<u>181,927</u>	<u>144,375</u>	<u>(1,191,753)</u>		<u>(1,191,753)</u>
Business-type activities:							
Sewer	1,728,680	1,791,170				\$ 62,490	62,490
Interest on long-term debt	95,703					(95,703)	(95,703)
Total business-type activities	<u>1,824,383</u>	<u>1,791,170</u>				<u>(33,213)</u>	<u>(33,213)</u>
Total government	<u>\$3,540,420</u>	<u>\$1,989,152</u>	<u>\$ 181,927</u>	<u>\$ 144,375</u>	<u>(1,191,753)</u>	<u>(33,213)</u>	<u>(1,224,966)</u>
		General revenues					
		Taxes:					
		Sales and use taxes		956,342			956,342
		Property taxes		300,708	2,958		303,666
		Transient occupancy tax		13,601			13,601
		Franchises		74,834			74,834
		Gas taxes		56,100			56,100
		Construction fee assessments		4,838			4,838
		Transportation impact fees		70,755			70,755
		Motor vehicle in-lieu		120,108			120,108
		Investment income		13,429	12,623		26,052
		Rental income		44,350			44,350
		Miscellaneous		35,943			35,943
		Total general revenues		<u>1,691,008</u>	<u>15,581</u>		<u>1,706,589</u>
		Changes in net position		<u>499,255</u>	<u>(17,632)</u>		<u>481,623</u>
		Net position, beginning of year, as previously reported		5,293,737	12,068,641		17,362,378
		Restatement		(21,685)	(18,520)		(40,205)
		Net position, beginning of year		<u>5,272,052</u>	<u>12,050,121</u>		<u>17,322,173</u>
		Net position, end of year		<u>\$ 5,771,307</u>	<u>\$ 12,032,489</u>		<u>\$17,803,796</u>

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

CITY OF COLFAX

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2015

	Major Funds			Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 1,560,192	\$ 94,803	\$ 613,027	\$ 2,268,022
Accounts receivable, net of allowance for doubtful accounts	37,946			37,946
Due from other governmental agencies	131,538		5,490	137,028
Interest receivable	866	35	349	1,250
Notes receivable			49,652	49,652
TOTAL ASSETS	\$ 1,730,542	\$ 94,838	\$ 668,518	\$ 2,493,898
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 223,671	\$ 70,087	\$ 43,704	\$ 337,462
Accrued expenses	1,221		199	1,420
Unearned revenue	1,500			1,500
Total liabilities	226,392	70,087	43,903	340,382
Fund balances:				
Nonspendable			49,652	49,652
Restricted	808,040	24,751	574,963	1,407,754
Unassigned	696,110			696,110
TOTAL FUND BALANCES	1,504,150	24,751	624,615	2,153,516
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 1,730,542	\$ 94,838	\$ 668,518	\$ 2,493,898

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

CITY OF COLFAX

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2015

Total Governmental Fund Balances	\$ 2,153,516
Amounts reported for governmental activities in the statement of net position are different because:	
Pension contributions subsequent to the valuation measurement date will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	17,647
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	4,302,968
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	(684,793)
Employee pension differences to be recognized in the futures as pension expense are reported as deferred inflows of resources on the statement of net position.	<u>(18,031)</u>
Net Position of Governmental Activities	<u><u>\$ 5,771,307</u></u>

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

CITY OF COLFAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
REVENUES:				
Taxes	\$ 1,343,454		\$ 56,100	\$ 1,399,554
Licenses, fees and permits	66,504	\$ 4,838	71,487	142,829
Intergovernmental revenues	177,646	125,933	266,056	569,635
Charges for services	83,191			83,191
Fines, forfeitures and penalties	5,699			5,699
Use of money and property	54,835	170	2,774	57,779
Other revenue	1,192			1,192
Total revenues	<u>1,732,521</u>	<u>130,941</u>	<u>396,417</u>	<u>2,259,879</u>
EXPENDITURES:				
General government	422,090			422,090
Public safety	579,291		110,363	689,654
Public works	89,986		163,564	253,550
Community development		16,871	5,437	22,308
Engineering services	44,435			44,435
Cultural and recreation	43,805			43,805
Debt Service:				
Principal	142,831			142,831
Capital outlay		293,878		293,878
Total expenditures	<u>1,322,438</u>	<u>310,749</u>	<u>279,364</u>	<u>1,912,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>410,083</u>	<u>(179,808)</u>	<u>117,053</u>	<u>347,328</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	6,077	21,692	36,546	64,315
Transfers out			(64,315)	(64,315)
Total other financing sources (uses)	<u>6,077</u>	<u>21,692</u>	<u>(27,769)</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses	416,160	(158,116)	89,284	347,328
Fund balance - beginning of year	<u>1,087,990</u>	<u>182,867</u>	<u>535,331</u>	<u>1,806,188</u>
Fund balance - end of year	<u>\$ 1,504,150</u>	<u>\$ 24,751</u>	<u>\$ 624,615</u>	<u>\$ 2,153,516</u>

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

CITY OF COLFAX

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, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 347,328
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>	
Capital outlay	293,878
Depreciation expense	(145,890)
<p>Governmental funds report proceeds from disposal of capital assets as revenues. However, in the government-wide statement of activities only the gain or (loss) on the sale of capital assets is reported. This is the difference between the gain or (loss) and proceeds.</p>	
	(115,213)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-wide Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the amount by which repayments exceed proceeds.</p>	
Gard Family Living Trust note payments	142,831
Postclosure landfill costs	15,071
<p>Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities.</p>	
Deferred revenue recognized last year	(44,587)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.</p>	
Change in compensated absences	15,284
Change in deferred outflow of resources	(2,681)
Change in net pension obligation	11,265
Change in deferred inflow of resources	(18,031)
	(18,031)
Change in Net Position of Governmental Activities	\$ 499,255

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

CITY OF COLFAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,060,000	\$ 1,060,000	\$ 1,343,454	\$ 283,454
Licenses, fees and permits	57,700	57,700	66,504	8,804
Intergovernmental	130,000	130,000	177,646	47,646
Charges for services	144,850	144,850	83,191	(61,659)
Fines and forfeitures	10,000	10,000	5,699	(4,301)
Use of money and property	46,300	46,300	54,835	8,535
Other revenue	1,000	1,000	1,192	192
Total revenues	<u>1,449,850</u>	<u>1,449,850</u>	<u>1,732,521</u>	<u>282,671</u>
Expenditures:				
Current:				
General government and administration	469,952	469,952	422,090	47,862
Public safety	573,142	573,142	579,291	(6,149)
Public works	97,249	97,249	89,986	7,263
Engineering services	32,000	32,000	44,435	(12,435)
Culture and recreation	52,847	52,847	43,805	9,042
Debt Service:				
Principal	120,000	120,000	142,831	(22,831)
Capital outlay	15,000	15,000		15,000
Total expenditures	<u>1,360,190</u>	<u>1,360,190</u>	<u>1,322,438</u>	<u>37,752</u>
Excess (deficiency) of revenues over expenditures	89,660	89,660	410,083	320,423
Other financing sources (uses):				
Transfers in			6,077	6,077
Transfers out	(40,194)	(40,194)		40,194
Total other financing uses	<u>(40,194)</u>	<u>(40,194)</u>	<u>6,077</u>	<u>46,271</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	49,466	49,466	416,160	366,694
Fund balances - beginning of year	<u>1,087,990</u>	<u>1,087,990</u>	<u>1,087,990</u>	
Fund balances - end of year	<u>\$ 1,137,456</u>	<u>\$ 1,137,456</u>	<u>\$ 1,504,150</u>	<u>\$ 366,694</u>

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

CITY OF COLFAX

STATEMENT OF NET POSITION
PROPRIETARY FUND - SEWER FUND

June 30, 2015

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 904,903
Accounts receivable, net of allowance for doubtful accounts of \$20,000	180,299
Notes receivable	20,327
Due from other governmental agencies	3,953
Interest receivable	832
Prepaid expenses	864
Total current assets	<u>1,111,178</u>

Noncurrent Assets:

Restricted cash	535,762
Capital assets:	
Nondepreciable	134,700
Depreciable	19,870,938
Total capital assets, net of accumulated depreciation	<u>20,005,638</u>

Total assets	<u>21,652,578</u>
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DEFERRED OUTFLOWS OF RESOURCES:

Pension contributions subsequent to measurement date	<u>15,072</u>
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LIABILITIES:

Current Liabilities:

Accounts payable	65,593
Accrued expenses	63,679
Current portion of long-term liabilities	383,361
Total current liabilities	<u>512,633</u>

Long-term Liabilities:

Bonds payable, long-term portion	14,000
Notes payable, long-term portion	9,063,057
Compensated absences	3,809
Net pension liability	26,262
Total long-term liabilities	<u>9,107,128</u>
Total liabilities	<u>9,619,761</u>

DEFERRED INFLOWS OF RESOURCES:

Unamortized gains on pension investments	<u>15,400</u>
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NET POSITION:

Invested in capital assets, net of related debt	10,660,348
Restricted	535,762
Unrestricted	836,379

Total net position	<u>\$ 12,032,489</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF COLFAX

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - SEWER FUND

For the Year Ended June 30, 2015

Operating revenues:	
Service charges	\$ 1,737,189
Permits	18,556
Miscellaneous	35,425
Total operating revenues	<u>1,791,170</u>
Operating expenses:	
Personnel services	274,892
Operation and maintenance	822,040
Depreciation	631,748
Total operating expenses	<u>1,728,680</u>
Income from operations	<u>62,490</u>
Non-operating revenues (expenses):	
Interest income	12,623
Tax assessment	2,958
Interest expense	(95,703)
Total nonoperating revenues	<u>(80,122)</u>
Change in net position	(17,632)
Net position, beginning of year - as previously reported	12,068,641
Restatement	(18,520)
Net position, beginning of year - as restated	<u>12,050,121</u>
Net position, end of year	<u>\$ 12,032,489</u>

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

CITY OF COLFAX

STATEMENT OF CASH FLOWS
PROPRIETARY FUND - SEWER FUND

For the Year Ended June 30, 2015

Cash Flows from Operating Activities:	
Cash received from customers	\$ 1,809,650
Cash paid to suppliers	(834,970)
Cash paid to employees and related benefits	(277,290)
Cash provided by operating activities	<u>697,390</u>
Cash Flows from Noncapital Financing Activities:	
Tax assessments received	<u>2,607</u>
Cash provided by noncapital financing activities	<u>2,607</u>
Cash Flows from Capital and Related Financing Activities:	
Capital expenditures	(84,122)
Debt principal paid	(350,977)
Interest paid	(95,297)
Cash used for capital and related financing activities	<u>(530,396)</u>
Cash Flows from Investing Activities:	
Interest received	12,412
Payments received on issued notes	626
Cash used for investing activities	<u>13,038</u>
Increase in cash and cash equivalents	182,639
Cash and cash equivalents, beginning of year	<u>1,258,026</u>
Cash and cash equivalents, end of year	<u>\$ 1,440,665</u>
Reconciliation of cash and cash equivalents to the statement of net position:	
Cash and investments	\$ 904,903
Restricted cash and investments	<u>535,762</u>
Cash and cash equivalents	<u>\$ 1,440,665</u>
Reconciliation of operating income from operations to cash provided by operating activities:	
Operating income	\$ 62,490
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	631,748
Pension expense	23,142
(Increase) decrease in assets:	
Accounts receivable	18,480
Deferred outflows of resources for pension contribution	(15,072)
(Decrease) increase in liabilities:	
Accounts payable	(12,930)
Accrued expenses	(6,994)
Accrued compensated absences	<u>(3,474)</u>
Cash provided by operating activities	<u>\$ 697,390</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colfax was incorporated in 1910, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sewer, culture-recreation, public improvements, planning and zoning, and general administrative services. The voters of the City of Colfax, California, give authority and responsibility for operations to the City Council. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget, which is adopted annually by the City Council.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements. In addition the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity: The City operates as a self-governing local government unit within the state of California. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a city council that passes laws and determines broad policies. The council also oversees the operations of the City and approves all budgets, fund transfers and fund balance reserves. The City's main funding sources include property taxes, sales taxes, other inter-governmental revenue from state and federal sources, user fees, and federal and state financial assistance.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services and privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the City are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements and fiduciary fund statements, with the exception of agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes. Property taxes are considered to be available if they are collected within 60 days of the current fiscal period. Amounts received after the availability period are reported as unavailable revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Major revenues that are determined to be susceptible to accrual include property taxes and assessments, sales taxes, franchise taxes, charges for services, intergovernmental revenues, and earnings on investments. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues (government mandated nonexchange transactions) are recognized when the City has satisfied all applicable eligibility requirements and if the amounts are measurable. If the grant funds are received before the revenue recognition criteria are satisfied, the unearned amounts are reported as unearned revenue.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

The City reports the following major enterprise fund:

Sewer Fund – The Sewer Fund is used to account for the operations of the City's sewer services.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the City reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (not including private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers or other funds for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City's investment in California Local Agency Investment Fund (LAIF). Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost.

Receivables and Payables: Sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 90 days of year end. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and collectible. Unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Eliminations have not been made between or within the fund types.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

An allowance for doubtful accounts of \$20,000 has been provided for the Sewer Fund for accounts that are deemed uncollectible.

Property Taxes: The County of Placer (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year end. Secured property taxes are levied on or before January 1 of each year. They become a lien on real property on January 1. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid. These taxes are secured by liens on the property being taxed.

The term “unsecured” refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

These taxes are accrued as intergovernmental receivables only if they are received from the County within 60 days after year end for the governmental funds and are accrued when earned for government-wide presentation regardless of the timing of the related cash flows.

Capital Assets: Capital assets for governmental fund types of the City are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditure in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at their estimated fair market value on the date donated.

Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, but including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been capitalized prospectively beginning July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not included in the current year’s additions to governmental or business-type capital assets. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Sewer facility improvements and design costs	20 to 40 years
Safety equipment	5 to 10 years
Vehicles and heavy equipment	5 to 15 years
Furniture and other equipment	5 to 7 years

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

It is the policy of the City to capitalize all land, building, improvements, equipment, and eventually infrastructure assets, except assets costing less than \$5,000. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Costs of assets sold or retired and the resulting gain or loss is included in the operating statement of the related proprietary fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

Compensated Absences: It is the City's policy to permit employees to accumulate earned but unused vacation. Vacation credits must be used during the next succeeding year. Vacation is accrued when incurred in the government-wide presentation and in the proprietary funds and reported as a fund liability. Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable, are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts.

Unused vacation is paid to employees upon termination after one year of service. The maximum accrual for all employees for vacation is one times the employees' annual vacation leave credits. There is no limit as to the accrual of sick leave. Sick leave is not payable upon termination, but may be converted to service credits under the City's defined benefit pension plan.

Long-term Obligations: Long-term debt of governmental funds are reported at face value in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, proceeds from borrowing are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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 Commission's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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.

Fund Equity: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items and long-term receivables.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. These amounts cannot be used for any other purpose unless the government's City Council modifies, or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the City's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

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

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

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

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The City's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information: The City Council annually adopts the budget resolution for all operating funds of the City. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Administrator. The Administrator prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts. The City does not use encumbrance accounting.

Excess Expenditures Over Appropriations: The following funds had excess expenditures over appropriations:

Fund	Appropriations	Total Expenditures and Transfers Out	Excess Expenditures
Nonmajor Governmental Funds:			
Supplemental Law Enforcement Fund	\$ 100,000	\$ 106,230	\$ 6,230
Transportation and Road Fund	99,700	143,505	43,805
Gas Tax	74,826	78,297	3,471
Oil Grant Fund	5,105	5,437	332

Deficit Fund Equity: The City has no funds with fund deficits at June 30, 2015.

New Pronouncements: In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The City implemented this Statement in the June 30, 2015 financial statements, which resulted in the City accruing a pension plan liability of \$57,010.

In June 2015, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)", replaces the requirements of GASB Statement No. 45 and requires governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria to report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments, on the face of the financial statements. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective beginning the year ended June 30, 2018.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE B – CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Cash represents cash on hand, demand deposits in the bank and amounts invested in the State of California Local Agency Investment Fund (LAIF). Cash and investments at June 30, 2015 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 2,268,022	\$ 904,903	\$ 3,172,925
Restricted cash		535,762	535,762
	<u>\$ 2,268,022</u>	<u>\$ 1,440,665</u>	<u>\$ 3,708,687</u>

As of June 30, 2015, the City’s cash and investments consisted of the following:

Cash on hand	\$ 300
Deposits in financial institutions	137,142
Investments	
California Local Agency Investment Fund	<u>3,571,245</u>
Total cash and investments	<u>\$ 3,708,687</u>

Investment policy: California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Local agency bonds	None	None	10%
Mortgage-back securities	None	20%	None
Bankers acceptances	180 days	40%	30%
High grade commercial paper	270 days	40%	10%
Negotiable certificates of deposit	None	None	None
LAIF	N/A	None	None
Medium term corporate notes	5 years	30%	5%
Repurchase Agreements	365 days	20%	None
Money market fund	None	None	None

The City complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE B – CASH AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment in LAIF has an average maturity of 239 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's only investment is in LAIF, which is not rated.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Governmental Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2015, the carrying amount of the City's deposits was \$137,142 and the balance in financial institutions was \$120,856. The City had no bank balances above the federally insured limit of \$250,000.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$69,641,162,418 managed by the State Treasurer. Of that amount, 2.08% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE C – INTERFUND TRANSACTIONS

Transfers during the year ended June 30, 2015 were as follows:

Transfers out	Transfers In			Total
	General	Capital Projects	Nonmajor Governmental Transportation and Road	
Nonmajor Governmental Funds:				
CDBG	\$ 6,077			\$ 6,077
Gas Tax		\$ 21,692	\$ 36,546	\$ 58,238
	<u>\$ 6,077</u>	<u>\$ 21,692</u>	<u>\$ 36,546</u>	<u>\$ 64,315</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE D – CAPITAL ASSETS

Governmental capital assets activity for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Retirements	Transfers	Balance at June 30, 2015
Capital assets, not being depreciated:					
Land	\$ 758,329				\$ 758,329
Construction in progress	121,074	\$ 293,878		\$ (179,159)	235,793
Total capital assets, not being depreciated	879,403	293,878	-	(179,159)	994,122
Capital assets, being depreciated:					
Buildings and improvements	4,290,749		\$ (124,555)	179,159	4,345,353
Vehicles	419,525				419,525
Machinery and equipment	382,298				382,298
Furniture and fixtures	6,764				6,764
Total capital assets, being depreciated	5,099,336	-	(124,555)	179,159	5,153,940
Less accumulated depreciation for:					
Buildings and improvements	(941,057)	(116,349)	9,342		(1,048,064)
Vehicles	(389,681)	(18,287)			(407,968)
Machinery and equipment	(371,044)	(11,254)			(382,298)
Furniture and fixtures	(6,764)				(6,764)
Total accumulated depreciation	(1,708,546)	(145,890)	9,342	-	(1,845,094)
Capital assets being depreciated, net	3,390,790	(145,890)	(115,213)	179,159	3,308,846
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 4,270,193</u>	<u>\$ 147,988</u>	<u>\$ (115,213)</u>	<u>\$ -</u>	<u>\$ 4,302,968</u>

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE D – CAPITAL ASSETS (Continued)

Depreciation expense for governmental capital assets was charged to functions as follows:

General governmental	\$ 13,942
Public safety	28,225
Public works	23,089
Culture and recreation	10,770
Community development	<u>69,864</u>
Total governmental activities depreciation expense	<u><u>\$ 145,890</u></u>

Business-type capital assets activities for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Retirements	Transfers	Balance at June 30, 2015
Capital assets, not being depreciated:					
Land	\$ 134,700				\$ 134,700
Total capital assets, not being depreciated	<u>134,700</u>				<u>134,700</u>
Capital assets, being depreciated:					
Buildings and improvements	24,342,595				24,342,595
Vehicles	3,400				3,400
Machinery and equipment	509,377	\$ 84,122			593,499
Total capital assets, being depreciated	<u>24,855,372</u>	<u>84,122</u>			<u>24,939,494</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,095,820)	(590,670)			(4,686,490)
Vehicles	(3,400)				(3,400)
Machinery and equipment	(337,588)	(41,078)			(378,666)
Total accumulated depreciation	<u>(4,436,808)</u>	<u>(631,748)</u>			<u>(5,068,556)</u>
Capital assets being depreciated, net	<u>20,418,564</u>	<u>(547,626)</u>			<u>19,870,938</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u><u>\$ 20,553,264</u></u>	<u><u>\$ (547,626)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,005,638</u></u>

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

Sewer	<u>\$ 631,748</u>
Total business-type activities depreciation expense	<u><u>\$ 631,748</u></u>

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE E – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Payments	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
Note payable	\$ 252,395		\$ (142,831)	\$ 109,564	
Postclosure landfill costs	551,632		(15,071)	536,561	
Pension liability	42,013		(11,265)	30,748	
Compensated absences	23,204		(15,284)	7,920	\$ 3,960
Governmental activities long-term liabilities	<u>\$ 869,244</u>	<u>\$ -</u>	<u>\$ (184,451)</u>	<u>\$ 684,793</u>	<u>\$ 3,960</u>
Business-Type Activities:					
General obligation bonds	\$ 26,000		\$ (6,000)	\$ 20,000	\$ 6,000
State loan - restructured	9,670,267		(344,977)	9,325,290	345,721
Legal settlement 2009	111,318			111,318	27,830
Total bonds, loans, settlements payable	9,807,585		(350,977)	9,456,608	379,551
Pension liability	35,883		(9,621)	26,262	
Compensated absences	11,093		(3,474)	7,619	3,810
Business-type activities long-term liabilities	<u>\$ 9,854,561</u>	<u>\$ -</u>	<u>\$ (364,072)</u>	<u>\$ 9,490,489</u>	<u>\$ 383,361</u>

Long-term debt of the City's governmental activities consists of the following as of June 30, 2015:

On December 8, 2010, the City entered into an agreement with the Gard Family Living Trust to purchase the Winner Chevrolet auto dealership building. The agreement provides that the City lease the property to the seller for one dollar per year for a term of 50 years, and that the seller upgrade the existing property. The City and seller believe that the upgrades to the auto dealership will provide additional sales tax for the City. The City will pay 50% of the increase in sales tax over the base year sales amount in semi-annual payments over a period of 10 years with two 5-year extensions, or until paid in full, whichever is earlier.

\$ 109,564

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE E – LONG-TERM LIABILITIES (Continued)

Postclosure landfill cost: State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions on its landfill for 30 years after closure. The City has recorded a liability for landfill closure in the General Fund in accordance with GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Costs*. The City hired a private consultant to perform an analysis to determine estimated total cost of the landfill closure, postclosure care costs, total capacity and remaining life. The City's landfill closure liability, based on landfill capacity used to date, is recorded based on the information provided by the consultant's analysis. The consultant's analysis is an estimate only and is subject to change due to inflation or deflation, technology, or applicable laws and regulations. The City is currently estimating that 100% of the landfill is used and there is no remaining life. As of June 30, 2015, the remaining closure and postclosure maintenance costs to be recognized over the next 23 years is \$536,561.

Long-term debt of the City's business-type activities consists of the following as of June 30, 2015:

On June 1, 1978, the City issued 100 \$1,000 USDA Rural Development general obligation bonds. The interest rate applicable on these bonds is 5%. The final maturity of these bonds is June 1, 2018.	\$ 20,000
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On September 19, 2011, the City entered into a loan agreement with the State for \$12,825,600 at an interest rate of 1%, the City received proceeds of \$7,761,000, which includes the \$36,000 to refund the City's 1978 USDA Sewer Revenue Bond and \$7,725,000 to restructure the original loan. The State forgave \$3,319,000 of the loan principal during 2013. Additionally, the City received loan disbursements of \$982,088 during the fiscal years 2013 and 2014, respectively. Annual principal and interest payments of \$438,974 are due on October 1. The note matures in 2038.	9,325,290
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During 2009, the City settled a legal claim for \$450,000 related to the operations of its wastewater treatment plant. The City's insurance provider, SCORE, paid the entire \$450,000; however, the City is responsible for reimbursing \$226,601 to SCORE.	111,318
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	\$ 9,456,608
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CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE E – LONG-TERM LIABILITIES (Continued)

Principal payments on debt are due as follows:

June 30	General Obligation Bonds	State Loan - Restructured	Legal Settlement 2009	Total
2016	\$ 6,000	\$ 345,721	\$ 27,830	\$ 379,551
2017	7,000	349,178	22,264	378,442
2018	7,000	352,670	27,829	387,499
2019		356,197	33,395	389,592
2020		359,759		359,759
2021-2025		1,853,481		1,853,481
2026-2030		1,948,028		1,948,028
2031-2035		2,047,397		2,047,397
2036-2040		1,712,859		1,712,859
Totals	<u>\$ 20,000</u>	<u>\$ 9,325,290</u>	<u>\$ 111,318</u>	<u>\$ 9,456,608</u>

Interest payments on debt are due as follows:

June 30	General Obligation Bonds	State Loan - Restructured	Total
2016	\$ 1,000	\$ 93,253	\$ 94,253
2017	700	89,796	90,496
2018	350	86,304	86,654
2019		82,777	82,777
2020		79,215	79,215
2021-2025		341,388	341,388
2026-2030		246,841	246,841
2031-2035		147,472	147,472
2036-2040		43,035	43,035
Totals	<u>\$ 2,050</u>	<u>\$ 1,210,081</u>	<u>\$ 1,212,131</u>

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE F – NET POSITION/FUND BALANCE

The following are the purposes for which net positions are restricted:

	Governmental Activities	Business-Type Activities
Street projects	\$ 45,908	
Landfill	271,479	
Economic development	257,658	
Recycling	35,970	
Fire Department	66,675	
Community projects	5,246	
Debt service reserve		\$ 438,974
Replacement of short-lived assets		55,708
Capital improvements		41,080
Mitigation projects	237,909	
	<u>\$ 920,845</u>	<u>\$ 535,762</u>

The following are the components of the Governmental Funds fund balances:

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Long-term receivables			\$ 49,652	\$ 49,652
Prepaid expenses				
Total Nonspendable			<u>49,652</u>	<u>49,652</u>
Restricted for:				
Street projects		\$ 24,751	21,157	45,908
Landfill closure	\$ 808,040			808,040
Economic redevelopment			208,006	208,006
Recycling			35,970	35,970
Fire Department			66,675	66,675
Community projects			5,246	5,246
Mitigation projects			237,909	237,909
Total Restricted	<u>808,040</u>	<u>24,751</u>	<u>574,963</u>	<u>1,407,754</u>
Unassigned	696,110			696,110
Total Unassigned	<u>696,110</u>			<u>696,110</u>
Total fund balances	<u>\$ 1,504,150</u>	<u>\$ 24,751</u>	<u>\$ 624,615</u>	<u>\$ 2,153,516</u>

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE G – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the City's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Board has the following cost-sharing Plans:

- Miscellaneous Plan
- PEPRAs Miscellaneous Plan (inactive)

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

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 (52 for PEPRAs Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Miscellaneous Plan (Prior to <u>January 1, 2013</u>)
Benefit formula (at full retirement)	2.0% @ 60
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50 - 63
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%
Required employee contribution rates - union	5.000%
Required employee contribution rates - non-union	7.000%
Required employer contribution rates	8.435%

The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE G – PENSION PLANS (Continued)

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plans were as follows:

	<u>Miscellaneous Plan</u>
Contributions - employer	\$ 30,501
Contributions - employee (paid by employer)	2,218

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

As of June 30, 2015, the City reported a net pension liability for its proportionate share of the net pension liability of the Plans as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Plan	\$ 57,010
Total Net Pension Liability	<u>\$ 57,010</u>

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

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2013	0.00238%
Proportion - June 30, 2014	0.00231%
Change - Increase (Decrease)	(0.00007)%

For the year ended June 30, 2015, the City recognized pension expense of \$50,236 for all Plans combined. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 32,719	
Net differences between projected and actual earnings on plan investments		\$ (19,158)
Adjustment due to differences in proportions		(14,273)
Total	<u>\$ 32,719</u>	<u>\$ (33,431)</u>

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE G – PENSION PLANS (Continued)

The \$32,719 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2016	\$ (9,888)
2017	(9,888)
2018	(8,867)
2019	<u>(4,788)</u>
	<u>\$ (33,431)</u>

Actuarial Assumptions: The total pension liabilities in the June 30, 2013 actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions include 20 years of mortality improvements using Society of Actuaries Scale BB. All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE G – PENSION PLANS (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

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

In determining the long-term expected rate of return, 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 for each of the Plans. 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	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(0.55)%	(1.05)%
Total	100.0%		

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

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

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE G – PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous Plan</u>
1% Decrease	6.50%
Net Pension Liability	\$ 101,574
Current Discount Rate	7.50%
Net Pension Liability	\$ 57,010
1% Increase	8.50%
Net Pension Liability	\$ 20,026

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2015, the City had no payables for the outstanding amount of contributions to the pension plan.

NOTE H – INSURANCE

The City is a member of the Small Cities Organized Risk Effort (SCORE) with other northern California cities. SCORE is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide liability insurance. SCORE provides claims processing administrative services, risk management services and actuarial studies. A member from each city governs SCORE. The City of Colfax council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. SCORE is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If SCORE becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance. SCORE establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE H – INSURANCE (Continued)

The City's insurance coverage and the respective coverage providers are as follows:

Amount	Coverage provider	Payment Source
<i>LIABILITY CLAIMS:</i>		
- \$ 25,000	Self-insured	Banking layer
\$ 25,001 - \$ 500,000	Small Cities Organized Risk Effort	Shared risk pool
\$ 500,001 - \$ 39,500,000	California Joint Powers Risk Management Authority	Shared risk pool
<i>WORKERS' COMPENSATION:</i>		
- \$ 50,000	Self-insured	Banking layer
\$ 50,001 - \$ 250,000	Small Cities Organized Risk Effort	Shared risk pool
\$ 250,001 - \$ 4,750,000	Local Agency Workers' Compensation Excess Joint Powers Authority	Shared risk pool
\$ 4,750,001 - Statutory Limit	California State Association of Counties Excess Workers' Compensation	Shared risk pool

The City also carries commercial insurance for additional liability and property insurance coverage. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, settlements have not exceeded the insurance coverage for the past three fiscal years. The audited financial statements of SCORE are available at SCORE's office.

NOTE I – COMMITMENTS AND CONTINGENCIES

The City participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The audits by the grantors for the year ended June 30, 2015, have not yet been conducted. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is party to various claims, legal actions and complaints that arise in the normal operation of business. Management and the City's legal counsel believe that there are no material loss contingencies that would have a material adverse impact on the financial position of the City.

In May 2015, the City entered into an agreement with the County of Placer for fire protection services through the County's contract with the California Department of Forestry and Fire Protection (Cal Fire) from July 1, 2015 through June 30, 2018. The services provided by Cal Fire include training for the City's volunteer firefighters, contracted Cal Fire/Placer County Fire Battalion Chief, and fire protection planning services. For services provided, the City is required to pay the County of Placer \$30,340 per year or \$91,440 over the course of the three year contract.

CITY OF COLFAX, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2015

NOTE J – SUBSEQUENT EVENTS

On July 8, 2015, the City entered into a contract with Central Valley Engineering and Asphalt, Inc. for \$211,907. The contract was related to the construction of the Union Pacific Rail Road Pedestrian Crossing and Bike Path Improvement Project. The project was completed in October 2015.

On August 18, 2015, the City entered into a Joint Exercise of Powers Agreement with the County of Placer establishing the Sierra Valley Energy Authority (the Authority). The Authority was established to provide assistance to the City and the County with the development, financing and implementation of public and private sector energy and resource development and conservation programs.

NOTE K – CHANGES IN ACCOUNTING PRINCIPLES

During the year ended June 30, 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These Statements required the City to recognize in its accrual basis financial statements the net pension liability, deferred outflows of resources and deferred inflows of resources for the City's pension plans. These Statements also required contributions made after the June 30, 2014 measurement date used in the actuarial valuations for the pension plans to be reported as deferred outflows of resources.

Due to the implementation of these Statements, the balances previously reported as of July, 1, 2014 changed as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Changes due to new Standards - Increase (Decrease):		
Deferred Outflows of Resources	<u>\$ 20,328</u>	<u>\$ 17,363</u>
Total Liabilities	<u>\$ 42,013</u>	<u>\$ 35,883</u>
Net Position	<u>\$ (21,685)</u>	<u>\$ (18,520)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF COLFAX

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	<u>June 30, 2015</u>
Proportion of the net pension liability	0.00092%
Proportionate share of the net pension liability	\$ 57,010
Covered - employee payroll	\$ 353,250
Proportionate share of the net pension liability as a percentage of covered payroll	16.14%
Plan fiduciary net position	\$ 10,639,461,174
Plan fiduciary net position as a percentage of the total pension liability	83.03%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: None.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 33,409
Contributions in relation to the actuarially determined contributions	<u>(33,409)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 353,250
Contributions as a percentage of covered - employee payroll	9.46%

Notes to Schedule:

Valuation date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Single Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.0%, average, including inflation of 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 to 63 years

Omitted years: The year ended June 30, 2015 was the first year of implementation GASB Statement No. 68, therefore only one year is shown.

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COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS

CITY OF COLFAX

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015

	Special Revenue				
	Bricks	Supplemental Law Enforcement	CDBG	Transportation & Road Fund	Gas Tax
ASSETS:					
Cash and cash equivalents	\$ 5,243	\$ 25,754	\$ 207,874	\$ 15,965	\$ 22,672
Due from other governmental agencies	3		132	(16)	47
Interest receivable			49,652		
Notes receivable					
Total assets	\$ 5,246	\$ 25,754	\$ 257,658	\$ 15,949	\$ 22,719
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts payable		\$ 25,754		\$ 15,780	\$ 1,562
Accrued expenses				169	
Total liabilities		25,754		15,949	1,562
Fund balance:					
Nonspendable			\$ 49,652		
Restricted	\$ 5,246		208,006		21,157
Total fund balance	5,246		257,658		21,157
Total liabilities and fund balance	\$ 5,246	\$ 25,754	\$ 257,658	\$ 15,949	\$ 22,719

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

Special Revenue				Total
Mitigation Funds	Beverage Recycling	Oil Grant	Fire Capital	Nonmajor Governmental Funds
\$ 237,788	\$ 33,031	\$ 3,554	\$ 61,146	\$ 613,027
121	20	3	5,490 39	5,490 349
				49,652
<u>\$ 237,909</u>	<u>\$ 33,051</u>	<u>\$ 3,557</u>	<u>\$ 66,675</u>	<u>\$ 668,518</u>
		\$ 608 30		\$ 43,704 199
		638		43,903
				49,652
\$ 237,909	\$ 33,051	2,919	\$ 66,675	574,963
237,909	33,051	2,919	66,675	624,615
<u>\$ 237,909</u>	<u>\$ 33,051</u>	<u>\$ 3,557</u>	<u>\$ 66,675</u>	<u>\$ 668,518</u>

CITY OF COLFAX

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	Special Revenue				
	Bricks	Supplemental Law Enforcement	CDBG	Transportation & Road Fund	Gas Tax
REVENUES:					
Tax revenues					\$ 56,100
Licenses, fees and permits				\$ 732	
Intergovernmental revenues		\$ 106,230		106,307	
Use of money and property	\$ 12		\$ 2,087	(80)	145
Other revenue					
Total revenues	<u>12</u>	<u>106,230</u>	<u>2,087</u>	<u>106,959</u>	<u>56,245</u>
EXPENDITURES:					
General government					
Public safety		106,230			
Public works				143,505	20,059
Community development					
Capital outlay					
Total expenditures		<u>106,230</u>		<u>143,505</u>	<u>20,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12</u>		<u>2,087</u>	<u>(36,546)</u>	<u>36,186</u>
OTHER FINANCING SOURCES (USES):					
Transfers in				36,546	
Transfers out			(6,077)		(58,238)
Total other financing sources (uses)			<u>(6,077)</u>	<u>36,546</u>	<u>(58,238)</u>
Net change in fund balance	12		(3,990)		(22,052)
Fund balances - beginning of year	<u>5,234</u>		<u>261,648</u>		<u>43,209</u>
Fund balances - end of year	<u>\$ 5,246</u>	<u>\$ -</u>	<u>\$ 257,658</u>	<u>\$ -</u>	<u>\$ 21,157</u>

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

Special Revenue				Total
Mitigation Funds	Beverage Recycling	Oil Grant	Fire Capital	Nonmajor Governmental Funds
				\$ 56,100
\$ 70,755				71,487
	\$ 5,000	\$ 5,000	\$ 43,519	266,056
412	77	6	115	2,774
<u>71,167</u>	<u>5,077</u>	<u>5,006</u>	<u>43,634</u>	<u>396,417</u>
			4,133	110,363
		5,437		163,564
				5,437
		<u>5,437</u>	<u>4,133</u>	<u>279,364</u>
<u>71,167</u>	<u>5,077</u>	<u>(431)</u>	<u>39,501</u>	<u>117,053</u>
				36,546
				(64,315)
				(27,769)
71,167	5,077	(431)	39,501	89,284
166,742	27,974	3,350	27,174	535,331
<u>\$ 237,909</u>	<u>\$ 33,051</u>	<u>\$ 2,919</u>	<u>\$ 66,675</u>	<u>\$ 624,615</u>



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

City Council
City of Colfax, California
Colfax, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Colfax, California (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 6, 2016.

Internal Control Over Financial Reporting

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

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

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

To the City Council
City of Colfax, California

Compliance and Other Matters

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

Purpose of this Report

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

Richardson & Company, LLP

January 6, 2016



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GOVERNANCE LETTER

To the City Council
City of Colfax
Colfax, California

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Colfax, California (the City), for the year ended June 30, 2015, and have issued our report thereon dated January 6, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards*), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated May 15, 2015, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

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

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

To the City Council
Page 2

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no material weaknesses in internal controls as a result of our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year, except for the implementation of Government Accounting Standards Board No. 68 and 71, which requires the accrual of a liability for unfunded pension obligations and deferred inflows and outflows for current year contributions and changes in investment earnings from those that were projected. The impact of the implementation of the new standards resulted in a restatement of the City's governmental and business-type activities' net positions by \$21,685 and \$18,520, respectively, as of July, 2014, as discussed in Note K of the audited financial statements. Additional required disclosures under GASB Statement No. 68 were also added to Note G to the financial statements due to the adoption of this Statement. The application of existing policies was not changed during the year.

We noted no transaction entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were determining the depreciable lives and methods used for capital assets, allowance for doubtful accounts and the accrual for pension benefits. The accrual for pension benefits is determined by actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements.

Management has determined that their effect is immaterial, both individually and in the aggregate to the financial statements taken as a whole. In addition, no adjustments were noted as a result of our audit other than reclassification adjustments for financial statement presentation only.

To the City Council
Page 3

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 6, 2016.

Management Consultations with Other Independent Accountants

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

Issues Discussed Prior to Retention of Independent Auditors

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

Other Matters

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

We were engaged to report on the Combining and Individual Statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Richardson & Company, LLP

January 6, 2016

CITY OF COLFAX, CALIFORNIA
 SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
 YEAR ENDED JUNE 30, 2015

GENERAL FUND

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Total Fund Balance	Total Change in Fund Balance
Effect of not accruing June 2015 utility expense		\$ (4,863)	\$ 4,863	\$ 4,863
Total Net Unadjusted Audit Difference - This year		(4,863)	4,863	4,863
Financial Statement Caption Totals (General Fund)	\$ 1,730,542	\$ 226,392	\$ 1,504,150	\$ 416,160
Net Audit Differences as % of F/S Captions	0.00%	(2.15%)	0.32%	1.17%

CITY OF COLFAX, CALIFORNIA
 SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
 YEAR ENDED JUNE 30, 2015

GOVERNMENTAL ACTIVITIES

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets/Deferred Outflows	Total Liabilities/Deferred Inflows	Total Net Position	Total Change in Net Position
Effect of not accruing June 2015 utility expense		\$ (4,863)	\$ 4,863	\$ 4,863
Effect of not recording the difference between the City's actual 2013/2014 pension contributions and City's proportionate share of the pension plan's risk pool contributions	\$ (10,280)		(10,280)	(10,280)
Net Unadjusted Audit Differences - This Year	(10,280)	(4,863)	(5,417)	(5,417)
Financial Statement Caption Totals (Governmental Activities)	\$ 6,814,513	\$ 1,043,206	\$ 5,771,307	\$ 499,255
Net Audit Differences as % of F/S Captions	(0.15%)	(0.47%)	(0.09%)	(1.09%)

CITY OF COLFAX, CALIFORNIA
 SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
 YEAR ENDED JUNE 30, 2015

SEWER FUND

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets/Deferred Outflows	Total Liabilities/Deferred Outflows	Total Net Position	Total Change in Net Position
Effect of not recording the difference between the City's actual 2013/2014 pension contributions and City's proportionate share of the pension plan's risk pool contributions	\$ (8,780)		\$ (8,780)	\$ (8,780)
Net Unadjusted Audit Differences - This Year	(8,780)		(8,780)	(8,780)
Financial Statement Caption Totals (Sewer Fund)	\$ 21,667,650	\$ 9,635,161	\$ 12,032,489	\$ (17,632)
Net Audit Differences as % of F/S Captions	(0.04%)	0.00%	(0.07%)	49.80%



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

City Council
City of Colfax
Colfax, California

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Colfax (the City) for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

All prior year comments have been adequately addressed.

The following item noted in our current year audit warrants consideration:

Review of Pension Information

Because of the significant pension liability that is now required to be reported on the City's balance sheet, there is more emphasis on review of data submitted to CalPERS, which is used as a basis for calculating the net pension liability. We recommend that the City ensure that the proper reviews are taking place by management, to ensure that the census data used by CalPERS is complete and accurate, and that the contribution and other information contained in the valuation report are consistent with the City's records, as currently only the human resources personnel are reviewing the payroll information that is submitted to CalPERS.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the City Council, management, and others within the organization and does not affect our report dated January 6, 2016 on the financial statements of the City.

Richardson & Company, LLP

January 6, 2016



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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT TESTING

City Council
City of Colfax
Colfax, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the City of Colfax for the year ended June 30, 2015. These procedures, which were agreed to by the City of Colfax and the League of California Cities (as presented in the publication entitled *Article XIII-B Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed By of the California Constitution*) were performed solely to assist the City of Colfax in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City of Colfax management is responsible for the appropriations limit calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the City's calculation of the 2014/2015 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIII B which states that the City may annually adjust the component for either the change in California per capita personal income or, the percentage change in the City's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the City may annually choose to adjust the component for either the change in population in the County in which the City is located, or the change in population within the unincorporated area of the County in which the City is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2014/2015 Appropriation Limit by multiplying the product of the two above factors by the 2013/2014 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the City's actual revenues to the computed appropriation limit for fiscal year 2014/2015.

Finding: For the 2014/2015 fiscal year, the City's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the City Council.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit calculation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the use of the City of Colfax and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

January 6, 2016

APPENDIX A

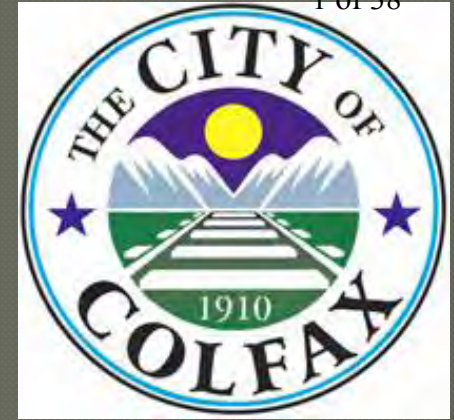
CITY OF COLFAX
 APPROPRIATION LIMIT CALCULATION
 Year Ended June 30, 2015

**APPROPRIATION LIMIT
 ADOPTED BY CITY:**

Recorded in Final 2014/2015 Budget	\$ 1,940,060
------------------------------------	--------------

**APPROPRIATION LIMIT
 COMPUTATION PER REVIEW:**

2013/2014 Appropriation Limit	\$ 1,934,858
Cost of living factor:	
Change in California per capita income	0.9977
Population Adjustment Factor:	
Population change in City of Colfax	<u>1.0050</u>
Auditor computed limitation	<u>1,940,060</u>
Variance	<u><u>\$ 0</u></u>



Placer County Sheriff's Office Colfax Station

Presented by: Colfax Station Commander Sergeant Ty Conners

Assigned to the Colfax Station

- ◉ **Station Commander: 0700 to 1700**
- ◉ **Sergeant Ty Conners** (Monday thru Thursday, Colfax two out of the four days)
- ◉ **Dayshift: 0630hrs to 1630hrs**
- ◉ **Deputy Andrew Buchanan** (Sunday thru Wednesday)
- ◉ **Deputy Stephen Barker** (Wednesday thru Saturday)
- ◉ **Swing shift: 1500hrs to 0100hrs**
- ◉ **Deputy Michael Beggs** (Sunday thru Wednesday)
- ◉ **Deputy Robert Clark** (Wednesday thru Saturday)

Volunteers for the Colfax Station

- Cyndee Schwartz
- Kelly Molloy
- Serene Gilliland
- John Gagnon
- Doug Brock
- Sherrie Douglas

- **Volunteer Duties:**
- Work the front desk at the station
- Colfax Community Events
- Community Outreach (Business and Residential outreach)



PLACER COUNTY
SHERIFF'S OFFICE

EDWARD N. BONNER
Sheriff-Coroner-Marshal
EST. 1851

CORE VALUES

We will constantly strive to meet the highest standards of **honesty** and **integrity**.

We have **pride** in ourselves and take **ownership** of our work.

All Sheriff's Office members will treat each other with **dignity, courtesy,** and **respect**, regardless of position or assignment. This leads to identical treatment of the public we serve.

We are **involved** in our **community** and seek to become a part of the world we serve.

We will achieve **professional** performance through continual **training, education,** and **commitment** to our duties.

Management and subordinates are mutually **accountable** for their performance. There will be no tolerance for criminal misconduct by Sheriff's Office members, on or off-duty. Such conduct will **consistently** be presented for legal review.

PLACER COUNTY SHERIFF'S OFFICE

Mission Statement

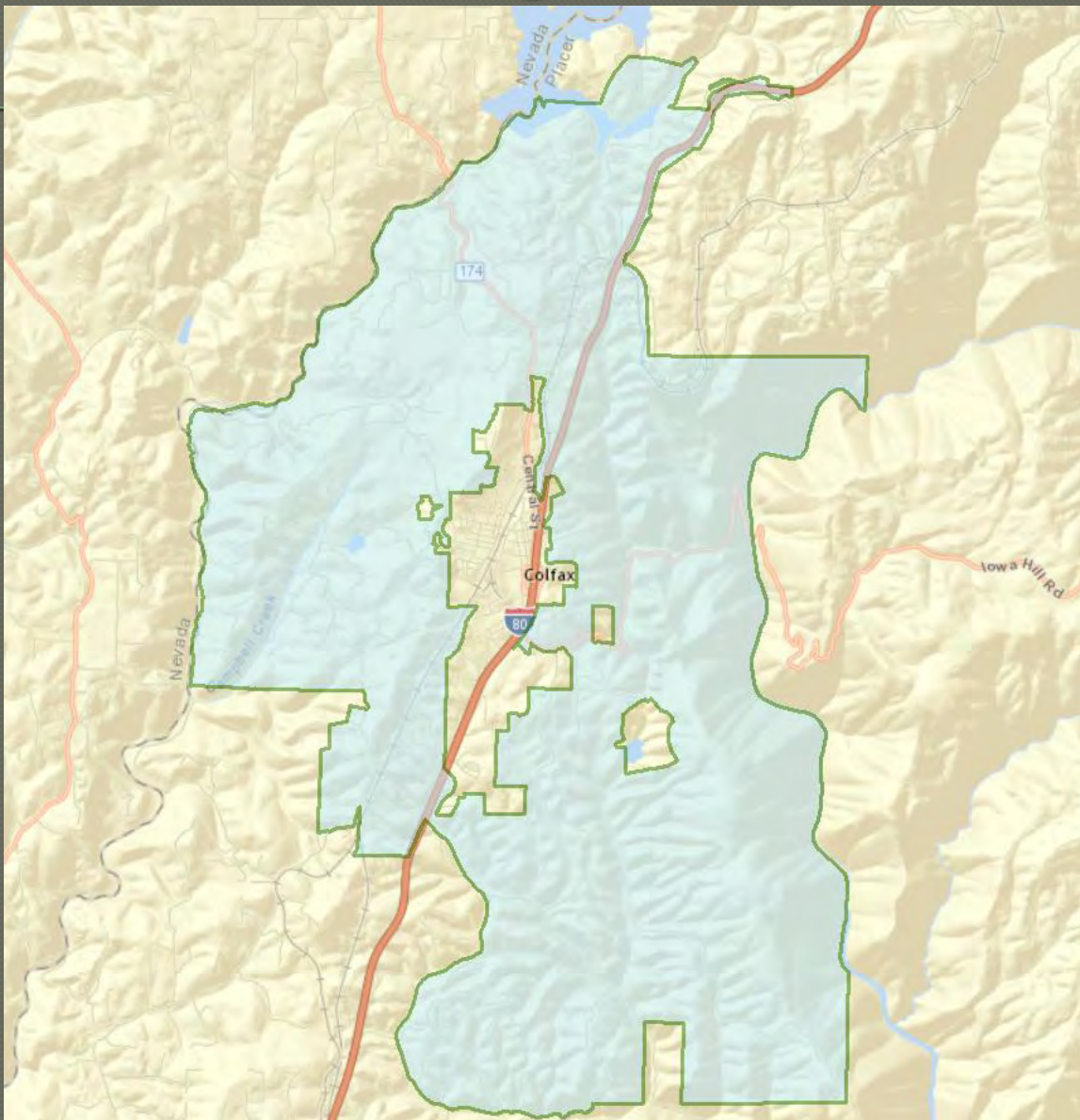
The mission of the Placer County Sheriff's Office is to maintain the quality of life we enjoy and to ensure our county is a safe place to live, work and visit.

This will be accomplished through safeguarding individual liberties, building community partnerships, preventing crime and resolving those crimes that do occur.

We are also responsible for the professional care and custody of those confined within our jail facilities. Other duties include those of marshal, security of the courts, and efficient investigation of coroner cases.

We are committed to this mission and conduct our responsibilities toward a goal of excellence and with dedication to the community we serve.

Colfax Beat Assignment 26C/266



Primary Function of the Colfax Station

- **Commander of Colfax Station (Sergeant):** Responsible for the day-to-day operation of the Station and patrol operations for the City of Colfax. Prepares the annual budget for the Station and is the liaison with the City of Colfax and manages the law enforcement contract for the City. Acts as the City's "Police Chief." Reports to the Field Services Commander or his/her designee.
- **Colfax Patrol Deputy:** Performs responsible law enforcement and crime prevention work; to include patrolling assigned areas; answering calls for service; handling complaints and making preliminary investigations of crimes; preparing reports and gathering evidence for court; serving warrants and civil papers; making arrests; performing follow-up investigations as required, traffic enforcement and traffic accident investigations.

Equipment

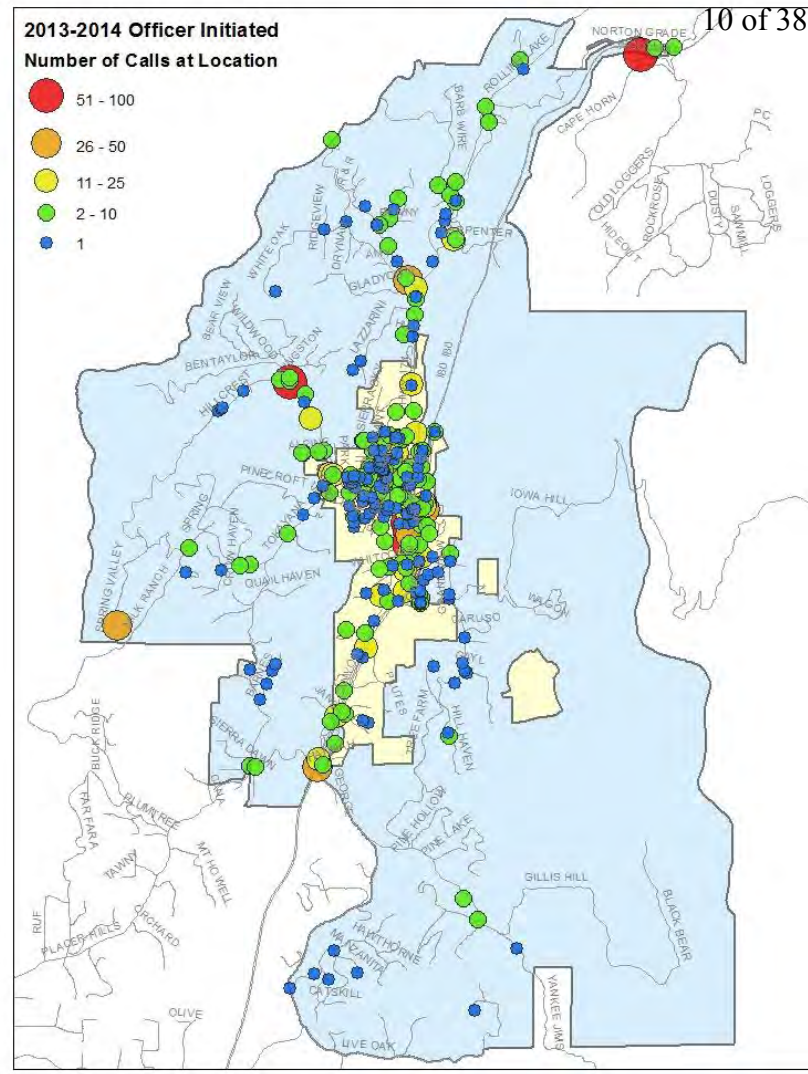
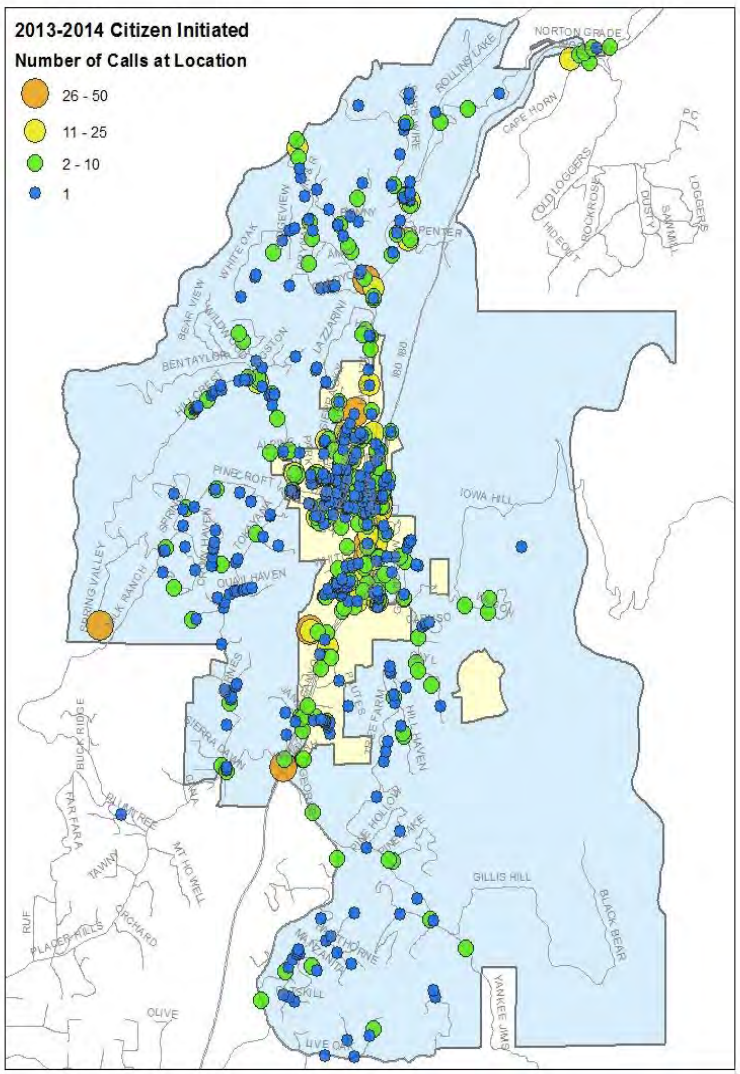
- Chevy Tahoe w/ Radar and Lidar
- **In the vehicle:**
 - Mossberg 590 12 gauge Shotgun
 - Remington 870 Bean Bag Shotgun
 - Assault Rifle is optional
- **Personal Equipment:**
 - Duty Belt
 - Issued Glock or Sig Sauer 40cal pistol
 - Taser X26
 - Baton
 - Pepper spray
 - Bullet proof vest
 - Handcuffs
 - Flashlight
- With all the personnel equipment on, most deputies gain an additional 28lbs.



Two deputies assigned to Colfax currently have take home patrol cars. These are patrol cars that are covered by the Sheriffs Office. Benefit is having two units patrolling at the same time during the overlap hour.

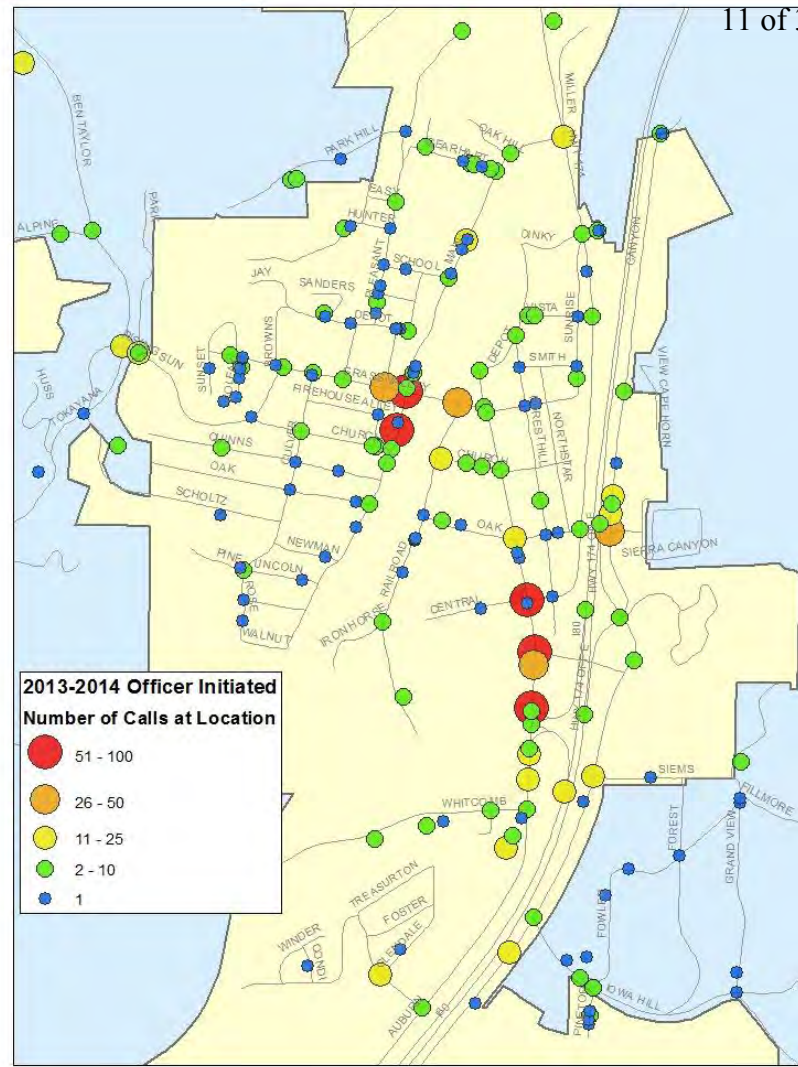
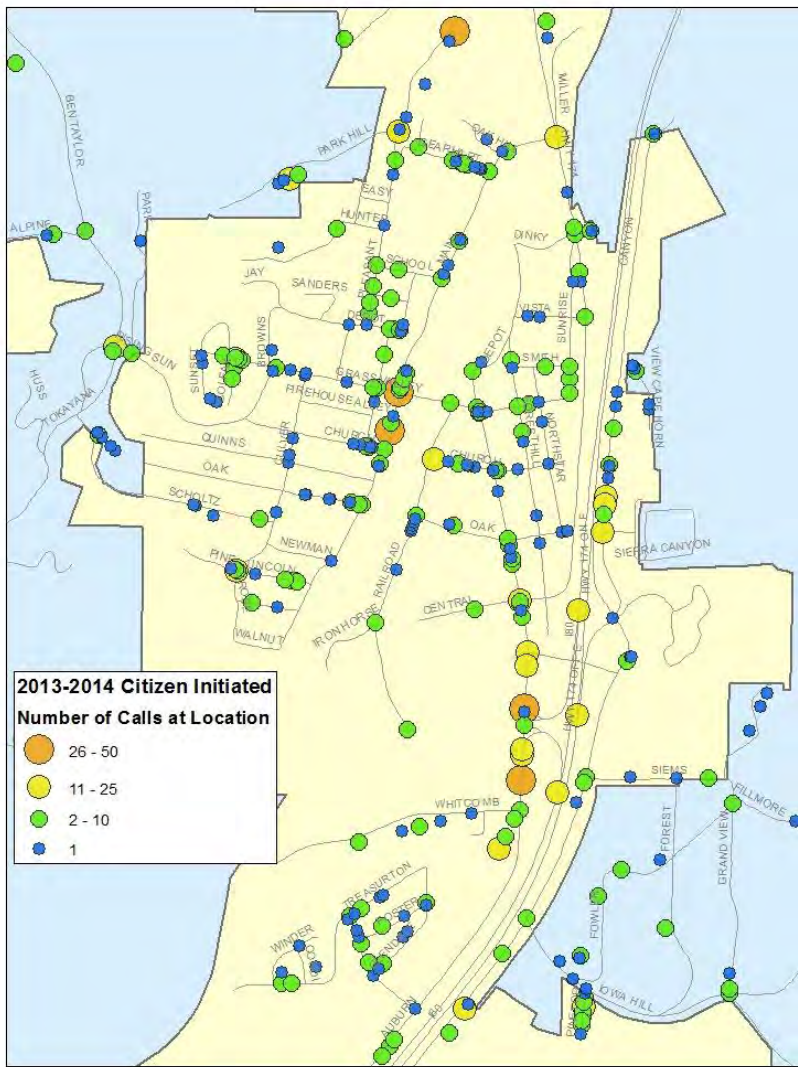
All Calls for Service in 26C/266 for 2013 thru present

26C	Calls for Service	CFS w/ patrol response	Priority 1 CFS	Priority 2 CFS	Traffic Stops	Other Officer - Initiate d Contac ts	Arrests / Citatio ns	Charlie car on Edward call	# of Report s	# of Reporte d Acciden ts	# of Transient CFS in CHARLIE Beat
FY 13-14	2341	2093	30	306	485	763	128	69	293	16	5
FY 14-15	2519	2302	34	293	718	825	153	100	289	12	21
% change	+8%	+10%	+13%	-4%	+48%	+8%	+20%	+45%	-1%	-25%	
FY 15 1ST QTR	892	796	7	112	143	365	44	43	124	10	65
266	Calls for Service	CFS w/ patrol response	Priority 1 CFS	Priority 2 CFS	Traffic Stops	Other Officer- Initiated Contact s	Arrests/ Citation s		# of Reports		
FY 13-14	1049	874	19	111	56	457	49		135		
FY 14-15	1057	883	13	123	100	452	47		145		
% change	+1%	+1%	-32%	+11%	+79%	-1%	-4%		+7%		
FY 15 1ST QTR	344	287	7	48	23	112	17		53		



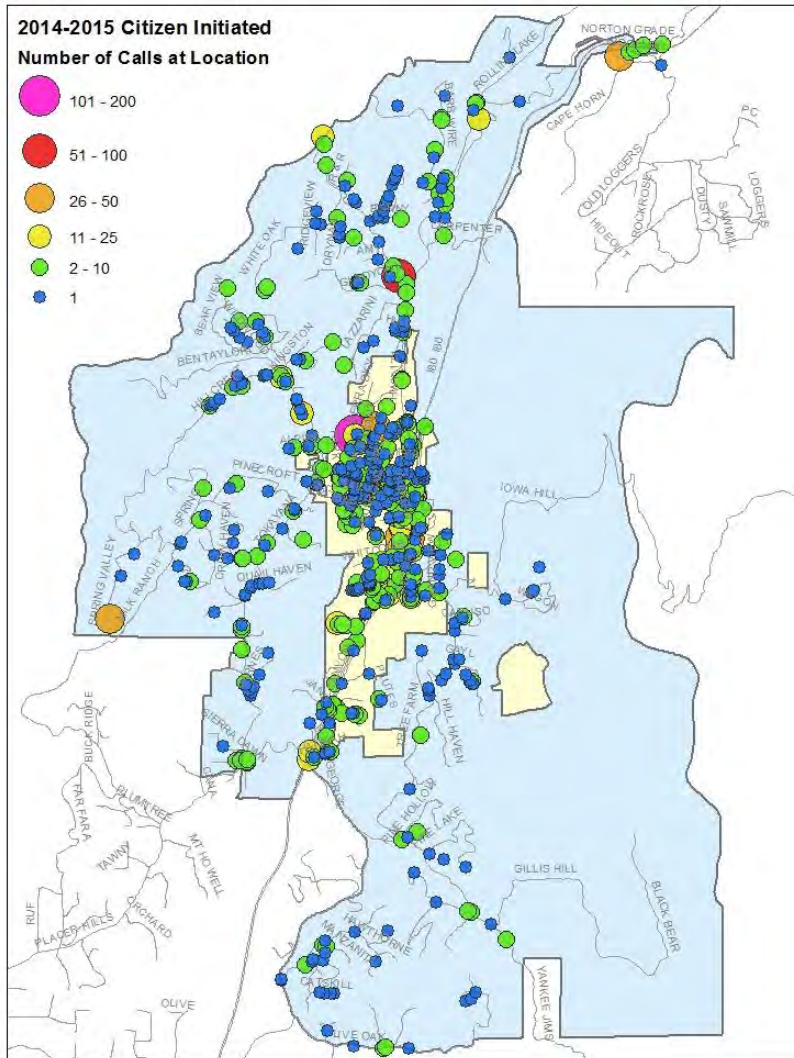
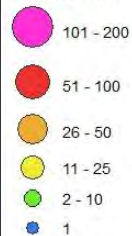
Citizen Initiated 2013-2014

Deputy Initiated 2013-2014

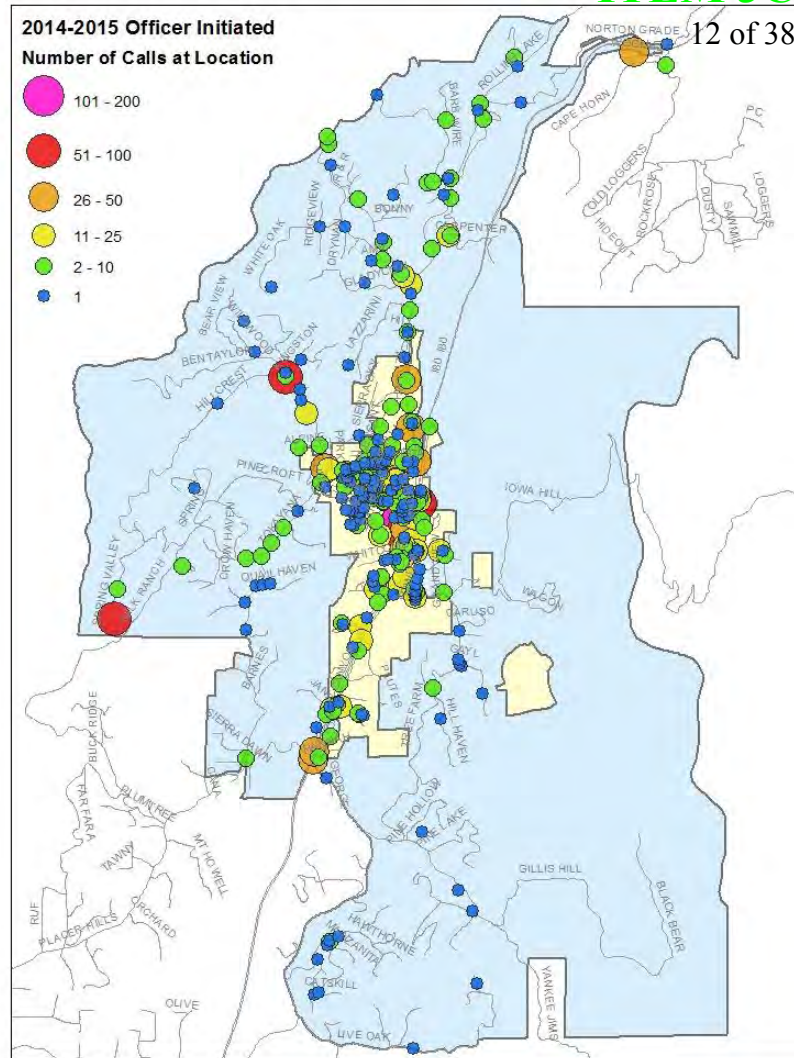
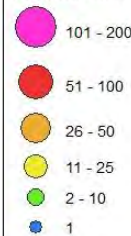


Zoomed image 2013-2014

2014-2015 Citizen Initiated
Number of Calls at Location

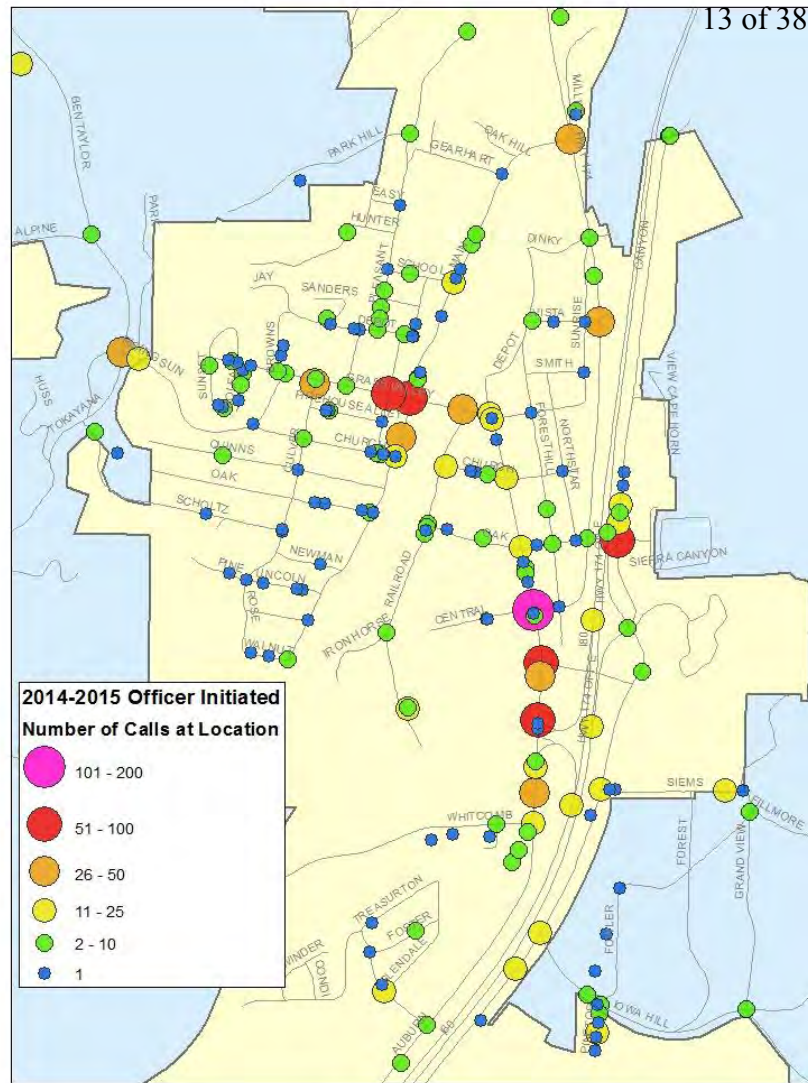
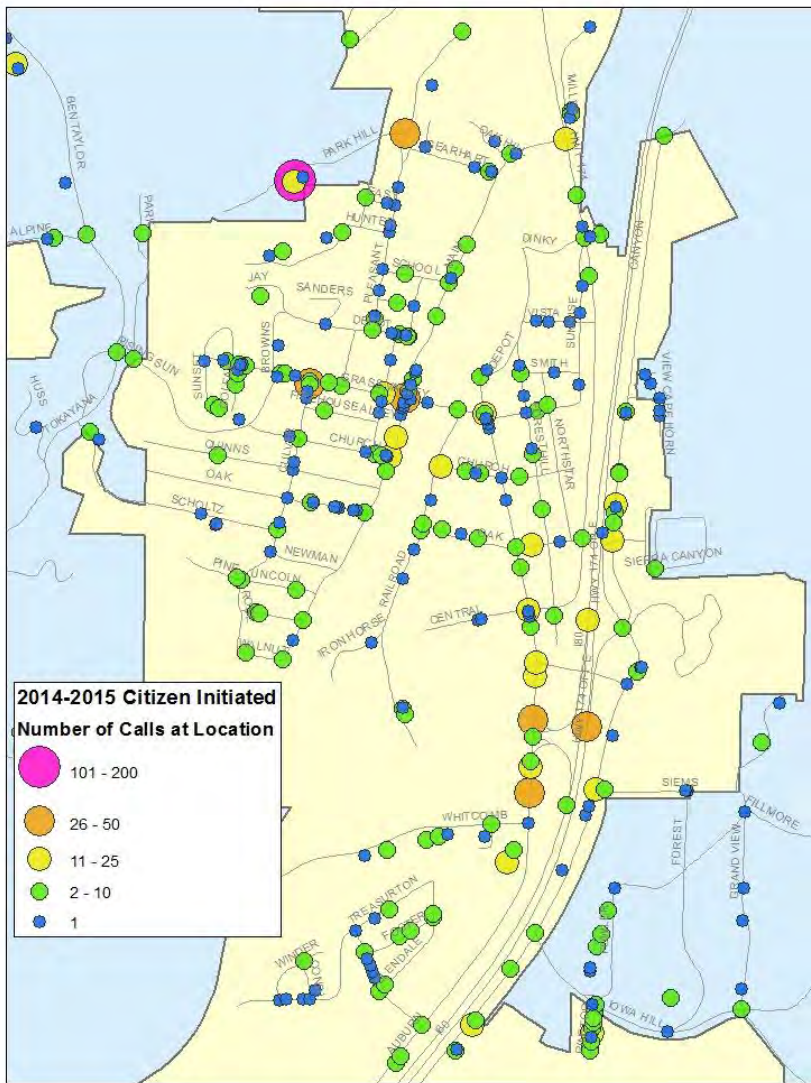


2014-2015 Officer Initiated
Number of Calls at Location

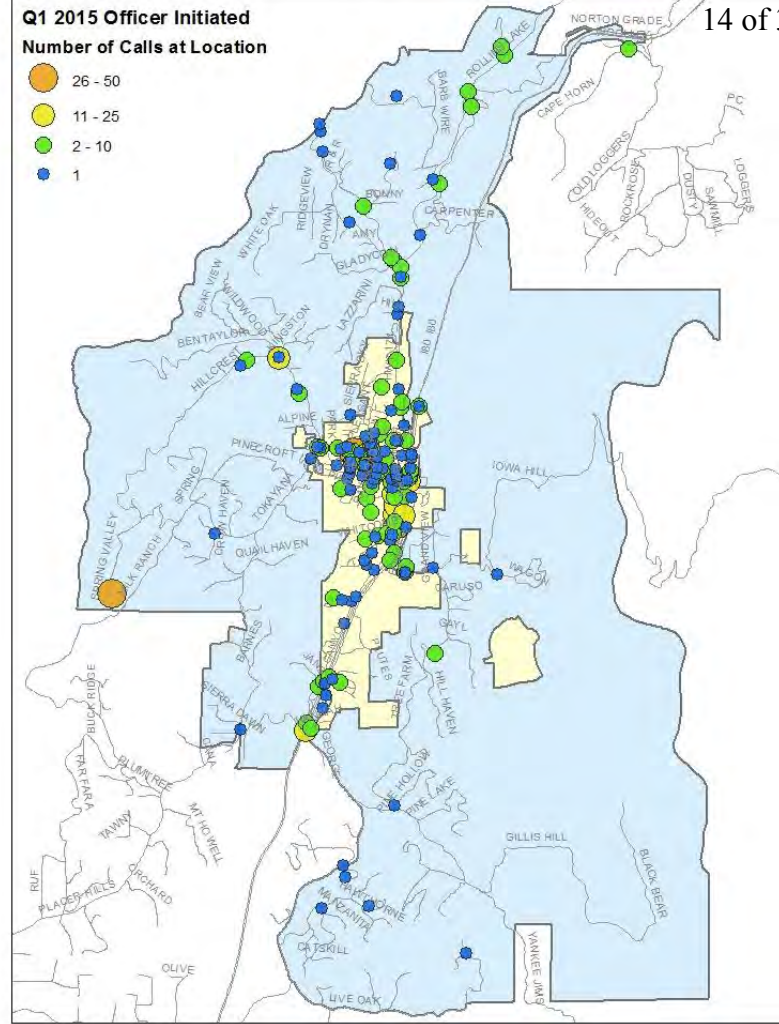
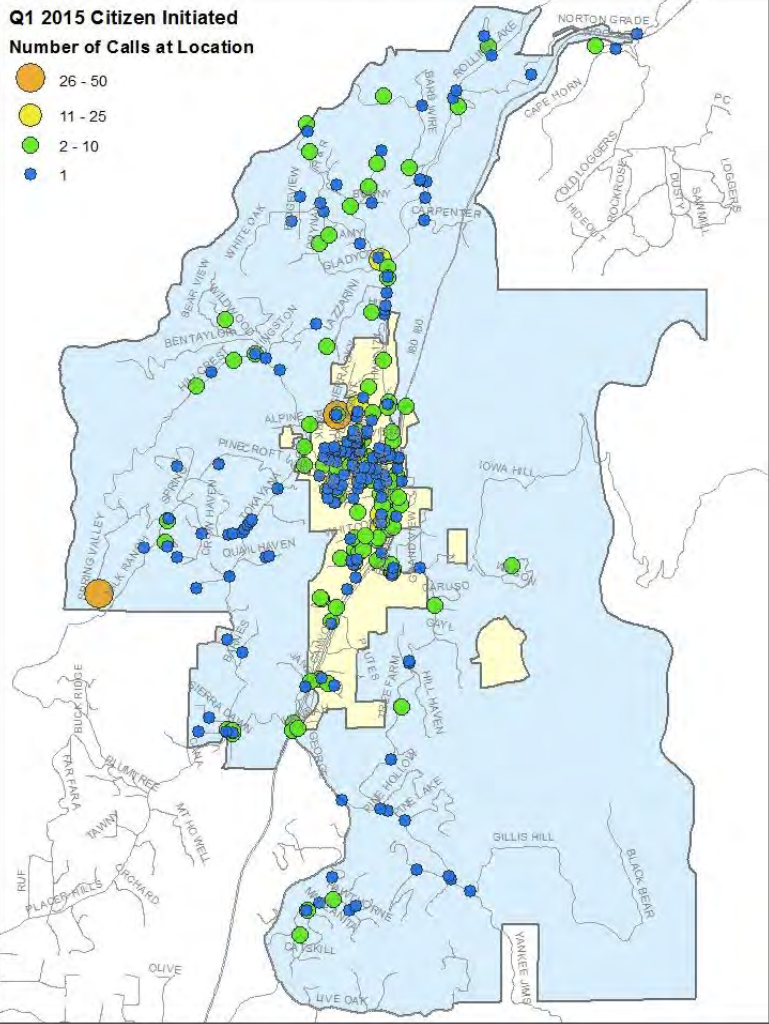


Citizen Initiated 2014-2015

Deputy Initiated 2014-2015

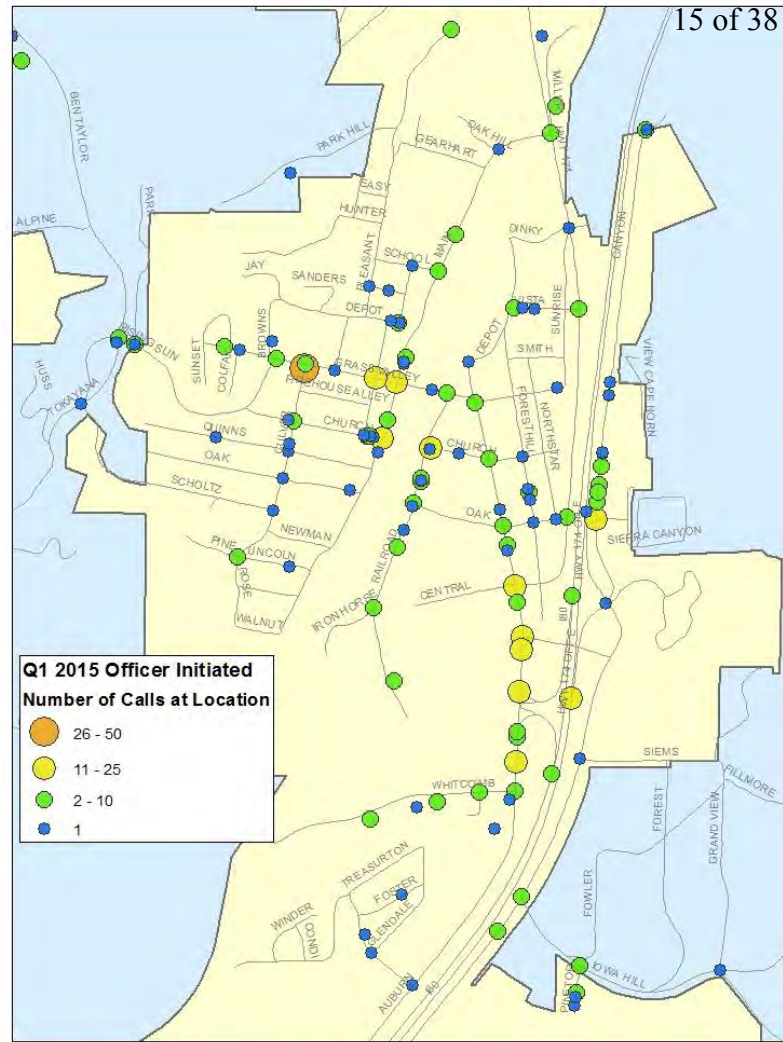
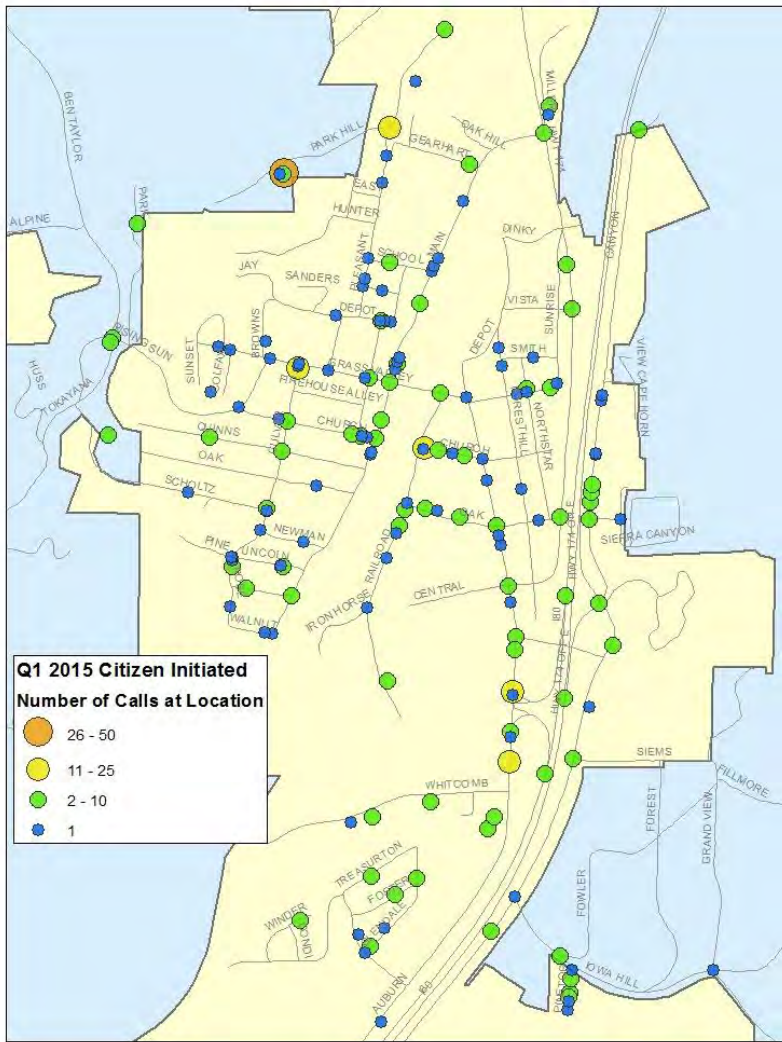


Zoomed Image 2014-2015



Citizen Initiated 2015- Present

Deputy Initiated 2015-Present



Zoomed Image 2015 to Present

Detectives

- Contract services the city pays for 10% of a Detective. There is a Property Crime detective assigned to the Colfax area. Crimes Against Person Detectives respond to any call County wide.

13/14 Fiscal Year		14/15 Fiscal Year		15/16 Fiscal Year	
26C	59	26C	44	26C	15
266	29	266	40	266	13
Total	88	Total	84	Total	28
Active Cases	11	Active Cases	11	Active Cases	7
Closed Cases	77	Closed Cases	73	Closed Cases	21

Special Events covered by PCSO

- July 3rd Celebration



- Without Fireworks, the July 3rd event staffing has been cut drastically down to four deputies and one sergeant. Prior years, the July 3rd event was staffed by eight deputies, one sergeant and the communication truck with two dispatchers.
- Approximate Overtime: 2013-14 \$5925 2014-15: \$5950 2015-16: \$3950
-

Special Events Continued

- Colfax Winterfest



- Winterfest is staffed by one Sergeant and two Deputies.
- Overtime covered by PCSO approximately \$1235.00 every year

Community Outreach

- Dogs and Chats
- 3rd Annual
- All Placer Special Teams and
- other first responders cover
- the costs of this event.

DOGS & CHATS



Saturday, October 10

Roy Tom's Gazebo, Downtown Colfax

11 - 3 pm



Take this opportunity to get to know the law enforcement members that proudly serve and protect the Colfax community.

SPECIAL TEAMS AND UNITS ON DISPLAY:

- * Sheriff K-9
- * Special Enforcement Team with Tactical Rescue Vehicle
- * Placer County Search & Rescue
- * American Medical Response
- * Cal Fire
- * California Highway Patrol
- * Marine Patrol
- * Sheriff Youth & Community Services with Humvee



Enjoy a hot 'dog' and 'chat' with deputies assigned to the Placer County Sheriff's Office Colfax Substation.

Hot dogs generously provided, free of charge, by the Colfax Lions Club.

Community Outreach Continued

Business and Residential Outreach



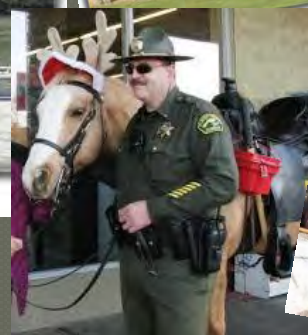
Community Outreach Continued

O.U.R. Colfax Community Facebook



Placer County Sheriff Special Teams available to the City of Colfax

- Special Enforcement Team
- Dive Team
- Air Operations
- Honor Guard
- Hostage Negotiation Team
- K9
- Marine Patrol
- Mounted Unit
- EOD
- Search and Rescue



Colfax Station

- This is the first time in Colfax's history to have their own independent law enforcement station.



- Placer County Sheriff's Office has invested \$20,000 to this
- project for the City of Colfax.

Colfax Contract 2013-14

SALARY AND BENEFITS:									
Qty	Class/Description	Pay Type	Annual Hours/Units	Billable Hours/Units	2013-2014 Hrly Rate	2014-2015 Hrly Rate	2013-2014 Cost	2014-2015 Cost	Increase/ Decrease
0.5	Sergeant	Regular Pay	2080	1040	88.59	96.18 \$	92,135	\$ 100,023	\$ 7,888
0.5	Sergeant	Overtime	120	60	96.98	89.90 \$	5,819	\$ 5,394	\$ (425)
0.5	Sergeant	Holiday Overtime	48	24	96.98	121.13 \$	2,328	\$ 2,907	\$ 580
2.25	Deputy II	Regular Pay	2080	4680	75.51	82.00 \$	353,385	\$ 383,756	\$ 30,371
2.25	Deputy II	Overtime	127	285.75	80.65	74.09 \$	23,045	\$ 21,170	\$ (1,874)
2.25	Deputy II	Holiday Overtime	48	108	80.65	99.83 \$	8,710	\$ 10,781	\$ 2,071
0.1	Detective (Deputy II)	Regular Pay	2080	208	74.20	80.03 \$	15,433	\$ 16,645	\$ 1,212
0.1	Detective (Deputy II)	Overtime	127	12.7	79.04	71.41 \$	1,004	\$ 907	\$ (97)
0.1	Detective (Deputy II)	Holiday Overtime	48	4.8	79.04	96.22 \$	379	\$ 462	\$ 82
Total Personnel Costs							\$ 502,238	\$ 542,046	\$ 39,808
OTHER COSTS:									
	Item	Description					2013-2014 Cost	2014-2015 Cost	Increase/ Decrease
	Communication *	Telecomm System Access and Radio Costs					\$ -	\$ 13,475	\$ 13,475
	Direct Administrative Support	Dispatch and Administrative Operations					\$ 46,405	\$ 29,123	\$ (17,282)
	Equipment & Supplies	Equipment & Supplies					\$ 10,000	\$ 10,000	\$ -
	Liability Insurance **						\$ 2,390	\$ -	\$ (2,390)
	Training	Based on Routine Annual Training					\$ 7,125	\$ 7,125	\$ -
	Vehicle Expenses	1.5 vehicles					\$ 35,273	\$ 33,372	\$ (1,901)
Total Other Costs							\$ 101,194	\$ 93,095	\$ (8,098)
Total Contract Costs							\$ 603,432	\$ 635,141	\$ 31,709
							Total Contract Change		5.25%
							14-15 Base Quarterly Payments		\$ 158,785

* Communication costs were included in the Direct Administrative Support line item in prior years.

** Liability Insurance was added into the Salary Calculations and removed from the "Other Costs" section.

- This contract increase caused the reduced service hours

Contract Services 2015-16

SALARY AND BENEFITS:

Qty	Class/Description	Pay Type	Annual Hours/Units	Billable Hours/Units*	2014-2015 Hrly Rate	2015-2016 Hrly Rate	2014-2015 Cost	2015-2016 Cost	Increase/ Decrease
0.5	Sergeant	Regular Pay	2080	1040	96.18	96.56 \$	100,023	\$ 100,427	\$ 404
0.5	Sergeant	Overtime	120	60	89.90	91.09 \$	5,394	\$ 5,465	\$ 71
0.5	Sergeant	Holiday Overtime	48	24	121.13	122.28 \$	2,907	\$ 2,935	\$ 28
2.25	Deputy II	Regular Pay	2080	4294	82.00	82.24 \$	352,104	\$ 353,140	\$ 1,036
2.25	Deputy II	Overtime	127	285.75	74.09	75.05 \$	21,170	\$ 21,446	\$ 276
2.25	Deputy II	Holiday Overtime	48	108	99.83	100.75 \$	10,781	\$ 10,881	\$ 100
0.1	Detective (Deputy II)	Regular Pay	2080	208	80.03	80.34 \$	16,645	\$ 16,710	\$ 65
0.1	Detective (Deputy II)	Overtime	127	12.7	71.41	72.34 \$	907	\$ 919	\$ 12
0.1	Detective (Deputy II)	Holiday Overtime	48	4.8	96.22	97.11 \$	462	\$ 466	\$ 4

Total Personnel Costs

\$ 510,394 \$ 512,391 \$ 1,997

OTHER COSTS:

Item	Description	2014-2015 Cost	2015-2016 Cost	Increase/ Decrease
Communication	Telecomm System Access and Radio Costs	\$ 13,475	\$ 15,274	\$ 1,799
Direct Administrative Support	Dispatch and Administrative Operations	\$ 29,123	\$ 29,389	\$ 265
Equipment & Supplies	Equipment & Supplies	\$ 10,000	\$ 10,000	\$ -
Training	Based on Routine Annual Training	\$ 7,125	\$ 7,125	\$ -
Vehicle Expenses	1.5 vehicles	\$ 33,372	\$ 34,141	\$ 769

Total Other Costs

\$ 93,095 \$ 95,928 \$ 2,833

Total Contract Costs

\$ 603,490 \$ 608,319 \$ 4,829

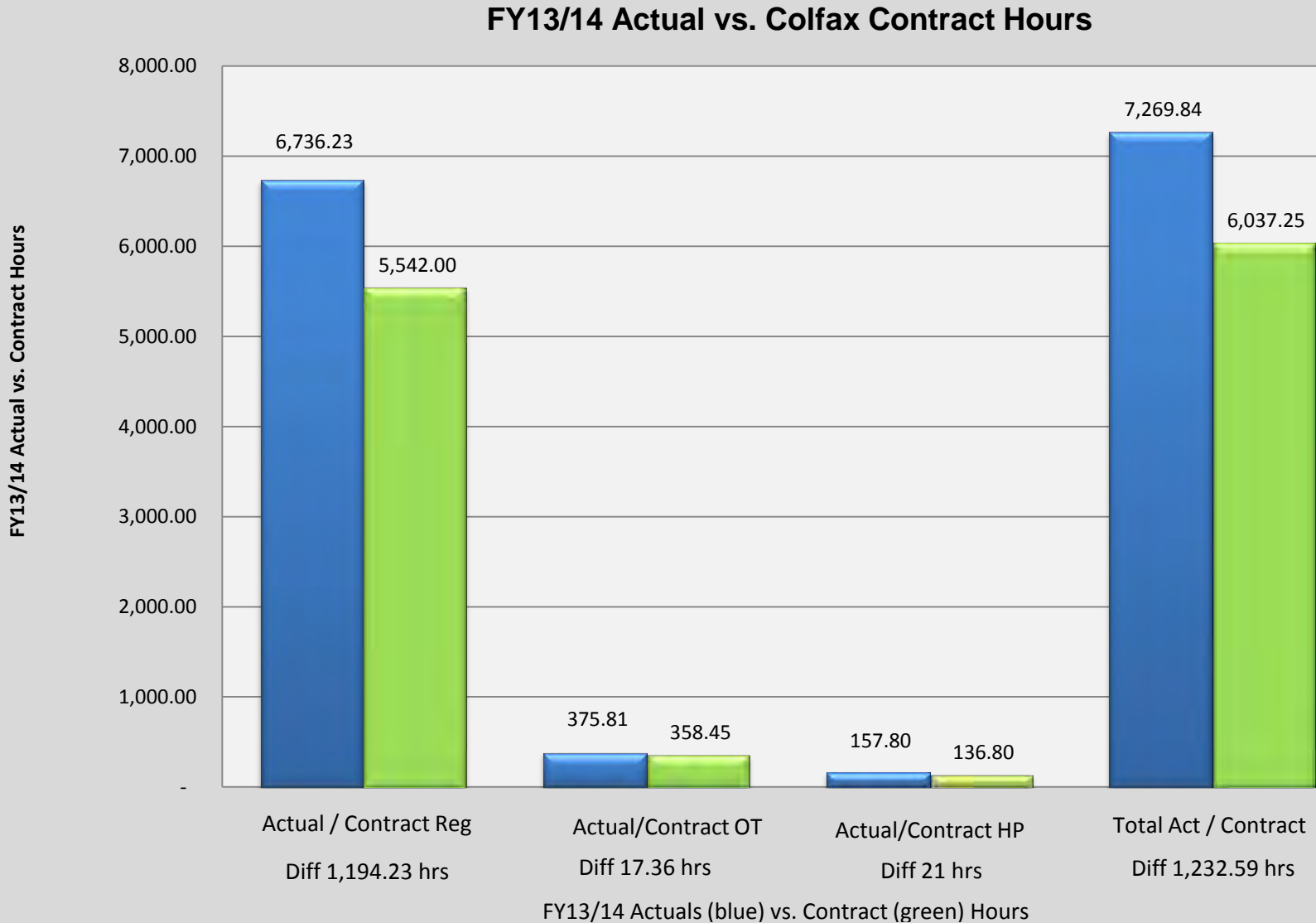
Total Contract Change 0.80%

15-16 Base Quarterly Payments \$ 152,079.75

*Decreased total Deputy billable hours by 386 starting 14/15.

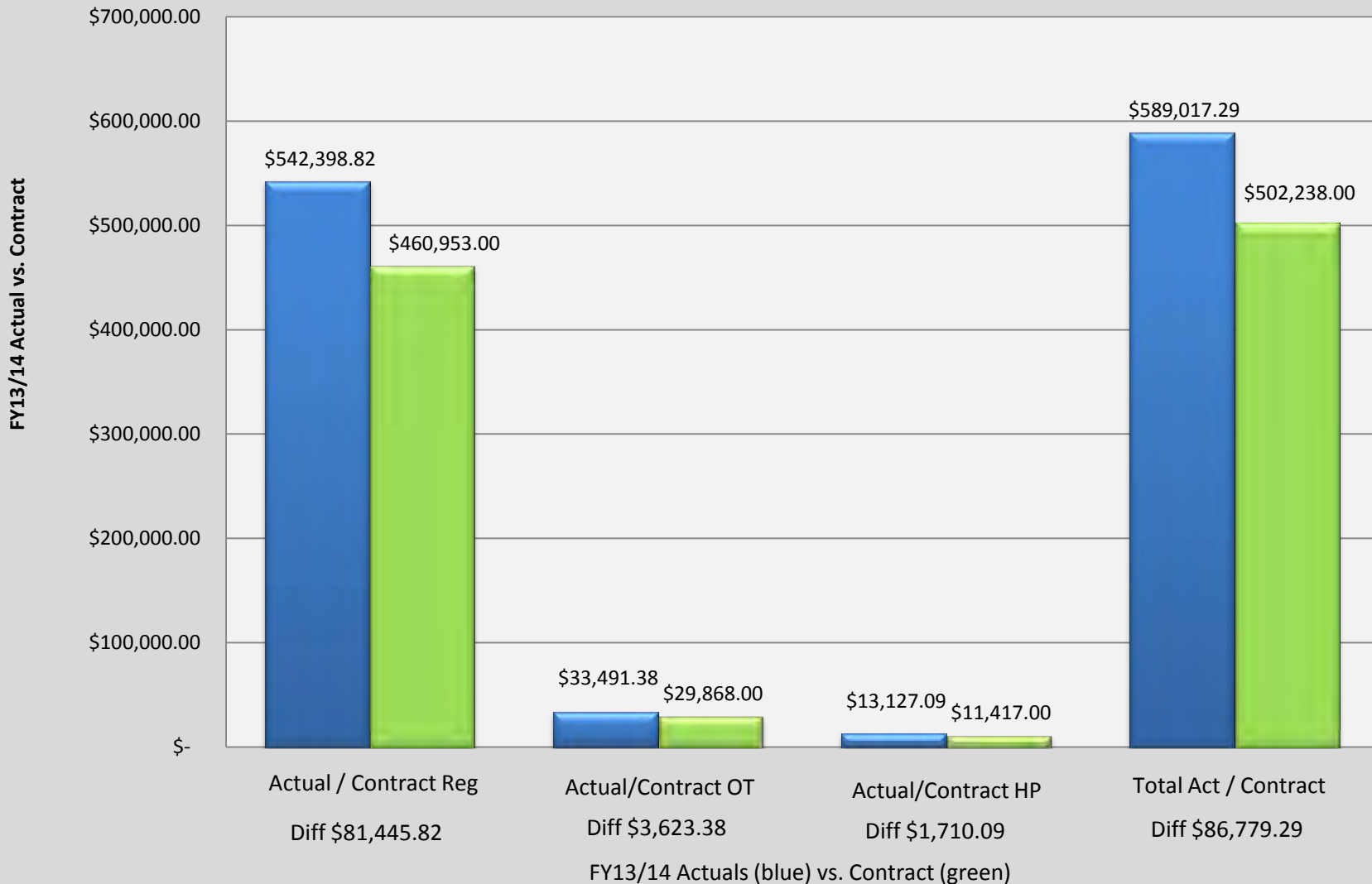
2014-2015 Reduced Services hours began 386 hours reduced

Colfax service hours 2013-14 actual hours compared to contract hours



Colfax Contract 2013-14 actual cost compared to contract cost

FY13/14 Actual vs. Colfax Contract



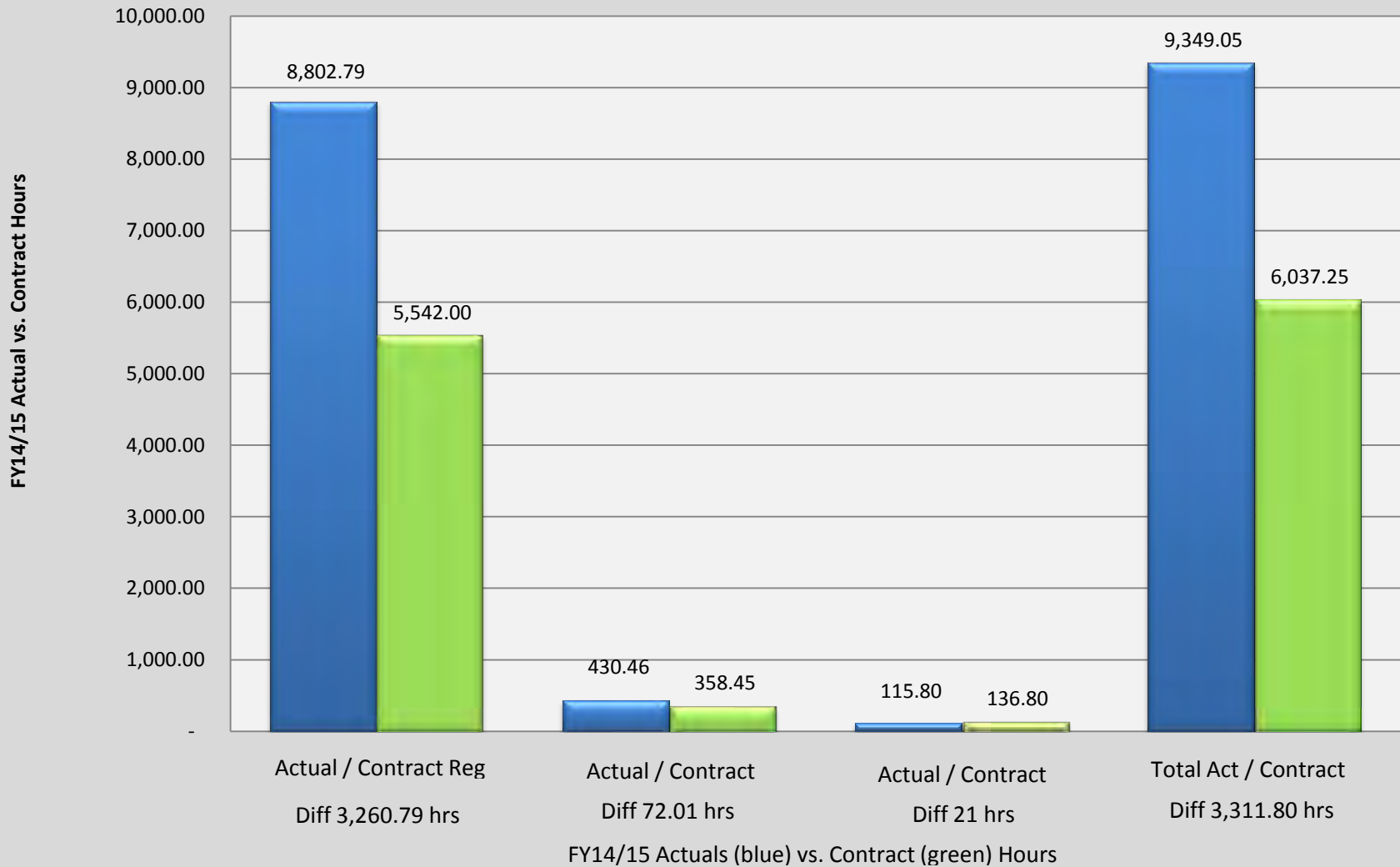
Summary 2013-14

Law Enforcement Services Contract Salaries 2013-2014

		Hourly	Reg Hours	Total
	Sergeant	\$ 88.59	1,048.00	\$ 92,844.10
	Deputy II	\$ 75.51	5,480.23	\$ 413,809.98
	Detective	\$ 74.20	208.00	\$ 15,433.60
		Hourly	OT Hours	Total
	Sergeant	\$ 96.98	57.25	\$ 5,552.11
	Deputy II	\$ 80.65	305.86	\$ 24,667.61
	Detective	\$ 79.04	12.70	\$ 1,003.81
		Hourly	NSD Hours	Total
NS OT	Sergeant	\$ 96.98	12.00	\$ 87.28
NS OT	Deputy II	\$ 80.65	360.50	\$ 2,180.57
NS Reg	Deputy II	\$ 75.51	3,586.50	\$ 20,311.14
		Hourly	HP Hours	Total
	Sergeant	\$ 96.98	25.00	\$ 2,424.50
	Deputy II	\$ 80.65	128.00	\$ 10,323.20
	Detective	\$ 79.04	4.80	\$ 379.39
			7,269.84	\$ 589,017.29
Law Enforcement Services Contract Salaries 2013-2014				
	Pay with Benefits	Regular Pay	OT Pay	Holiday Pay
	Total Sergeant FY1314	\$ 92,844.10	\$ 5,639.39	\$ 2,424.50
	Total Deputy II FY1314	\$ 434,121.11	\$ 26,848.18	\$ 10,323.20
	Total Detective FY1314	\$ 15,433.60	\$ 1,003.81	\$ 379.39
		\$ 542,398.82	\$ 33,491.38	\$ 13,127.09
				\$ 589,017.29
	Hours	Regular Hrs	OT Hrs	Holiday Hrs
	Total Sergeant FY1314	1,048.00	57.25	25.00
	Total Deputy II FY1314	5,480.23	305.86	128.00
	Total Detective FY1314	208.00	12.70	4.80
		6,736.23	375.81	157.80
				7,269.84
	Contract Cost FY 1314	\$ 92,135.00	\$ 5,819.00	\$ 2,328.00
	Contract Cost FY 1314	\$ 353,385.00	\$ 23,045.00	\$ 8,710.00
	Contract Cost FY 1314	\$ 15,433.00	\$ 1,004.00	\$ 379.00
		\$ 460,953.00	\$ 29,868.00	\$ 11,417.00
				\$ 502,238.00
	Contract Hours FY1314	1,040.00	60.00	24.00
	Contract Hours FY1314	4,294.00	285.75	108.00
	Contract Hours FY1314	208.00	12.70	4.80
		5,542.00	358.45	136.80
				6,037.25

Colfax service hours 2014-15 actual hours compared to contract hours

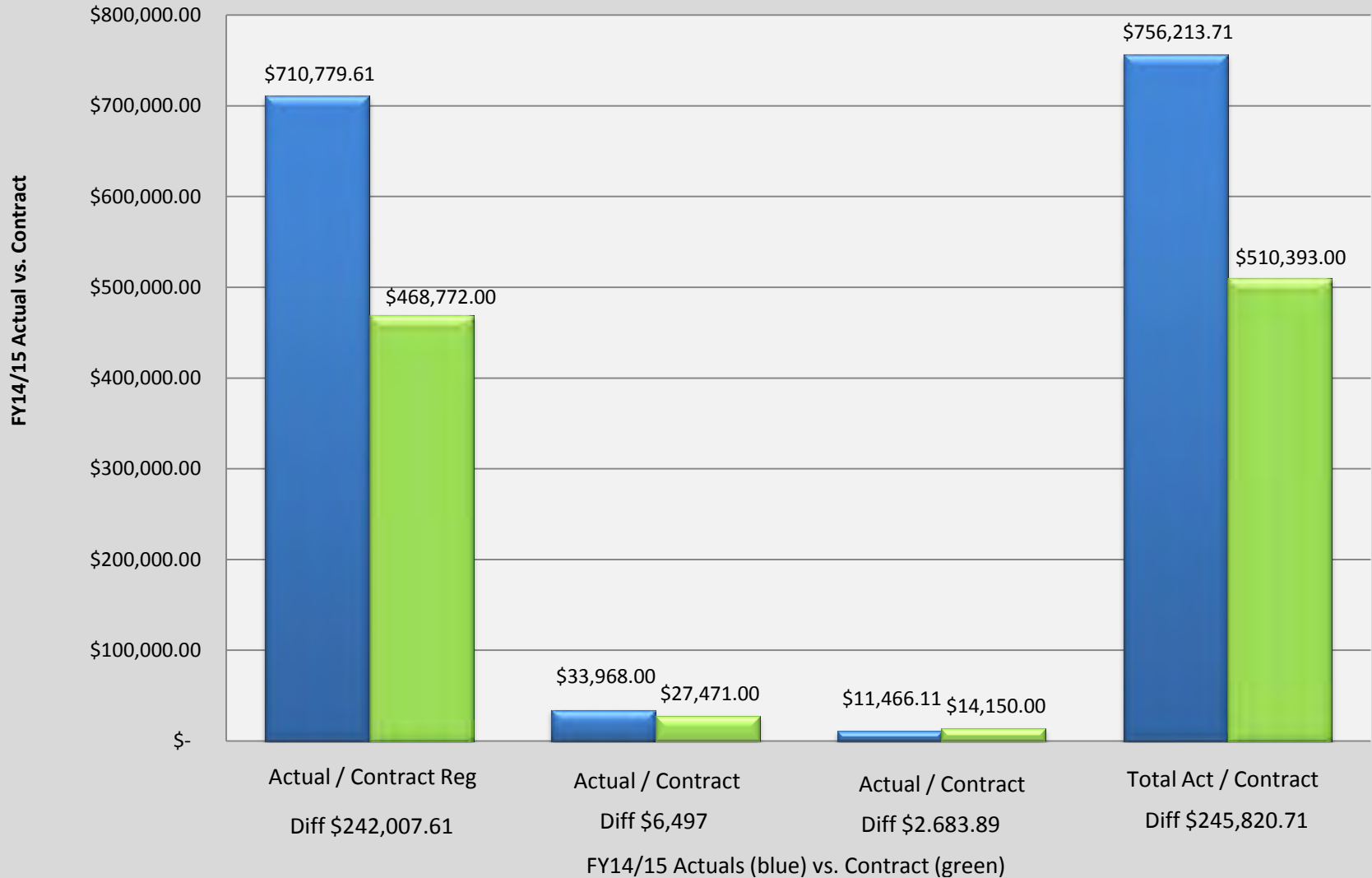
FY14/15 Actual vs. Colfax Contract Hours



Colfax Contract 2014-15

actual cost compared to contract cost

FY14/15 Actual vs. Colfax Contract



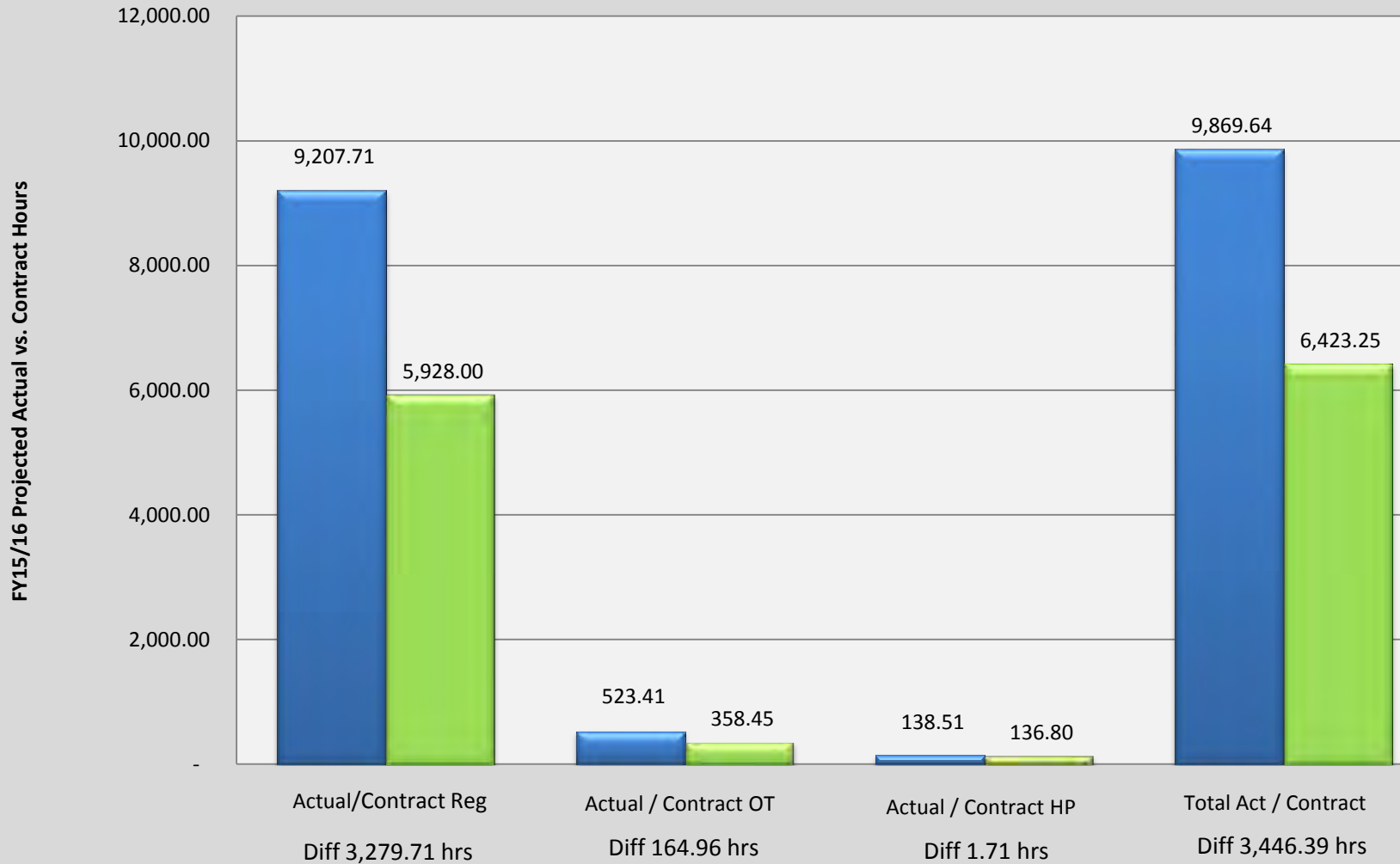
Summary 2014-15

Law Enforcement Services Contract Salaries 2014-2015

		Hourly	Reg Hours	Total
	Sergeant	\$ 92.91	1,039.88	\$ 96,615.25
	Deputy II	\$ 76.30	7,554.91	\$ 576,439.63
	Detective	\$ 80.03	208.00	\$ 16,646.24
		Hourly	OT Hours	Total
	Sergeant	\$ 89.90	69.25	\$ 6,225.58
	Deputy II	\$ 71.41	348.51	\$ 24,887.10
	Detective	\$ 71.41	12.70	\$ 906.91
		Hourly	NSD Hours	Total
NS OT	Sergeant	\$ 89.90	26.25	\$ 176.99
NS OT	Deputy II	\$ 72.34	326.50	\$ 1,771.43
NS Reg	Deputy II	\$ 79.02	3,556.65	\$ 21,078.49
		Hourly	HP Hours	Total
	Sergeant	\$ 121.13	13.00	\$ 1,574.69
	Deputy II	\$ 96.22	98.00	\$ 9,429.56
	Detective	\$ 96.22	4.80	\$ 461.86
			9,349.05	\$ 756,213.71
Law Enforcement Services Contract Salaries 2014-2015				
Pay with Benefits		Regular Pay	OT Pay	Holiday Pay
Total Sergeant FY1415		\$ 96,615.25	\$ 6,402.57	\$ 1,574.69
Total Deputy II FY1415		\$ 597,518.12	\$ 26,658.52	\$ 9,429.56
Total Detective FY1415		\$ 16,646.24	\$ 906.91	\$ 461.86
		\$ 710,779.61	\$ 33,968.00	\$ 11,466.11
				\$ 756,213.71
Hours				
Hours		Regular Hrs	OT Hrs	Holiday Hrs
Total Sergeant FY1415		1,039.88	69.25	13.00
Total Deputy II FY1415		7,554.91	348.51	98.00
Total Detective FY1415		208.00	12.70	4.80
		8,802.79	430.46	115.80
				9,349.05
Contract Cost FY 1415		\$ 100,023.00	\$ 5,394.00	\$ 2,907.00
Contract Cost FY 1415		\$ 352,104.00	\$ 21,170.00	\$ 10,781.00
Contract Cost FY 1415		\$ 16,645.00	\$ 907.00	\$ 462.00
		\$ 468,772.00	\$ 27,471.00	\$ 14,150.00
				\$ 510,393.00
Contract Hours FY1415		1,040.00	60.00	24.00
Contract Hours FY1415		4,294.00	285.75	108.00
Contract Hours FY1415		208.00	12.70	4.80
		5,542.00	358.45	136.80
				\$ 1,124.00
				\$ 4,687.75
				\$ 225.50
				6,037.25

Colfax service hours 2015-16 actual hours compared to contract hours

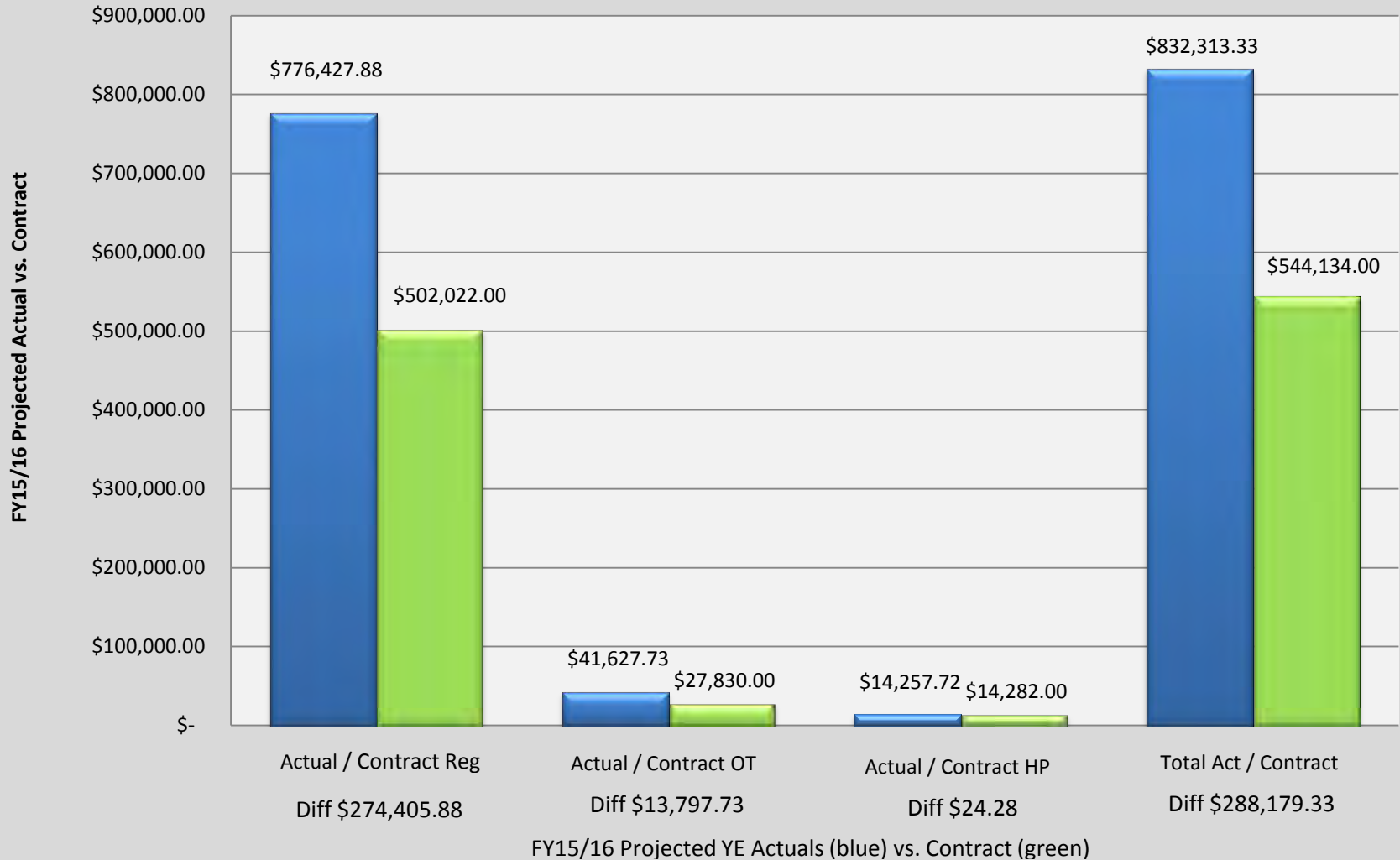
FY15/16 Projected Actual vs. Colfax Contract Hours



FY15/16 Projected YE Actuals (blue) vs. Contract (green) Hours

Colfax Contract 2015-16 actual cost compared to contract cost

FY15/16 Projected Actual vs. Colfax Contract



Summary 2015-16

Law Enforcement Services Contract Salaries 2015-2016				
		Hourly	Reg Hours	Total
	Sergeant	\$ 96.56	280.00	\$ 27,036.80
	Deputy II	\$ 82.24	2,143.00	\$ 176,240.32
	Detective	\$ 80.34	56.00	\$ 4,499.04
		Hourly	OT Hours	Total
	Sergeant	\$ 91.09	33.00	\$ 3,005.97
	Deputy II	\$ 75.05	104.50	\$ 7,842.73
	Detective	\$ 72.34	3.42	\$ 247.35
		Hourly	NSD Hours	Total
NS OT	Sergeant	\$ 91.09	16.50	\$ 112.72
NS OT	Deputy II	\$ 75.05	53.50	\$ 301.14
NS Reg	Deputy II	\$ 79.02	791.00	\$ 4,687.86
		Hourly	HP Hours	Total
	Sergeant	\$ 122.28	4.00	\$ 489.12
	Deputy II	100.75	32.00	\$ 3,224.00
	Detective	97.11	1.29	\$ 125.50
			2,657.21	\$ 227,812.54
Law Enforcement Services Contract Salaries 2015-2016				
Pay with Benefits	Regular Pay	OT Pay	Holiday Pay	
Total Sergeant FY1516 (7 wks)	\$ 27,036.80	\$ 3,118.69	\$ 489.12	
Total Deputy II FY1516 (7 wks)	\$ 180,928.18	\$ 8,143.86	\$ 3,224.00	
Total Detective FY1516 (7 wks)	\$ 4,499.04	\$ 247.35	\$ 125.50	
	\$ 212,464.02	\$ 11,509.90	\$ 3,838.62	\$ 227,812.54
Hours	Regular Hrs	OT Hrs	Holiday Hrs	
Total Sergeant FY1516 (7 wks)	280.00	33.00	4.00	
Total Deputy II FY1516 (7 wks)	2,143.00	104.50	32.00	
Total Detective FY1516 (7 wks)	56.00	3.42	1.29	
	2,479.00	140.92	37.29	2,657.21

Law Enforcement Services Contract Salaries 2015-2016 (Projected)				
		Hourly	Reg Hours	Total
	Sergeant	\$ 96.56	1040.00	\$ 100,422.40
	Deputy II	82.24	7,959.71	\$ 654,606.90
	Detective	80.34	208.00	\$ 16,710.72
		Hourly	OT Hours	Total
	Sergeant	\$ 91.09	122.57	\$ 11,165.03
	Deputy II	75.05	388.14	\$ 29,130.12
	Detective	72.34	12.70	\$ 918.72
		Hourly	NSD Hours	Total
NS OT	Sergeant	\$ 91.09	16.50	\$ 112.72
NS OT	Deputy II	\$ 75.05	53.50	\$ 301.14
NS Reg	Deputy II	\$ 79.02	791.00	\$ 4,687.86
		Hourly	HP Hours	Total
	Sergeant	\$ 122.28	14.86	\$ 1,816.73
	Deputy II	100.75	118.86	\$ 11,974.86
	Detective	97.11	4.80	\$ 466.13
			9,869.64	\$ 832,313.33
Law Enforcement Services Contract Salaries 2015-2016 (Projected)				
Projected YE Total	Regular Pay	OT Pay	Holiday Pay	
Total Sergeant FY1516 Proj.	\$ 100,422.40	\$ 11,277.76	\$ 1,816.73	
Total Sergeant FY1516 Proj.	\$ 659,294.76	\$ 29,431.26	\$ 11,974.86	
Total Sergeant FY1516 Proj.	\$ 16,710.72	\$ 918.72	\$ 466.13	
	\$ 776,427.88	\$ 41,627.73	\$ 14,257.72	\$ 832,313.33
Projected YE Hours	Regular Hrs	OT Hrs	Holiday Hrs	
Total Sergeant FY1516 Proj.	1,040.00	122.57	14.86	
Total Sergeant FY1516 Proj.	7,959.71	388.14	118.86	
Total Sergeant FY1516 Proj.	208.00	12.70	4.80	
	9,207.71	523.41	138.51	9,869.64
Contract Cost FY 1516	\$ 100,427.00	\$ 5,465.00	\$ 2,935.00	\$ 108,827.00
Contract Cost FY 1516	\$ 384,885.00	\$ 21,446.00	\$ 10,881.00	\$ 417,212.00
Contract Cost FY 1516	\$ 16,710.00	\$ 919.00	\$ 466.00	\$ 18,095.00
	\$ 502,022.00	\$ 27,830.00	\$ 14,282.00	\$ 544,134.00
Contract Hours FY1516	1,040.00	60.00	24.00	\$ 1,124.00
Contract Hours FY1516	4,680.00	285.75	108.00	\$ 5,073.75
Contract Hours FY1516	208.00	12.70	4.80	225.50
	5,928.00	358.45	136.80	6,423.25

All Calls for service by year and month

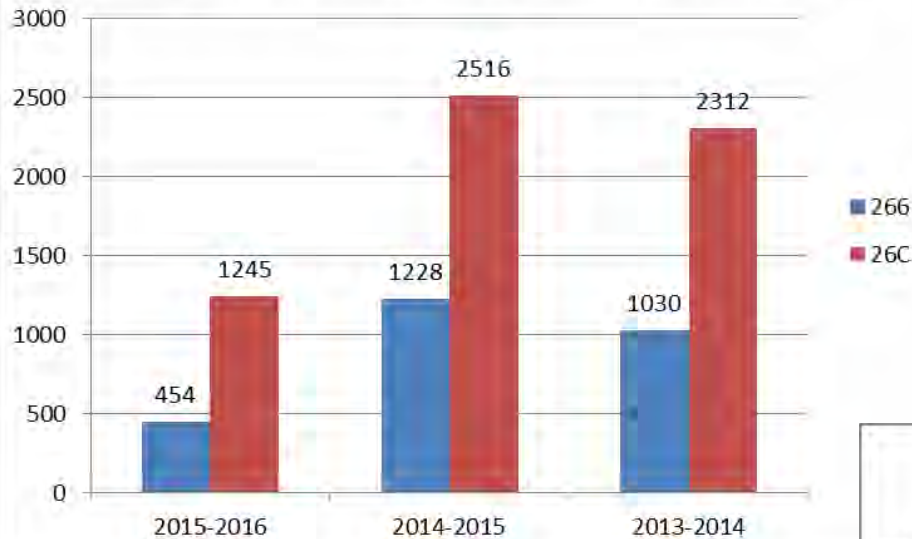
Fiscal 13/14	26C	266	Total
July	215	82	297
August	211	83	294
September	232	93	325
October	237	81	318
November	139	104	243
December	197	75	272
January	154	103	257
February	161	80	241
March	146	106	252
April	195	75	270
May	208	77	285
June	217	71	288
	2312	1030	3342

Fiscal 14/15	26C	266	Total
July	216	98	314
August	232	89	321
September	173	78	251
October	201	84	285
November	223	84	307
December	233	90	323
January	202	99	301
February	167	74	241
March	195	80	275
April	205	94	299
May	215	92	307
June	254	266	520
	2516	1228	3744

Fiscal 15/16	26C	266	Total
July	305	114	419
August	284	115	399
September	302	115	417
October	354	110	464
November			0
December			0
January			0
February			0
March			0
April			0
May			0
June			0
	1245	454	1699

Calls for service continued

Calls for Service: City Limits vs Unincorporated Area



Percentage of time spent in the city limits

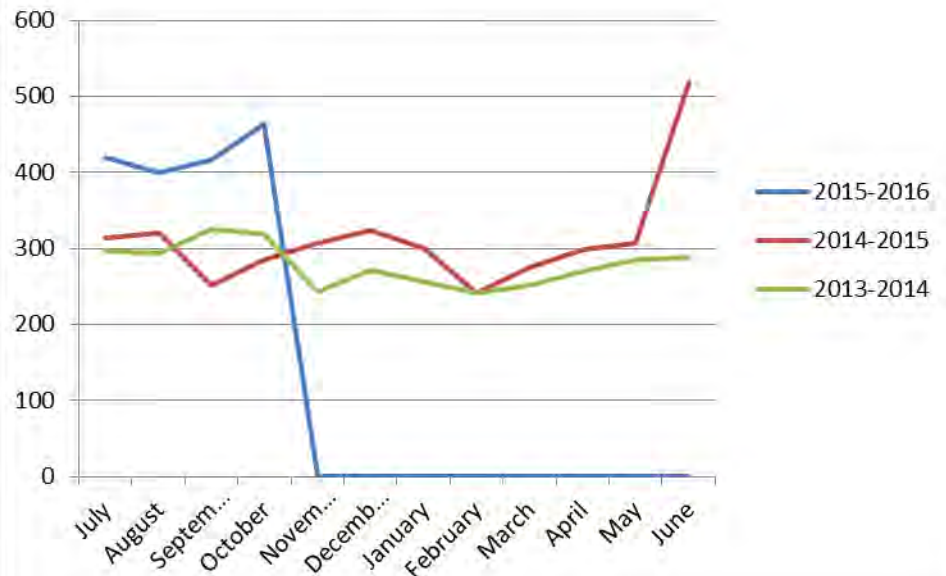
2013-14: 69%

2014-15: 67%

2015-Present: 73%

Percentages are based on Calls for Service only.

Calls for Service by Month



Reduced Service Calls and Graveyard from 0100hrs to 0630hrs

- **Reduced Service Hours (number of calls pending)**
- Thur-Sun / designated times.

- FY 2013-2014: 61
- FY 2014-2015: 61
- FY 2015-YTD: 34 (still have 7 months to go)

- **Graveyard Calls for Service from 0100-0630hrs**

- All days, 0100-0630

- FY 2013-2014: 105
- FY 2014-2015: 88
- FY 2015-YTD: 55 (still have 7 months to go)

Questions?



City Council Minutes
 Regular Meeting of Wednesday, December 9, 2015
 City Hall Council Chambers • 33 S. Main Street, Colfax CA

1 CONVENE CLOSED SESSION

1A. Mayor Douglass called the meeting to order at 6:35PM.

1B. Roll Call

Councilmembers present: Douglass, Hesch, Parnham, and Stockwin

Absent: Harvey

1C. Public Comment – Closed Session Items

No public comment

1D. Closed Session Agenda

Public employee performance evaluation pursuant to Government Code Section 54957

Title: City Manager

2 CONVENE OPEN SESSION

Mayor Douglass called the Open Session to order at 7:00PM, stating, “The 19th meeting of the 53rd session of the City Council of Colfax is now in session.”

2A. **Pledge of Allegiance:** Fire Chief Chris Paulus led the Pledge of Allegiance.

2B. **Report from Closed Session** – no reportable action.

2C. Roll Call

Councilmembers present: Douglass, Hesch, Parnham and Stockwin

Absent: Harvey

2D. Approval of Agenda

City Manager Miller asked that Item 4G, Landfill Non-water Corrective Action Plan Pledge of Revenue, be removed from the agenda as the State has accepted the City’s insurance as a satisfactory method of insuring that any emergency repairs to the closed landfill will be covered financially.

On a motion by Mayor Pro Tem Parnham, seconded by Councilmember Stockwin, the City Council approved the agenda as amended.

AYES: Douglass, Hesch, Parnham, Stockwin

ABSENT: Harvey

3 PRESENTATIONS

3A. Presentation Honoring Fire Chief Chris Paulus upon his Retirement

Mayor Douglass presented a plaque from the City Council to Chief Paulus. He gave some brief comments regarding Chief Paulus’ career which began in 1978 working on a hand fire crew. Chief Paulus has worked tirelessly to protect the public for over 35 years. He has been the Colfax City Fire Chief since 2007, and has done an incredible job supporting volunteers, fire planning for protection of wildlands and commanding wildfire attack efforts.

Chief Paulus was recognized with a standing ovation.

Sergeant Ty Conners, Commander of the Colfax Substation, stated that Colfax is losing a huge asset. Chief Paulus has been instrumental in the great relationship among the first responders in the area. He presented Chief Paulus with a bottle of whiskey on behalf of the Sheriff's Department.

City Manager Miller humorously presented the Chief with an enlarged copy of an image from the early days of the Colfax Fire Department with Chief Paulus' picture pasted onto the photo. He joked that it was a photograph of Chief Paulus' first day working. He also gave Chief Paulus an engraved piece of Fire Hose Valve to encourage the Chief to "Practice his skills so that he doesn't lose them." City Manager Miller stated that he has worked with many fire chiefs, but none are better than Chief Paulus.

Frank Klein, Chamber President, added his thanks to Chief Paulus.

Councilmember Hesch stated that he values Chief Paulus' depth of knowledge. In fact, he would like Staff to "capture" the entirety of a recent presentation he made regarding the status of fire safety in Colfax for Council to use a blueprint for planning.

Chris Nave, California Highway Patrol Public Information Officer, commented that working with Chief Paulus has been a blessing. The reason the Local Law Enforcement and Fire Personnel work together well is because men like Chief Paulus set their egos aside and get a job done. He hopes this will continue with the Chief's successor.

Chief Paulus thanked the public for the opportunity to be a part of Colfax. His tenure in Colfax started with a commitment to be part of the City because in order to be effective in the role of Fire Chief, Colfax would need to be his home. He has been proud to be part of the community and call Colfax home.

The public once again honored the Chief with a standing ovation.

4 CONSENT CALENDAR

4A. Minutes City Council Meeting of November 18, 2015

RECOMMENDATION: Approve the Minutes of the Regular Meeting of November 18, 2015.

4B. Cash Summary Report November 2015

RECOMMENDATION: Receive and File.

4C. Sales Use and Tax Analysis

RECOMMENDATION: Receive and File.

4D. Renewal of City of Colfax as a Recycling Market Development Zone

RECOMMENDATION: Adopt Resolution 43-2015 Supporting the Renewal of the County of Placer Recycling Market Development Zone (RMDZ).

4E. Contract with Mark Thomas, Inc. for Feasibility Analysis for Traffic Mitigation Alternative

RECOMMENDATION: Adopt Resolution 44-2015 Authorizing the City Manager to enter into a Consulting Services Agreement on behalf of the City with Mark Thomas, Inc. in an amount not to exceed \$11,000.

4F. Council Assignments for 2016

RECOMMENDATION: Review Current City Council Committee Assignments; Review and Approve Assignments for 2016.

4G. Landfill Non-water Corrective Action Plan Pledge of Revenue (PULLED by Staff – No longer required)

4H. Colfax Fire Department Administrative Captain

RECOMMENDATION: Adopt Resolution 46-2015 Approving the Job Description for Administrative Fire Captain and Authorizing the City Manager to fill the Position upon the recommendation of the Colfax Fire Chief.

Mayor Pro Tem Parnham pulled Item 4E from the Consent Calendar.

On a motion by Councilmember Stockwin, seconded by Mayor Pro Tem Parnham, Council approved Items 4A, 4B, 4C, 4D, 4F and 4H of the Consent Calendar.

AYES: Douglass, Hesch, Parnham, Stockwin

ABSENT: Harvey

Mayor Pro Tem Parnham requested clarification of the purpose for the feasibility study contract discussed in Item 4E.

City Manager Miller explained that the feasibility of placing a roundabout on S. Auburn Street near the I-80 interchange is related to one of the largest undeveloped tracts of land within City limits. This study is a timely concern as the current owners are evaluating offers from potential developers. The current General Plan guidelines are a limitation on development. A feasibility study is the first step for Caltrans approval of a potential roundabout which would cost much less to build than a traffic light. The property owner has offered \$2,000 towards City expenses. The study will be completed before the informational public workshop on the General Plan.

Mayor Pro Tem Parnham asked if the roundabout would be built to accommodate large trucks.

City Manager Miller stated the roundabout would be designed to improve local traffic flow rather than to accommodate large trucks, which are accommodated with the recently expanded Canyon Creek interchange.

There was no public comment.

On a motion by Mayor Pro Tem Parnham, seconded by Councilmember Stockwin, the City Council adopted Resolution 44-2015 authorizing the City Manager to enter into a Consulting Services Agreement on behalf of the City with Mark Thomas, Inc. in an amount not to exceed \$11,000.

AYES: Douglass, Hesch, Parnham, Stockwin

ABSENT: Harvey

5 COUNCIL, STAFF, AND OTHER REPORTS**5A. Committee Reports and Colfax Informational Items – All Councilmembers**

Councilmember Hesch

- Attended the Placer County Board of Supervisors meeting. The topic most pertinent to Colfax was regarding the three new state laws recently signed by Governor Brown to regulate medical marijuana. He said there are deadlines the City needs to know. He suggested that Council and staff read bills and requested placing a link on the Colfax website.
- Complimented staff for recent projects to improve Canyon Creek roads, clear water drainage problems near the Sierra Vista Community Center and for efforts to prepare for winter – the first time in years.
- Restated the need to create a written action plan for Wildfire prevention, preparation and mitigation based on the comments made by Chief Paulus at a recent Council meeting.

- Councilmember Hesch attended the recent PCTPA Board meeting which covered mostly routine items.
- Stated that the ribbon cutting for the \$1.2 million dollar interchange improvement was significant because the project allowed Crispin Cider to remain in Colfax.
- He and volunteers will decorate the Caboose for Winterfest.

Councilmember Stockwin

- Councilmember Stockwin announced that a son of Colfax, artist Mel Henderson, will be inducted into the Smithsonian Archives of American Artists. The museum is in the process of collecting his works for digitization. Anyone who owns a Henderson piece in their private collection is encouraged to contact Councilmember Stockwin who will in turn contact the Henderson Family. Images of the pieces will be included in a catalogue of Mel Henderson work.

Mayor Pro Tem Parnham

- Attended the ribbon cutting for the Interchange improvements.
- A primary topic at the “Coffee with Supervisor Montgomery” was the rising cost of homeowners insurance in the Colfax area. Mayor Pro Tem Parnham encouraged citizens to contact the California Insurance Board to recommend adopting an insurance pool program.

Mayor Douglass

- Attended the ribbon cutting for the PCTPA project.
- Attended a Project Go meeting. Project Go offers loans and assistance to low income families. He noted Project Go had paid the utility bill for at least one local resident.
- Suggested that Council create a new position or committee to serve as a liaison between the City and the Schools. Council endorsed the idea and recommended that Mayor Douglass become the new liaison.
- Mayor Douglass was a speaker at a recent school event and felt well received by the students.

5B. City Operations – City Staff

City Manager Miller

- City Manager Miller remarked that the ribbon-cutting was a significant occasion because it represented the cooperation between the CHP, Caltrans, the Governor’s office and local agencies. All of the agency representatives spoke highly of Colfax and were proud to be part of the solution to accommodate its largest employer.
- The owners of the historic hotel are making some progress on improving the exterior of the building. Staff is monitoring closely.
- The Wastewater Treatment Plant is running with two full trains of treatment and the two new operators are doing a great job.

5C. Additional Reports – Agency Partners

Sergeant Ty Conners, Placer County Sheriff Colfax Substation Commander

- The OUR Colfax Facebook page has a far reach. Over 1,400 people viewed the post of the Colfax Garden Club volunteers preparing the hanging baskets for the holiday season.

- Sergeant Connors displayed an example of the window coverings for the Colfax Substation. The image will be transparent from the inside and the outside will depict an historic image of Colfax.
- He gave accolades to Officer Beggs for working with a Neighborhood Watch group to locate and apprehend the driver of a suspicious vehicle.

Chris Nave, California Highway Patrol (CHP) Public Information Officer

- CHPS for Kids is in full swing collecting toys for families in need. If anyone knows of a family in need to benefit from the program, please contact Officer Nave.
- The CHP is training all officers to more effectively deal with persons with mental health issues.
- Thanksgiving was a maximum enforcement period (MEP) and the Colfax/Gold Run area had fewer incidents than in the past. Christmas will be another MEP.
- The CHP will have a booth at Winterfest.
- Caltrans will be widening I-80 just above Colfax for a truck lane. The trees along the roadway are being removed in preparation for the project.

Chris Paulus, Colfax Volunteer Fire Department Fire Chief

- CAL FIRE is down to winter operations status.
- Chief Paulus thanked Officer Nave and Sergeant Connors as representatives of local Law Enforcement, stating that the agencies in Colfax have a unique relationship.
- Explained that the Governor has declared a state of emergency for dead and dying trees due to drought induced bark beetle infestations. More trees have been killed by bark beetles than by fires. The only way to curb the beetle infestations is to reduce fuels. Undergrowth and spindly trees prevent water from reaching the roots of established trees which become stressed and vulnerable to attack from the beetles. Colfax will definitely be affected in the next few years, with dying trees and increased fire danger. He suggested that citizens become educated on the topic and gave some resources: www.prepareforbarkbeetle.org and YouTube videos produced by CAL FIRE regarding the "California Bark Beetle Explosion" and "How to Protect Your Trees." In addition he recommended a YouTube video called "Forest Under Fire" which explains how our wildlands should be managed to create a balanced ecosystem. The California Forest Improvement Plan has some funding which land owners may be able to access for forest management. Councilmember Hesch suggested reading a book that Chief Paulus had recommended to him: *Tending the Wild* by M. Kat Anderson
- The State is at 55% of normal rainfall and would need about 45 inches of rain to catch up from the drought.
- He has approved the fireworks for Winterfest.

Frank Klein, Colfax Chamber of Commerce President

- Thanked the Council and City Manager for establishing the Quiet Zone. He stated that it is good for business and definitely worth a try to let it stay for several months.
- He thanked Council for their efforts towards the new truck route interchange and commented that he was happy to attend the ribbon cutting ceremony.
- Chamber ballots will be sent out December 20th. Tim Ryan and Frank have offered to run for the Chamber Board and they hope to have two more candidates.

- Winterfest will be held rain or shine. Even with a mild rain the height of the fireworks show can be adjusted and enjoyed.

6 PUBLIC COMMENT

Caroline McCully, area resident

- Stated that she recently moved to Colfax because it is a train town and is very disappointed that the quiet zone has been enacted. She asked what steps she should take to have the quiet zone revoked. Councilmember Hesch replied that the quiet zone was put into place after 10 years of research and work to bring the intersection on Grass Valley Street up to appropriate safety standards. Approximately 18 trains travel through Colfax daily and each of the horn blasts exceeds the decibel limit. The quiet zone was deemed necessary for health issues and to avoid disrupting business activities. Mayor Pro Tem Parnham stated that he misses the train whistles and would like to place the issue on a future agenda to reverse the quiet zone.

Jim Dion, owner of the Colfax Theater

- Displayed copies of records and tax receipts from his previous marijuana dispensary business to confirm that he did pay his taxes and remained in compliance without complaints while he was in business. He stated that there are sick and dying people in the area. He would like the Council to reverse the 2009 Ordinance banning Medical Marijuana Dispensaries and allow him to reopen his business. He requested that Council allow him to make a presentation at a future meeting. He closed with the statement that medical marijuana is nothing to be ashamed of and actually cures cancer.

Wendy Dion, Colfax resident

- Commented that when her Dad was in business, she greeted the patients who were often frightened and hurting but left relieved and comforted. She related a story about her brother's leukemia. When she was a child, marijuana was administered to her brother at the UC Davis Hospital and helped him regain his appetite.

Dr. Stephen Banister, Nevada County Medical Provider

- Stated that he treats patients with chronic pain. His patients that used to get their prescriptions in Colfax must now go to Sacramento. He would like to see the dispensary return to Colfax and endorses Mr. Dion as a businessman.

Marnie Mendoza, Colfax resident

- Stated that she has a terminal illness and moved to Colfax because it had a medical marijuana dispensary.

7 PUBLIC HEARING

7A. Second Reading of Ordinance № 527, an Ordinance of the City of Colfax Amending Section 2.04.020C of the Colfax Municipal Code Regarding Filling Vacancies on the City Council.

Staff Presentation: Mick Cabral, City Attorney

Recommendation: Consider Public and Staff Comments and Adopt Ordinance № 527 and Waive Reading of the Entire Ordinance and Read by Title Only, to become effective in 30 days.

City Attorney Cabral explained that this ordinance will give more time for filling vacant Council positions. The current timeline is fairly tight for allowing citizens to apply and Council to consider applications.

Mayor Douglass opened the public hearing at 8:16.

There was no comment by either the public or Council.

Mayor Douglass closed the public hearing at 8:16.

On a motion by Councilmember Hesch, seconded by Mayor Pro Tem Parnham, the Council adopted Ordinance № 527 and waived reading of the entire Ordinance and read by title only, to become effective in 30 days.

AYES: Douglass, Hesch, Parnham, Stockwin

ABSENT: Harvey

8 COUNCIL BUSINESS

8A. Update on Contract Amendment with Winner Chevrolet for Property Acquisition

RECOMMENDATION: Receive verbal update

City Manager Miller explained that the City has had a successful cooperative agreement whereby the City purchases property and the dealership provides increased sales tax revenue to the City. The City and Winner Chevrolet are negotiating to extend the contract. The first property that was suggested was appraised at too low of a price, so a second property is being considered. Staff will bring a proposal back to Council at the next meeting.

Councilmember Hesch asked what is causing the delay.

City Manager Miller stated appraisal for the RV property came in lower than expected and another property is being considered to add to the initial property.

8B. Proposed location for a Colfax Skate Park

STAFF PRESENTATION: Ty Conners, Colfax Station Commander

RECOMMENDATION: Adopt Resolution 47-2015 Authorizing a Fundraising Drive for a Portable Skate Park located adjacent to the Colfax Splash Park.

Sergeant Conners introduced the topic with a short video and a PowerPoint presentation. He described the need for a skate park for Colfax youth and the search to find an appropriate location for a park. After many unsuccessful proposals, he is requesting permission to raise funds to locate the park on the site of the old swimming pool. He confirmed that the park proposal has community support and pledged extra law enforcement patrols for the park. The structures that he is proposing are portable, can be built in phases and are relatively inexpensive. The two phases that have been suggested for Colfax would cost approximately \$70,000 each. He has several people and corporations interested in sponsoring the park but needs a location before they will commit to supporting the park financially. He also needs a 501(c)(3) organization to sponsor fundraising for the park and allow tax breaks for donors.

Councilmember Hesch commented that he endorses the park and location.

Councilmember Stockwin asked what the neighbors near that location think about a skate park close to their homes. City Manager Miller stated that the first step in the process is determining if the location is viable and the second is outreach to the neighbors.

Councilmember Stockwin also asked if officers would enforce skateboarding laws in town more once the park is built. Sergeant Conners confirmed more enforcement is planned.

Mayor Pro Tem Parnham asked about liability to the City. City Manager Miller replied that the State has provisions in place to protect cities from lawsuits and the City will obtain a rider from SCORE for the park.

Mayor Douglass commented that if this location doesn't work out, then the 7 acre parcel near McDonald's may be an alternative as the owners may be donating an acre to the City. Jim Dion demonstrated that it is easy to add security to a location with remote cameras and a cell phone.

Larry Hillberg, resident of Colfax near the park, stated that although he supports children and activities for youth and has dedicated much of his time and resources to Colfax sports, he does not feel that this site is a good location for a skate park. He feels that teens would be too far from supervision and is concerned about the liability of unruly behavior. He is also concerned the potential for kids to skateboard down the steep hill on Grass Valley Street is too great. He requested that Council defer making a decision.

Faith Qualtieri, CAL FIRE Captain stationed in Colfax, remarked that she headed a volunteer effort to build a very successful skate park in her home community and would be very happy to help with the Colfax park.

Britni Fitzgerald, Colfax resident, stated she believes the proposed site is a grand location for the skate park and it will bring many people to town. Many members of the community are already volunteering to monitor the park and keep it clean, so this new activity will increase the care that the community takes for the park.

On a motion by Councilmember Hesch and a second by Mayor Pro Tem Parnham Council approved Resolution 47-2015 authorizing a fundraising drive for a portable skate park located adjacent to the Colfax Splash Park

AYES: Douglass, Hesch, Parnham

NOES: Stockwin

ABSENT: Harvey

8C. Rotation of City Council Officers: Mayor and Mayor Pro Tem

STAFF PRESENTATION: Mark Miller, City Manager

RECOMMENDATION: By separate motion, select Mayor and Mayor Pro Tem.

City Manager Miller commented he enjoyed the leadership provided by Mayor Douglass. Council needs to make two motions to select the next Mayor and Mayor Pro Tem.

On a motion by Councilmember Stockwin, seconded by Councilmember Hesch, Council selected Tom Parnham to serve as the Mayor for the next year.

AYES: Douglass, Hesch, Parnham, Stockwin

ABSENT: Harvey

Before passing the gavel to the new mayor, Mayor Douglass said that he has 20 years of watching Colfax City Councils and it has been an honor to be part of the finest City Council during that time. All 5 members are concerned about the community. Accomplishments for the in the past year include the historic hotel improvements, Dollar General and Beach Hut Deli coming to town, re-opening of the Theater, increased volunteerism, ADA improvements to the SVCC and the Quite Zone. As he handed the gavel to Mayor Parnham, he quoted James Buchanan, "If you are as happy entering the office as I am leaving it, you are a happy man indeed."

Mayor Parnham commented that Councilmember Douglass had "raised the bar" for him to follow.

On a motion by Councilmember Douglass, seconded by Councilmember Stockwin, the City Council selected Steve Harvey to serve as the next Mayor Pro Tem.

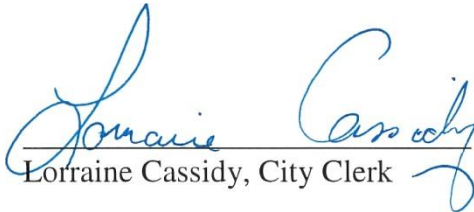
AYES: Douglass, Hesch, Parnham, Stockwin

ABSENT: Harvey

9 ADJOURNMENT

Mayor Parnham adjourned the meeting at 9:03PM.

Respectfully submitted to City Council this 13th day of January, 2016


Lorraine Cassidy, City Clerk



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JANUARY 13, 2016 COUNCIL MEETING

FROM: Mark Miller, City Manager
PREPARED BY: Staff
DATE: January 07, 2016
SUBJECT: CalRecycle Payment Plan

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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RECOMMENDED ACTION: Adopt Resolution 01-2016 Authorizing Submittal of Application for Payment Programs to CalRecycle, and Related Authorizations.

BACKGROUND AND SUMMARY:

CalRecycle, officially known as the Department of Resources Recycling and Recovery, administers the California Beverage Container Recycling and Litter Reduction Act. Beverage containers covered under the act are subject to California Redemption Value, which is 5 cents for containers less than 24 ounces, 10 cents for containers 24 ounces or larger. Thanks to the CRV cash incentive, more than 300 billion aluminum, glass, and plastic beverage containers have been recycled since the program began in 1987.

As a jurisdiction within the state of California, the City of Colfax is entitled to receive funds from the CalRecycle programs. Funds can be used to encourage more recycling, mitigate roadside trash pick-up, or for purchasing recycled materials.

Beginning with the Fiscal Year 2015-16 funding cycle, all jurisdictions will be required to provide a Resolution no later than the funding request due date authorizing the submittal of applications related to the administration of the payment program and designating a Signature Authority. The attached Resolution complies with this requirement and upon adoption, will be submitted to the CalRecycle administration.

ATTACHMENTS:

1. Resolution 01-2016

City of Colfax

City Council

Resolution № 01-2016

AUTHORIZING SUBMITTAL OF APPLICATION FOR PAYMENT PROGRAMS TO CALRECYCLE, AND RELATED AUTHORIZATIONS

WHEREAS, pursuant to Public Resources Code section 48000 et seq. the Department of Resources Recycling and Recovery (CalRecycle) has established various payment programs to make payments to qualifying jurisdictions; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the administration of the payment programs; and

WHEREAS, CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the payment program.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax the City of Colfax is authorized to submit an application to CalRecycle for any and all payment programs offered; and

BE IT FURTHER RESOLVED the City Manager, or his designee, is hereby authorized as Signature Authority to execute all documents to implement and secure payment; and

BE IT FURTHER RESOLVED that this authorization is effective until rescinded by the Signature Authority or this Governing Body.

PASSED AND ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 13th day of January, 2016 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Parnham, Mayor

ATTEST:

Lorraine Cassidy, City Clerk



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JANUARY 13, 2016 COUNCIL MEETING

FROM: Mark Miller, City Manager
PREPARED BY: Wes Heathcock
DATE: January 06, 2016
SUBJECT: Closed Landfill Land Clearing Agreement

<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: \$5,500	FROM FUND: 572
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RECOMMENDED ACTION: Adopt Resolution 02-2016 Authorizing the City Manager to Execute an Agreement with All Phase Land Clearing for Vegetation Maintenance at the Closed Landfill.

BACKGROUND AND SUMMARY:

The City of Colfax received a notice from the Placer County Local Enforcement Agency (LEA) to address the deep rooted vegetation on the Closed Landfill cover. At the direction of the LEA, staff reviewed the option of addressing the vegetation issue in-house and determined the deferred vegetation maintenance exceeds operational staff’s capability.

Staff has requested quotes from qualified landscape maintenance businesses and received three quotes in response from the following contractors:

Kuttler’s Tree Service	\$9,000
California Conservation Corp	\$7,200
All Phase Land Clearing	\$5,500

Based on the quotes, All Phase Land Clearing provided the most comprehensive quote with the lowest cost; therefore, All Phase Land Clearing is the most prudent selection.

The vegetation maintenance will commence three weeks following the herbicide application in May 2016.

FINANCIAL AND/OR POLICY IMPLICATIONS:

The agreement with All Phase Land Clearing will incur a cost in the amount of \$5,500.

ATTACHMENTS:

1. Resolution 02-2016
2. Kuttler’s Quote
3. CCC Quote
4. All Phase Quote/Agreement

City of Colfax

City Council

Resolution № 02-2016

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH ALL PHASE LAND CLEARING FOR VEGETATION MAINTENANCE AT THE CLOSED LANDFILL

WHEREAS, the Placer County Local Enforcement Agency provides notice to remove the deep rooted vegetation on the Closed Landfill cover; and,

WHEREAS, staff determined the project requirements exceed operational staff's capabilities; and,

WHEREAS, All Phase Land Clearing provided the most comprehensive bid with the lowest cost.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax that the City Manager is Authorized to Execute an Agreement with All Phase Land Clearing for Vegetation Maintenance at the Closed Landfill.

PASSED AND ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 13th day of January, 2016 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Parnham, Mayor

ATTEST:

Lorraine Cassidy, City Clerk

PAGE #1



KUTTLER'S TREE SERVICE

SCL#349790 (530) 273-8638 (530) 432-9930

ALL ASPECTS OF TREE WORK PROFESSIONALLY EXECUTED!

David A. Kuttler, Arborist (530) 559-5628
 19449 Valley Vista Way, Penn Valley, CA 95946
 Insured and Bonded. Professional Tree Care. Free Estimates.
 www.kuttlerstreeservice.com • kuttler_tree_service@live.com

Client: WES Address: CITY HALL 33 SUMNER ST.
 Estimate Date: 12-2-15 City & Zip: COLFAX, CA
 Home Phone: 346-2313 Cell: _____ Business: _____
 Email: WES - HEATHCOCK @ COLFAX - CA - GOV

Item#	Description of Work to be Done	Price
1)	CLEAR ACCESS ROADS - DIRT & PAVED - CLEAR TO ROAD EDGE - RAISE CANYONS ON OVER HANGING TREES & SHRUBS TO 12' HIGH. WEED KAT STAR THISTLE CLEAR TO ROCK DRAINAGE DITCH & JUST 2' BACK FROM EDGE	
2)	SPRAY SCOTS BROOM & BLACK BERRIES ON HILL & ALONG ROAD	\$1000-
3)	TO AROUND PLOWED POLE AND TRIP LINE	
4)	ALONG PAVED AREA - REMOVE SHRUBS AND TREES BACK 2' FROM PAVEMENT - STAY ON WEST SIDE - DIRT DRIVE ON EAST SIDE / DOWN HILL SLOPE	
5)	OLD DIRT ROAD GOING UP HILL CLEAR 2' OFF EACH SIDE OF ROAD - RAISE CANYONS - CLEAR TEST PIPES - CLEAR TO FALLEN TREE	

Estimates are valid for 90 days. Written or verbal acceptance of estimate is a valid contract and cancellation 3 or more days after accepting will result in a \$100 service fee. Any work order cancelled within 24 hours of scheduled start date will result in a 25% interest charge of contract price. There will be a monthly interest charge of 15% to all accounts past due 30 days. If account is referred to attorney or collection agency, the customer is liable for attorney and court costs. We assume no responsibility for damages to driveways by Kuttler's or sub-contractor's vehicles used on the job. Changes to contract after accepting may result in additional cost, there is a \$250 job minimum, unless previously arranged with David. Customer may not involve/help KTS employee's complete work to be done. We have the right to refuse service.

Client's Signature: _____ Date: _____
 Job Completion Date: _____ Labor: _____
 Paid: _____ Check Number: _____ Approved: _____

***All orders C.O.D. Unless Previously Arranged!
 *Terms available upon request**

Put Gr # 7



KUTTLER'S

TREE SERVICE

SCL#349790 (530) 273-8638 (530) 432-9930

ALL ASPECTS OF TREE WORK PROFESSIONALLY EXECUTED!

David A. Kuttler, Arborist (530) 559-5628
 19449 Valley Vista Way, Penn Valley, CA 95946
 Insured and Bonded. Professional Tree Care. Free Estimates.
 www.kuttlerstreeservice.com • kuttler_tree_service@live.com

Client: WBS Address: 33 Main St.
 Estimate Date: 12-15-15 City & Zip: Colfax, CA
 Home Phone: 3470-2313 Cell: _____ Business: _____
 Email: _____

Item#	Description of Work to be Done	Price
6)	SPRAYING OF WEEDS AND BLACK BERRIES	\$1000
21	LABOR TO REMOVE ITEMS LISTED ON PAGE # 4 DUES FOR CREW AT \$22.50 PER DAY	\$9000
TOTAL BID		\$10,000

Estimates are valid for 90 days. Written or verbal acceptance of estimate is a valid contract and cancellation 3 or more days after accepting will result in a \$100 service fee. Any work order cancelled within 24 hours of scheduled start date will result in a 25% interest charge of contract price. There will be a monthly interest charge of 15% to all accounts past due 30 days. If account is referred to attorney or collection agency, the customer is liable for attorney and court costs. We assume no responsibility for damages to driveways by Kuttler's or sub-contractor's vehicles used on the job. Changes to contract after accepting may result in additional cost, there is a \$250 job minimum, unless previously arranged with David. Customer may not involve/help KTS employee's complete work to be done. We have the right to refuse service.

Client's Signature: _____ Date: _____

Job Completion Date: _____ Labor: _____

Paid: _____ Check Number: _____ Approved: _____

***All orders C.O.D. Unless Previously Arranged!**

***Terms available upon request**

California Conservation Corps Quote

Wes Heathcock

From: Parga, Angel@CCC <Angel.Parga@ccc.ca.gov>
Sent: Tuesday, January 05, 2016 10:48 AM
To: Wes Heathcock
Subject: RE: Scotch Broom Removal Project

To complete the area of just scotch broom from the entrance and looping back around. I estimate about 3 days of work to finish scotch broom removal only. Cost for three days is \$7200.00. Can you please remind me about how you would like to dispose of the scotch broom? Will you have a dumpster set up or, will we be cutting and stacking?

From: Wes Heathcock [mailto:wes.heathcock@colfax-ca.gov]
Sent: Tuesday, January 05, 2016 10:23 AM
To: Parga, Angel@CCC <Angel.Parga@ccc.ca.gov>
Subject: RE: Scotch Broom Removal Project

Hi Angel,

Thank you for providing the cost per week. Do you have a definitive timeline it will take to accomplish the project, i.e. two days, three day to complete the project? I need this to determine if you are cost competitive with the other quotes I have.

Thank you,

Wes Heathcock
Community Services Director
530-346-2313




CITY of COLFAX
CALIFORNIA
33 S Main Street, PO Box 702, Colfax, CA 95713
www.Colfax-CA.gov

From: Parga, Angel@CCC [mailto:Angel.Parga@ccc.ca.gov]
Sent: Tuesday, January 05, 2016 9:48 AM
To: WES.HEATHCOCK@COLFAX-CA.GOV
Subject: Scotch Broom Removal Project

Good morning Wes,

I just wanted to get you the cost of the scotch broom removal project that we walked in December.

Cost per week is approximately \$12,000 . This includes 15 laborers, 1 supervisor, transportation, a standard compliment of tools, fuel, and workers comp and all safety gear. We can adjust crew numbers to bring down cost if needed.

ALL PHASE

LAND CLEARING

**17628 Lightfoot Way
Nevada City, CA.
95959**

Phone: (530) 265-3867 **Fax: (530) 265-3806**

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Wes Heathcock	Troy Sidebottom
COMPANY:	DATE:
City Of Colfax	12/14/2015
FAX NUMBER:	TOTAL NO. OF PAGES, INCLUDING COVER:
346-6214	3
PHONE NUMBER:	SENDER'S REFERENCE:
346-2313	Dumpsite brush removal

- URGENT
 FOR REVIEW
 PLEASE COMMENT
 PLEASE REPLY
 PLEASE RECYCLE

NOTES/COMMENTS:

Hi Wes

Sorry it took me so long to get this contract to you. I was waiting for a price from Doug with grass Valley weed and pest control. If you have any questions or need any more information. Feel free to give me a call.

THANK YOU FOR YOUR BUSINESS

All Phase Land Clearing
17628 Lightfoot Way
Nevada City, CA 95959



ITEM 4C

Phone: (530) 265-3867
Fax: (530) 265-3806
Cell: (530) 559-2584
LIC # A10656

Date: 12/14/2015

The City Of Colfax
33 South Main St.
Colfax, CA 95713
Community Service Director
Wes Heathcock
Phone, 346-8513

CONTRACT PROPOSAL

After having viewed the property, Troy Sidebottom, owner of ALL PHASE LAND CLEARING, and the community service director for the city of Colfax Wes Heathcock has agreed that the following services be rendered:

Work will be commenced on the old dumpsite in Colfax. We will be clearing 2 feet of brush and small trees bordering all the asphalt on the site. We will also be reopening the upper road above the dumpsite. We will be clearing 2 feet of vegetation on both sides of the upper road as well. Tree limbs overhanging into the road will be removed so the road will be passable with a truck. The brush and small trees that are removed along the asphalt and the upper road. A chipper will be used to chip the brush and small trees. The material will be broadcasted back onto the property.

The hillside below the asphalt. All the Scotch broom, blackberries and any other deep-rooted vegetation will be removed. All the weeds and grasses on the hillside will be taken down with weed eaters and a masticator. Where a masticator is used on the hillside. The brush will be cut flush to the ground. The operator will work the hillside from bottom to top to prevent any soil disturbance. The material will be mulched and broadcasted back on the site.

The lower road will be reopened. Removing the Scotch broom and any other brush. The masticator will be used to remove the brush of the lower road. Material will be mulched and broadcasted back on site. Hand crews and a masticator will be utilized to complete this project.

It is recommended by all phase land clearing that the Scotch broom and blackberries be sprayed prior to removal.

Any, and all work performed by ALL PHASE LAND CLEARING will be done in a professional manor, guaranteeing quality on all phases of this project. When completed, your property's appearance will be enhanced to resemble that of a park-like setting, as well as providing a defensible space for fire protection.

We will adhere to any and all Federal, State, Local, and C.D.F. requirements having to do with safety,

All Phase Land Clearing
17628 Lightfoot Way
Nevada City, CA 95959



ITEM 4C

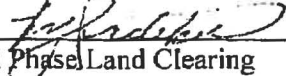
Phone: (530) 265-3807
Fax: (530) 265-3806
Cell: (530) 559-2584
LIC # A10656

We hereby propose to furnish labor and materials--complete in accordance with the above specifications, for the sum of \$5500.00 with payment to be made as follows:

Payment is due in full upon completion of job. \$5500.00

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control.

This proposal is subject to acceptance within 30 days and is void thereafter at the option of the undersigned.

Authorized Signature: 
Troy Sidebottom, Owner All Phase Land Clearing

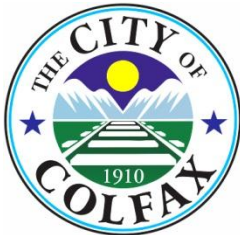
ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Name(s): _____

Signature: _____ Signature: _____

Date: _____



STAFF REPORT TO THE COLFAX CITY COUNCIL

For the January 13, 2016 Council Meeting

FROM: Staff
PREPARED: December 22, 2015
SUBJECT: Placer County Transportation Planning Agency Funding claims and Agreements.

<input type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: N/A	FROM FUND: 250 Revenue
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RECOMMENDED ACTION: Adopt Resolution 03-2016 to File Claims or Execute Agreements for Local Transportation Funds in the Amount of \$110,664 for Streets and Roads Purposes (Article 8 – Section 99400 of the California Public Utilities Code) and Local Transportation Funds of \$4,657 for Transit Services (Article 8C, Section 99400C of the California Public Utilities Code).

ISSUE STATEMENT AND DISCUSSION:

On December 9, 2015, the Placer County Transportation Planning Agency (PCTPA) Board adopted the Fiscal Year 2015-2016 final findings of apportionment for the Local Transportation Fund (LTF).

Staff has completed the required Claim Documentation for the City allocation for FY 2015-2016. The total amount allocated and being requested is \$115,321. This amount exceeds the amount estimated in the adopted budget for FY 2015-2016 by \$19,321 (budgeted allocation was \$96,000). The excess amount will reduce the amount of Gas Taxes to be applied to the Streets and Roads Fund for FY 2015-2016 or be available for other street and road expenditures.

The State Controller's Office (SCO) has not released a revised estimate of State Transit Assistance (STA) funds as they traditionally do in August/September each year, therefore PCTPA has requested claims for STA are held until final release by SCO. The budgeted allocation for STA for FY 2015-2016 is \$7,000.

RECOMMENDATION

Staff recommends approval of Resolution and immediate submittal of claim forms for available funding.

ATTACHMENTS:

1. Resolution 03-2016
2. Supporting Documents
 - a. PCTPA – Final Findings of Apportionment for FY2015-2016 (3 pages)
 - b. TDA Compliance Checklist
 - c. TDA Claim Worksheet
 - d. Claim for Local Transportation Funds – Transit Purposes
 - e. Claim for Local Transportation Funds – Streets and Road Purposes
 - f. TDA Annual Project and Financial Plan
 - g. Copy of Agreement with Placer County for Transit services

City of Colfax

City Council

Resolution № 03-2016

AUTHORIZING THE CITY MANAGER TO FILE CLAIMS OR EXECUTE AGREEMENTS FOR:

- LOCAL TRANSPORTATION FUNDS IN THE AMOUNT OF \$110,664 FOR STREETS AND ROADS PURPOSES (ARTICLE 8 – SECTION 99400 OF THE CALIFORNIA PUBLIC UTILITIES CODE),
 - LOCAL TRANSPORTATION FUNDS OF \$4,657 FOR TRANSIT SERVICES (ARTICLE 8C, SECTION 99400C OF THE CALIFORNIA PUBLIC UTILITIES CODE)
-

Whereas, Title 21, Chapter 3 of the California Administrative Code establishes procedures for applying for Local Transportation Funds; and

Whereas, The Placer County Transportation Planning Agency is authorized to receive and approve all claims for Local Transportation Funds

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax as follows:

1. The foregoing recitals are true and correct statements of fact and are incorporated by reference into this resolution.
2. The City Manager is authorized to submit claims to the Placer County Transportation Planning Agency for the City of Colfax's Article 8 Local Transportation Funds and State Transit Assistance Funds.

PASSED AND ADOPTED, this 13th Day of January, 2016 by the City Council of the City of Colfax, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Parnham, Mayor

ATTEST:

Lorraine Cassidy, City Clerk

City of Colfax

ANNUAL VERIFICATION OF TDA COMPLIANCE TO ACCOMPANY LTF AND STA CLAIMS FOR TRANSIT / STREETS AND ROADS PURPOSES

PART I – ALL CLAIMANTS

1. Date annual TDA fiscal and compliance audit was approved by PCTPA Board: 5/25/15
2. Is the claimant's retirement system fully funded?
 YES
 NO
3. Is the claimant using the maximum Federal funds available for transit and/or streets/roads purposes?
 YES
 NO

PART II – TRANSIT CLAIMANTS

N/A

4. Date Transit Operator's Financial Transaction Report was submitted to State Controller's Office: _____ Attach copy of dated, signed cover sheet from report.
5. Are public transit vehicles routinely staffed with one driver?
 YES
 NO (explain) _____
6. Has the proposed transit operating budget changed by more than 15% compared to the previous year?
 NO
 YES (explain) _____
7. Did the transit operator meet its minimum farebox recovery requirement during the previous fiscal year? (requirement: 15% - Roseville; 13.2% - Placer County; 10% - Auburn, Lincoln)
 YES
 NO (see below)

If the farebox recovery requirement was not met, then claimant must complete the following worksheet for the most recent fiscal year.

Transit operating expenses:	_____	+	
Capital purchases/reserves:	_____	=	
Subtotal:	_____	-	
Federal revenues:	_____	-	
STA revenues:	_____	=	
Total:	_____	x 0.5 =	_____

LTF spent in most recent fiscal year cannot exceed result below.

8. Is there a prohibition on the employment of part-time drivers or on contracting with common carriers?

NO

YES (explain) _____

9. Are STA funds being used for transit operating purposes?

NO

YES (see below)

If STA funds are being used for transit operating purposes, list transit operating cost per vehicle revenue hour per year for the past three years. In calculating the operating cost, operators may exclude costs that exceed prior year costs, as adjusted by the CPI, for the following: ADA complementary paratransit service, fuel, power, and settlement payments. *Notes: (1) These items may also be excluded when computing the farebox recovery ratio. (2) You may refer to operating cost figures from TDA fiscal audits for the applicable fiscal year.*

Operating cost per vehicle revenue hour in FY 2011/12: _____

Operating cost per vehicle revenue hour in FY 2012/13: _____

Operating cost per vehicle revenue hour in FY 2013/14: _____

10. Describe or attach current fare structure:

11. Attach copy of latest CHP terminal inspection report.

12. Each transit claimant must report on efforts to implement recommendations included in the FY 2009/10 through FY 2011/12 triennial performance audit, which was completed in June 2013 (attach additional pages as necessary).

CLAIM FOR LOCAL TRANSPORTATION FUNDS
TRANSIT PURPOSES

TO: PLACER COUNTY TRANSPORTATION PLANNING AGENCY
299 NEVADA STREET, AUBURN, CA 95603

FROM: CLAIMANT: City of Colfax

ADDRESS: PO Box 702 / 33 S. Main Street

Colfax, CA 95713

CONTACT PERSON: Laurie Van Groningen

Phone: 530-346-2313 Email: lvangroningen@colfax-ca.gov

The City of Colfax hereby requests, in accordance with the State of California Public Utilities Code, commencing with Section 99200 and the California Code of Regulations commencing with Section 6600, that this claim for Local Transportation Funds be approved for Fiscal Year 2015/2016, in the following amounts for the following purposes to be drawn from the Local Transportation Fund deposited with the Placer County Treasurer:

- P.U.C. 99260a, Article 4, Transit Operations/Capital: \$ _____
- P.U.C. 99275, Article 4.5, Community Transit Services: \$ _____
- P.U.C. 99400c, Article 8c, Contracted Transit Services: \$ 4,657
- C.C.R. 6648, Capital Reserve: \$ _____
- P.U.C. 99400e, Article 8e, Capital for Contracted Services: \$ _____

When approved, this claim will be transmitted to the Placer County Auditor for payment. Approval of the claim and payment by the County Auditor to the applicant is subject to such monies being available for distribution, and to the provisions that such monies will be used only in accordance with the terms of the approved annual financial plan and budget. Claimant must submit a complete Fiscal and Compliance Audit for the prior fiscal year prior to issuance of instructions to the County Auditor to pay the claimant.

APPROVED:

PLACER COUNTY
TRANSPORTATION PLANNING AGENCY
BOARD OF DIRECTORS

APPLICANT

BY: _____
(signature)

BY: _____
(signature)

TITLE: _____

TITLE: City Manager

DATE: _____

DATE: Jan 13, 2016

CLAIM FOR LOCAL TRANSPORTATION FUNDS
STREETS & ROADS PURPOSES

TO: PLACER COUNTY TRANSPORTATION PLANNING AGENCY
299 NEVADA STREET, AUBURN, CA 95603

FROM: CLAIMANT: City of Colfax

ADDRESS: PO Box 702 / 33 S. Main St

Colfax, CA 95713

CONTACT PERSON: Laurie Van Groningen

Phone: 530-346-2313 Email: lvangroningen@colfax-ca.gov

The City of Colfax hereby requests, in accordance with the State of California Public Utilities Code commencing with Section 99200 and the California Code of Regulations commencing with Section 6600, that this claim for Local Transportation Funds be approved for Fiscal Year 2015/2016, for street and road purposes (P.U.C. 99400a) in the amount of \$ 110,664 to be drawn from the Local Transportation Fund deposited with the Placer County Treasurer:

When approved, this claim will be transmitted to the Placer County Auditor for payment. Approval of the claim and payment by the County Auditor to the applicant is subject to such monies being available for distribution, and to the provisions that such monies will be used only in accordance with the terms of the approved annual financial plan and budget. Claimant must submit a complete Fiscal and Compliance Audit for the prior fiscal year prior to issuance of instructions to the County Auditor to pay the claimant.

APPROVED:

PLACER COUNTY
TRANSPORTATION PLANNING AGENCY
BOARD OF DIRECTORS

APPLICANT

BY: _____
(signature)

BY: _____
(signature)

TITLE: _____

TITLE: City Manager

DATE: _____

DATE: Jan 13, 2016

TDA ANNUAL PROJECT AND FINANCIAL PLAN

This form will show the planned expenditures of all TDA funds claimed for the fiscal year in addition to any TDA funds carried over from previous years. Briefly describe all operational, capital and/or streets and roads projects which will be funded by TDA moneys. **Please show BOTH prior year TDA funds (if any) and current year TDA funds to be used**, provide the total cost of each project, and indicate all other sources of funding associated with each project. For capital projects, the projects listed and their associated costs and funding sources should be consistent with the budget developed in the TDA Claim Worksheet completed for the submittal of this claim. The total project cost and total funding source(s) listed below should balance for each project. See attached sample plan for additional guidance.

Claimant: _____ City of Colfax _____

Fiscal Year: _____ 2015/2016 _____

<u>Brief Project Description</u>	<u>Project Cost</u>	<u>Source of Funding & Amount</u>
Public Transit with Placer County	\$12,377 Placer County Transit Services 1/2 of contract - Placer County gets FTA3511	STA Transit (estimate) \$ 7,720 LTF Transit \$4,657 Total \$12,377
TDA Streets and Roads - Roadway maintenance, construction and related equipment	Streets & Roads \$149,460 Adopted budget for fiscal year 2015-2016	LTF \$110,664 Gas Taxes \$38,796 Total \$149,460

**PLACER COUNTY TRANSPORTATION PLANNING AGENCY
TRANSPORTATION DEVELOPMENT ACT CLAIM WORKSHEET
2015/2016**

CITY/COUNTY OF: _____ City of Colfax

Part 1 of 4

**ESTIMATED PUBLIC TRANSIT REVENUES AND EXPENSES FOR FISCAL YEAR
2014/15**

I. FY 2014/15 AVAILABLE RESOURCES

A. Carryover from prior fiscal year (Unexpended prior year transit cash receipts held in claimants treasury as of June 30, 2014. From TDA Financial Audit Report)	\$	-
B. Interest Earnings through June 30, 2014.	\$	-
C. Federal Grants & Reimbursements received in 2014/15:		
1. FTA Planning Assistance	\$	-
2. FTA Operating Assistance	\$	-
3. FTA Capital Assistance	\$	-
4. Other	\$	-
D. State Grants (Source/Amount):	\$	-
E. Local Cash Grants:		
1. LTF-Operations/Capital (PUC 99260a; Article 4)	\$	-
2. LTF-Community Transit Services(PUC 99275; Article 4.5)	\$	-
3. LTF-Contracted Transit Service (PUC 99400c; Article 8c)	\$	6,060.00
4. LTF-Capital Reserve Contribution (CCR 6648)	\$	-
5. LTF-Capital expenses for contracted transit services (PUC 99400e; Article 8e)	\$	-
6. STAF-Operations (CCR 6730a)	\$	-
7. STAF-Capital (CCR 6730b)	\$	-
8. STAF-Community Transit Services (CCR 6730d; <CTSA>)	\$	-
9. STAF-Contracted Service (CCR 6731b)	\$	7,156.00
10. Other	\$	-
F. Operating Revenues:		
1. Passenger Fares	\$	-
2. Charters	\$	-
3. Other	\$	-
G. Other Revenues	\$	-
H. TOTAL FY 2014/15 AVAILABLE RESOURCES (A+B+C+D+E+F+G)	\$	13,216.00

II. FY 2014/15 PROJECTED EXPENSES & USES

I. Personnel	
1. Administrative Salaries and Wages	\$ -
2. Operating Salaries and Wages	\$ -
3. Other Salaries and Wages	\$ -
4. Fringe Benefits	\$ -
J. Services and Supplies	
1. Professional Services	\$ -
2. Maintenance Services	\$ -
3. Other Services	\$ -
4. Vehicle Materials & Supplies	\$ -
5. Utilities	\$ -
6. Insurance	\$ -
7. Purchased Transit Services	\$ 13,216.00
8. Miscellaneous	\$ -
9. Interest	\$ -
10. Leases & Rentals	\$ -
K. Capital Assets (Itemize)	
1.	\$ -
2.	\$ -
3.	\$ -
4.	\$ -
5.	\$ -
L. Other Uses:	
Capital Outlay Reserve Contribution (CCR 6648)	\$ -
M. TOTAL FY 2014/15 EXPENSES & USES (I+J+K+L)	\$ 13,216.00
N. Estimated Deferred Revenue as of June 30, 2015 (H-M)	\$ -

Part 2 of 4

**BUDGETED PUBLIC TRANSIT REVENUES & EXPENSES FOR FISCAL YEAR
2015/16****I. FY 2015/16 NON-TDA BUDGETED RESOURCES & DEFERRED REVENUE**

A. Carryover from prior fiscal year (Unexpended prior year transit cash receipts held in claimants treasury as of June 30, 2015-- From Part 1, line N)	\$	-
B. Interest earnings through June 30, 2015	\$	-
C. Federal Grants & Reimbursements		
1. FTA Planning Assistance	\$	-
2. FTA Operating Assistance	\$	-
3. FTA Capital Assistance	\$	-
4. Other	\$	-
D. State Grants (Source/Amount):		
1.	\$	-
2.	\$	-
E. Local Non-TDA Cash Grants:		
1.	\$	-
2.	\$	-
3.	\$	-
F. Operating Revenues:		
1. Passenger Fares	\$	-
2. Charters	\$	-
3. Other	\$	-
G. Other Revenues		
1.	\$	-
H. TOTAL FY 2015/16 CARRYOVER & NON-TDA BUDGETED RESOURCES (A+B+C+D+E+F+G)	\$	-

I. TOTAL FY 2015/16 CARRYOVER & NON-TDA BUDGETED RESOURCES (From Line H)		\$	-
II. FY 2015/16 PROJECTED EXPENSES & USES			
J. Personnel:			
1. Administrative Salaries and Wages		\$	-
2. Operating Salaries and Wages		\$	-
3. Other Salaries and Wages		\$	-
4. Fringe Benefits		\$	-
K. Services and Supplies:			
1. Professional Services		\$	-
2. Maintenance Services		\$	-
3. Other Services		\$	-
4. Vehicle Materials & Supplies		\$	-
5. Utilities		\$	-
6. Insurance		\$	-
7. Purchased Transit Services		\$	12,377.00
8. Miscellaneous		\$	-
9. Interest		\$	-
10. Leases & Rentals		\$	-
L. Capital Assets (Itemize):			
1.		\$	-
2.		\$	-
3.		\$	-
4.		\$	-
5.		\$	-
M. Other Uses:			
1. Capital Outlay Reserve Contribution.(CCR 6648)		\$	-
2.		\$	-
N. TOTAL FY 2015/16 EXPENSES & USES (J+K+L+M)		\$	12,377.00
O. Unfunded Balance (I - N)		\$	(12,377.00)

O. Unfunded Balance (I - N)	\$ (12,377.00)
III. FY 2015/16 TDA TRANSIT CLAIMS	
P. FY 2015/16 LTF TRANSIT CLAIMS:	
1. LTF-Operations/Capital (PUC 99260a; Article 4)	\$ -
2. LTF-Community Transit Services (PUC 99275; Article 4.5)	\$ -
3. LTF-Contracted Transit Service (PUC 99400c; Article 8c)	\$ 4,657.00
4. LTF-Capital Reserve Contribution (CCR 6648)	\$ -
5. LTF-Capital for contracted transit service (PUC 99400e; Article 8e)	\$ -
6. TOTAL LTF CLAIM (P1+P2+P3+P4+P5)	\$ 4,657.00
Q. FY 2015/16 STAF CLAIMS:	
1. STAF-Operations (CCR 6730a)	\$ -
2. STAF-Capital (CCR 6730b)	\$ -
3. STAF-Community Transit Services (CCR 6730d) / CTSA	\$ -
4. STAF-Contracted Service (CCR 6731b)	\$ 7,720.00
5. TOTAL STF CLAIM (Q1+Q2+Q3+Q4)	\$ 7,720.00
R. TOTAL 2015/16 TRANSIT CLAIMS (P6 + Q5)	\$ 12,377.00

Part 3 of 4

**ESTIMATED STREETS AND ROADS TDA EXPENDITURES FOR FISCAL YEAR
2014/15**

I. FY 2014/15 AVAILABLE TDA STREET AND ROAD RESOURCES	
A. Carryover from prior fiscal year (Actual Unexpended Prior Year TDA Streets And Roads Cash Receipts Held in Claimant's Treasury as of June 30, 2014. From TDA Fiscal Audits)	\$ -
B. FY 2014/15 TDA Cash Receipts from LTF trust fund for streets and roads purposes (PUC 99400a).	\$ 93,091.00
C. Interest Earned on claimant TDA streets and roads cash balances through June 30, 2015.	\$ -
D. Total FY 2014/15 Available TDA Street and Road Resources. (A+B+C)	\$ 93,091.00
II. FY 2014/15 TDA STREET AND ROAD EXPENDITURES	
E. Administration and Engineering	\$ 23,383.00
F. Maintenance	\$ 67,428.00
G. Construction	\$ -
H. Equipment	\$ 2,280.00
I. Other	\$ -
J. TOTAL FY 2014/15 EXPENDITURES (E+F+G+H+I)	\$ 93,091.00
K. Estimated Carryover of TDA Street and Road Revenues at JUNE 30, 2015 (D-J)	\$ -

Part 4 of 4

STREETS AND ROADS TDA BUDGET FOR FISCAL YEAR 2015/16

I. FY 2015/16 AVAILABLE TDA STREET AND ROAD RESOURCES	
A. Carryover as of June 30, 2015 (From Part 3, Line K.)	\$ -
B. 2015/16 TDA Funds Available For Streets And Roads	
1. FY 2015/16 LTF Total Apportionment (From PCTPA)	\$ 115,321.00
2. FY 2015/16 LTF Transit Claim (From Part 2, Line P6)	\$ 4,657.00
3. Balance of 2015/16 LTF Apportionment (B1-B2)	\$ 110,664.00
4. FY 2015/16 LTF Apportionment To be Claimed for Streets and Roads Purposes Pursuant to PUC 99400a. (Can Not Exceed Line B3)	\$ -
C. FY 2015/16 Estimated Interest Earned on TDA Cash Balances through June 30, 2016.	\$ -
D. Total Estimated FY 2015/16 Available TDA Resources. (A+B4+C)	\$ 110,664.00

II. FY 2015/16 ESTIMATED EXPENDITURES	
H. Administration and Engineering	\$ 25,000.00
I. Maintenance	\$ 70,000.00
J. Construction	\$ -
K. Equipment	\$ 5,664.00
L. Other	\$ 10,000.00
M. Other	\$ -
N. Total FY 2015/16 Estimated Expenditures (H+I+J+K+L+M)	\$ 110,664.00
O. Estimated Carryover as of June 30, 2016 (D-N)	\$ -



PLACER COUNTY
DEPARTMENT OF PUBLIC WORKS

Ken Grehm, Director
Peter Kraatz, Assistant Director
Robert Costa, Deputy Director

December 7, 2015

Laurie Van Groningen
City of Colfax
PO Box 702
Colfax, CA 95713

**Re: AGREEMENT REGARDING TRANSIT SERVICE TO THE CITY OF COLFAX,
CONTRACT #12368 – 15/16 Exhibits**

Dear Ms. Van Groningen:

As agreed in Contract #12368, which will automatically renew on July 1, 2015, attached for your review please find updated Exhibits A – D. These exhibits list transit service schedules and cost details for fiscal year 2015/16. This is being sent to satisfy Section II C of our agreement. The total estimated cost for FY 2015/16 is \$12,377.

If you have any questions or would like to discuss the schedules and cost details further, please call me at (530) 745-7582.

Sincerely,

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

Will Garner
Public Works Manager

Attachments: Exhibits A – D

**Exhibit A
Intercity Route Service Schedule**

Colfax / Alta		
This service is available on weekdays only.		
<i>Reservations required for Alta destinations.</i>		
Eastbound	A.M.	P.M.
Auburn Station	7:00	3:15
Elder's	By Reservation Only	By Reservation Only
Bowman	By Reservation Only	By Reservation Only
Meadow Vista	By Reservation Only	By Reservation Only
Applegate	By Reservation Only	By Reservation Only
Weimar	By Reservation Only	By Reservation Only
Colfax Amtrak	7:20	3:45
Gold Run	By Reservation Only	By Reservation Only
Dutch Flat	By Reservation Only	By Reservation Only
Alta Store	8:00	4:15
This service is available on weekdays only.		
<i>Reservations required for Alta destinations.</i>		
Westbound	A.M.	P.M.
Alta Store	8:00	4:15
Dutch Flat	By Reservation Only	By Reservation Only
Gold Run	By Reservation Only	By Reservation Only
Colfax Amtrak	8:20	4:45
Weimar	By Reservation Only	By Reservation Only
Applegate	By Reservation Only	By Reservation Only
Meadow Vista	By Reservation Only	By Reservation Only
Bowman	By Reservation Only	By Reservation Only
Elder's	By Reservation Only	By Reservation Only
Auburn Station	Drop Off Only	Drop Off Only

For information, call Placer County Transit at (530) 885-BUSS or (916) 784-6177, or send email to pct@placer.ca.gov

Service does not operate on New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Exhibit B Regional Fixed Route Service Schedule

Connection with Taylor Road Shuttle made at Sierra College:
Westbound at: 17 minutes past the hour and eastbound at :40 minutes past the hour.

PCT operates Monday - Saturday. No service on Sunday.

Auburn to Light Rail															
								Saturday times appear shaded							
	A.M.							P.M.							
Auburn Station	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00
Sierra College	5:17	6:17	7:17	8:17	9:17	10:17	11:17	12:17	1:17	2:17	3:17	4:17	5:17	6:17	7:17
Galleria	5:30	6:30	7:30	8:30	9:30	10:30	11:30	12:30	1:30	2:30	3:30	4:30	5:30	6:30	7:30
Louis Ln & Orlando	5:40	6:40	7:40	8:40	9:40	10:40	11:40	12:40	1:40	2:40	3:40	4:40	5:40	6:40	7:40
Light Rail-Watt/I-80	6:00	7:00	8:00	9:00	10:00	11:00	12:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00

PCT operates Monday - Saturday. No service on Sunday.

Light Rail to Auburn															
(First bus holds for 6:10 LRT arrival)															
	A.M.							P.M.							
	Saturday times appear shaded														
	*Drop off on Taylor Rd. by request (Sat. only)														
Light Rail-Watt/I-80	6:10	7:00	8:00	9:00	10:00	11:00	12:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00
Louis Ln & Orlando	6:15	7:10	8:10	9:10	10:10	11:10	12:10	1:10	2:10	3:10	4:10	5:10	6:10	7:10	8:10
Galleria	6:30	7:30	8:30	9:30	10:30	11:30	12:30	1:30	2:30	3:30	4:30	5:30	6:30	7:30	8:30
Sierra College	6:40	7:40	8:40	9:40	10:40	11:40	12:40	1:40	2:40	3:40	4:40	5:40	*6:40	7:40	8:40
Auburn Station	7:00	8:00	9:00	10:00	11:00	12:00	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00

For information, call Placer County Transit at (530) 885-BUSS or (916) 784-6177, or send email to pct@placer.ca.gov

Service does not operate on New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Exhibit C Commuter Bus Service

Operates on Monday through Friday only

Does not operate on New Year's Day, Martin Luther King Jr. Day,
President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day,
Columbus Day, Veterans Day, Thanksgiving and Day After, and Christmas Day

Placer Commuter Express Bus Schedule - Effective May 27, 2008

Morning Departures - AM
Bus Bus Bus Bus
1 2 3 4

Colfax Depot - Main St	5:20	5:40	6:23	****
Clipper Gap Park 'n' Ride	5:32	5:52	6:35	****
Auburn Station - Nevada St	5:43	6:03	****	6:37
Penryn Park 'n' Ride	5:55	6:15	6:50	****
Loomis Station - Taylor/Horseshoe Bar	5:59	6:19	****	6:53
Rocklin Station - Pacific St/Rocklin Rd	6:06	6:26	****	7:00
Roseville - Taylor Rd Park 'n' Ride next to Sunsplash	6:15	6:35	7:00	****

**** Buses 3 and 4 depart from select bus stops only.

Evening Departures - PM
Bus Bus Bus Bus
1 2 3 4

J St. & 4th St.	4:17	4:22	4:32	5:15
J St. & 8th St.	4:19	4:24	4:34	5:17
J St. & 11 St.	4:21	4:26	4:36	5:19
15th St. & K St.	4:24	4:29	4:39	5:22
15th St. & N St.	4:25	4:30	4:40	5:23
P St. & 13th St.	4:27	4:32	4:42	5:25
P St. & 9th St.	4:30	4:35	4:45	5:28
P St. & 5th St.	4:32	4:37	4:47	5:30

Morning Arrivals - AM

J St. & 4th St.	6:50	7:10	7:40	7:40
J St. & 8th St.	6:51	7:11	7:41	7:41
J St. & 11 St.	6:52	7:12	7:42	7:42
15th St. & K St.	6:55	7:15	7:45	7:45
15th St. & N St.	6:56	7:16	7:46	7:46
P St. & 13th St.	6:57	7:17	7:47	7:47
P St. & 9th St.	6:58	7:18	7:48	7:48
P St. & 5th St.	7:00	7:20	7:50	7:50

Evening Arrivals - PM

Roseville - Taylor Rd Park 'n' Ride next to Sunsplash	5:12	****	5:27	6:10
Rocklin Station - Pacific St/Rocklin Rd	****	5:17	5:35	6:18
Loomis Station - Taylor/Horseshoe Bar	****	5:24	5:42	6:25
Penryn Park 'n' Ride	5:24	****	5:49	6:32
Auburn Station - Nevada St	****	5:40	6:00	6:43
Clipper Gap Park 'n' Ride	5:39	****	6:12	6:55
Colfax Depot - Main St	5:51	****	6:24	7:07

**** Buses 1 and 2 return to select bus stops only.

Exhibit D
FY 2015/16 Calculation of Transit Service Charges

Intercity Route Service (Auburn/Colfax/Alta)

Total cost per vsh =	\$105.06
<u>Estimated fare per vsh =</u>	<u>- \$3.63</u>
= Charge per vsh	\$101.43

Minutes per round trip allocated to Colfax = 25 minutes
 Number of round trips per weekday = 2
 Number of round trips per Saturday = 0
 Number of weekdays in service per year = 252
 Number of Saturdays in service per year = 0
 TOTAL round trips per year = (2 x 252) = 504
 TOTAL VSH per year = (504 x 25 min)/(60 min) = 210

TOTAL LOCAL SERVICE CHARGE = \$101.43 x 210 vsh = \$21,300

Regional Fixed Route Service (Auburn – Light Rail)

Fuel cost per service mile =	\$.35
<u>Maintenance cost per service mile =</u>	<u>\$.56</u>
Mileage cost per unit =	\$.91

Total cost per vsh =	\$105.06
<u>Estimated fare per vsh = -</u>	<u>\$13.86</u>
= Charge per vsh	\$91.20

Total Placer County west slope population = 346,763
 Percentage of population in COLFAX = 1,969 / 346,763 = .57%
 Miles per run added for extension to Light Rail = 15.17
 Number of runs per weekday = 15
 Number of runs per Saturday = 10
 Vehicle Service Hours added per weekday = 2
 Vehicle Service Hours added per Saturday = 2
 Number of weekdays in service per year = 252
 Number of Saturdays in service per year = 52
 Total Number of runs on Express Route per year = (15 x 252) + (10 x 52) = 4,300
 Total miles added on express route for extension to Light Rail = 4,300 x 15.17 = 65,231
 Total Number of Service Hours added per year = (2 x 252) + (2 x 52) = 608
 Mileage extension allocated to COLFAX = 65,231 x .57% = 371.82
 Added service hours allocated to COLFAX = 608 x .57% = 3.47

TOTAL REGIONAL FIXED ROUTE SERVICE CHARGE = (371.82 x \$.91) + (3.47 x \$91.20) = \$338.36 + \$316.46 = \$654.82 = \$655

**Exhibit D continued
FY 2015/16 Calculation of Transit Service Charges**

Commuter Bus Service (Placer Commuter Express)

Commuter Bus Contract for FY 2015/16 = \$562,279

Revenue from Fares = (\$403,700)

Net Program Cost for FY 2015/16 = \$158,579

Percentage of COLFAX residents riding Commuter Bus Service from Jan. 2013 on-board survey = 2.8%

TOTAL COMMUTER SERVICE CHARGE = \$158,579 x 2.8% = 4,440.21 = \$4,440

Calculation of Bus Replacement Costs for Placer County Transit			
City of Colfax			
Total Bus Cost for 5 year Plan	\$ 3,727,685		
Grant Funds (credit)	\$ 2,678,300		
Remaining Cost to County	\$ 1,049,385		
Number of buses	11	<u>Allocation of Service Miles</u>	
Cost per bus (after grants)	\$ 95,398.64	Local Service	8,230
Lifetime bus miles	500,000	LRT Extension	387
		Total	8,617
Cost per lifetime bus mile	\$ 0.1908		
Colfax Service Miles	8,617		
Reimbursement for FY 2015/16	\$ -		
Total Annual Charge	\$ -		

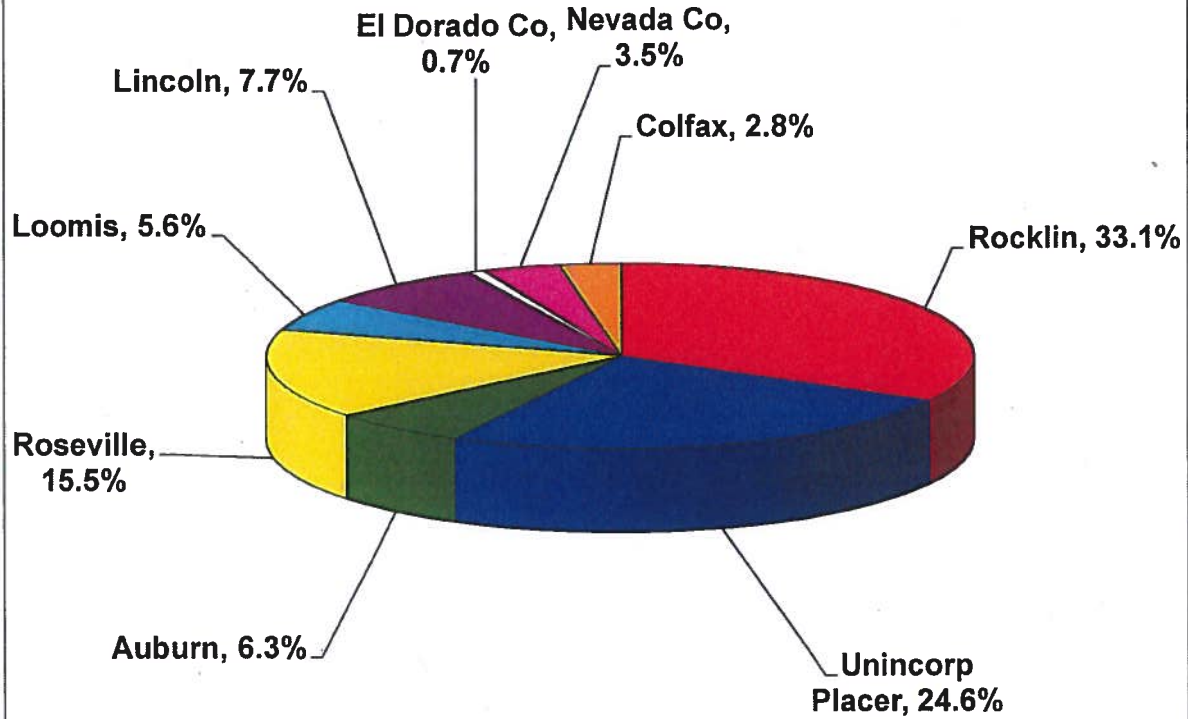
FTA 5311 Operating Assistance

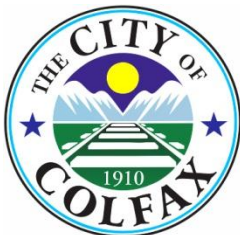
As described in Section IIB.

Credit for FY 15/16 = -14,018

Total Charges for FY 2015/16
 $\$21,300 + \$655 + \$4,440 + \$0 - \$14,018 = \mathbf{\$12,377}$

2013 PCE Commuter Survey Where Commuters Live





STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JANUARY 13, 2016 COUNCIL MEETING

FROM: City Staff

PREPARED: January 7, 2016

SUBJECT: Draft Updated Sales Tax Agreement with Winner Chevrolet

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: N/A	FROM FUND: N/A
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RECOMMENDED ACTION: Review and discuss draft Updated Sales Tax, Property Tax and Lease Agreement with Winner Chevrolet.

BACKGROUND AND DISCUSSION:

The City has had a successful cooperative Sales Tax, Property Tax and Lease Agreement with the local Winner Chevrolet business since 2010. The agreement has been mutually very beneficial, whereby the City has received substantially increased sales tax revenue, and utilized one-half of that increase to purchase real property from the business, adding cash flow to the business and allowing it to expand. The sales tax generation has been greater than originally projected, enabling the City to pay down the purchase price quickly, with an estimated completion of the property purchase this year. The increased sales tax has resulted in over \$400,000 in additional general fund revenue and an additional equal amount utilized to acquire the real property (see attached spreadsheet).

The City and Winner Chevrolet have indicated interest in extending the agreement to take advantage of the opportunity for additional sales tax generation and business expansion. The City Council directed staff and the City Attorney to review the current agreement, and bring back to Council any recommended updates to be able to continue the agreement. Attached is a marked-up draft showing suggested changes. Along with the minor wording changes, the draft includes the proposed two new parcels for purchase highlighted on in an attached aerial parcel map photo.

ATTACHMENTS:

1. Sales Tax Revenue Spreadsheet
2. Markup draft Updated Sales Tax, Property Tax and Lease Agreement

City of Colfax
Winner Chevrolet - Purchase and Sale and Lease Agreement

	Base Year					
	<u>2009</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Jan	\$ 437,186.00	\$ 958,576.00	\$ 524,401.00	\$ 792,269.00	\$ 2,575,496.00	\$ 3,524,275.00
Feb	\$ 485,346.00	\$ 706,473.00	\$ 777,604.00	\$ 1,125,100.00	\$ 2,757,552.00	\$ 2,013,955.00
Mar	\$ 695,802.00	\$ 1,062,323.00	\$ 599,716.00	\$ 1,775,574.00	\$ 1,916,306.00	\$ 2,412,787.00
Apr	\$ 598,929.00	\$ 606,182.00	\$ 1,123,595.00	\$ 1,558,706.00	\$ 2,934,118.00	\$ 2,644,231.00
May	\$ 669,334.00	\$ 501,142.00	\$ 1,662,653.00	\$ 1,941,035.00	\$ 2,748,779.00	\$ 2,083,898.00
Jun	\$ 566,902.00	\$ 562,531.00	\$ 1,385,484.00	\$ 5,323,722.00	\$ 3,062,287.00	\$ 2,306,828.00
Sub-total	\$ 3,453,499.00	\$ 4,397,227.00	\$ 6,073,453.00	\$ 12,516,406.00	\$ 15,994,538.00	\$ 14,985,974.00
Sales Increase		\$ 943,728.00	\$ 2,619,954.00	\$ 9,062,907.00	\$ 12,541,039.00	\$ 11,532,475.00
50% of 1% of Increase		\$ 4,718.64	\$ 13,099.77	\$ 45,314.54	\$ 62,705.20	\$ 57,662.38
Jul	\$ 608,411.00	\$ 726,957.00	\$ 2,652,588.00	\$ 5,995,299.00	\$ 2,939,256.00	\$ -
Aug	\$ 688,860.00	\$ 457,339.00	\$ 2,497,410.00	\$ 4,913,911.00	\$ 2,668,151.00	\$ -
Sep	\$ 551,223.00	\$ 616,505.00	\$ 1,807,960.00	\$ 7,252,175.00	\$ 4,774,114.00	\$ -
Oct	\$ 548,327.00	\$ 629,982.00	\$ 2,170,090.00	\$ 4,574,433.00	\$ 3,891,228.00	\$ -
Nov	\$ 452,686.00	\$ 573,228.00	\$ 1,066,727.00	\$ 4,089,936.00	\$ 3,334,094.00	\$ -
Dec	\$ 564,455.00	\$ 766,765.00	\$ 767,371.00	\$ 3,036,845.00	\$ 2,840,845.00	\$ -
Subtotal	\$ 3,413,962.00	\$ 3,770,776.00	\$ 10,962,146.00	\$ 29,862,599.00	\$ 20,447,688.00	\$ -
Sales Increase		\$ 356,814.00	\$ 7,548,184.00	\$ 26,448,637.00	\$ 17,033,726.00	\$ (3,770,776.00)
50% of 1% of Increase		\$ 1,784.07	\$ 37,740.92	\$ 132,243.19	\$ 85,168.63	\$ (18,853.88)
Total Sales	\$ 6,867,461.00	\$ 8,168,003.00	\$ 17,035,599.00	\$ 42,379,005.00	\$ 36,442,226.00	\$ 14,985,974.00
Sales Increase		\$ 1,300,542.00	\$ 10,168,138.00	\$ 35,511,544.00	\$ 29,574,765.00	\$ 6,817,971.00
50% of 1% of Increase		\$ 6,502.71	\$ 50,840.69	\$ 177,557.72	\$ 147,873.83	\$ 34,089.86
Pmt #1		\$ 4,718.50	\$ 13,099.00	\$ 45,314.00	\$ 62,705.00	\$ 57,662.00
Pmt #2		\$ 1,784.00	\$ 37,741.00	\$ 132,243.00	\$ 85,169.00	\$ -
		\$ 6,502.50	\$ 50,840.00	\$ 177,557.00	\$ 147,874.00	\$ 57,662.00
Note Balance	\$ 550,000.00	\$ 543,497.50	\$ 492,657.50	\$ 315,100.50	\$ 167,226.50	\$ 109,564.50

Recording Requested by and
when Recorded Mail to:

City of Colfax
P. O. Box 702
Colfax, CA 95713

Attention: City Clerk

This document recorded for the
Benefit of the City of Colfax and
The recording is fee exempt under
Section 27383 of the Government
Code

1/7/2016 draft

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PURCHASE AND SALE AND LEASE AGREEMENT
(WINNER CHEVROLET)

~~December 2010~~ January 27, 2016

THIS PURCHASE AND SALE AND LEASE AGREEMENT (the
"Agreement) is entered into this ___ date of ___, 20106, by and between the
CITY OF COLFAX, a municipal corporation ("City"), and the GARD FAMILY
LIVING TRUST, NOVEMBER 14, 1994 ("Seller") and, as to the lease, WINNER
CHEVROLET, a California corporation ("Winner") (collectively, "Parties" and
individually, "Party").

Comment [AC1]: Who is the Seller for this transaction? Is there going to be a similar lease or is this a straight purchase?

RECITALS

A. Seller owns certain real property in the City of Colfax, ~~comprised~~
consisting of eight
~~(8) parcels upon which David C. Gard ("Gard"), one of the trustees of Seller,~~
~~owns and operates the Winner Chevrolet automobile dealership (the~~
~~"Dealership") and a recreational vehicle lot (hereinafter, the "Dealership~~
~~Property"),~~ as shown on Exhibit "A" and described in Exhibit "B" attached
hereto and incorporated herein by this reference.

B. Assessor's Parcel Numbers 101-132-018-022 and 100-152-011 of the
Dealership Seller's Property, comprised of ~~3.5~~respectively 0.21 and 1.06 ± acres,
as shown on Exhibit "C" and described in Exhibit "D" attached hereto and
incorporated by this reference (the "Sales Propertys"). The Sales properties are,

is currently ~~undeveloped~~ developed with a small retail business and a recreational vehicle sales lot respectively. -

Comment [AC2]: We need to know which property will be purchased.

C. Seller desires to sell the Sales Property(ies) to City, and City desires to purchase the Sales Property(ies) from Seller, paying Seller the sale price over time from sales tax revenue generated by the Dealership. City further desires for Winner to improve the Sales Property and to lease the improved Sales Property to Winner for use in the operation of the Dealership.

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Comment [AC3]: Again, is this a straight purchase funded by sales tax revenue or is it something more?

C. NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

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AGREEMENT

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1. Incorporation of Recitals. The recitals set forth above are hereby incorporated herein by this reference.

2. Purchase Price. City desires to purchase the Sales Property(ies) from Seller, and Seller agrees to sell the Sales Property(ies) to City, pursuant to the terms set forth in ~~the~~this Agreement. City shall pay Seller the purchase price of the Sales Property(ies) (the "Purchase Price") equal to the fair market value of the Sales Property(ies) as hereinafter set forth. The fair market value of the Sales Property(ies) shall be agreed to by the Parties following an appraisal prepared by an MAI or other certified appraiser, jointly chosen by Seller and City (the "Appraisal"). The cost of the Appraisal shall be advanced by Seller, to be included in the Purchase Price paid by City. In the event that either Party shall, in reasonable good faith, dispute the valuation determined in the Appraisal, the Parties shall jointly select a second appraiser. Such second appraiser shall also be an MAI or other certified appraiser and carry out a full appraisal pursuant to instructions initially agreed upon by the Parties (the "Second Appraisal"). The Party requesting the Second Appraisal shall be responsible for the costs of the Second Appraisal, which if requested by Seller, shall not be included in the Purchase Price paid by City. If the land valuation on the Second Appraisal is within 20% of the Appraisal, the higher value shall be utilized. If the land valuation in the Second Appraisal exceeds the valuation in the Appraisal by more than 20 percent, the two valuations shall be averaged. In no case shall the amount of the Purchase Price to be paid by City exceed ~~Seven Hundred Fifty Thousand Dollars (\$750,000)~~ Five Hundred Fifty Thousand Dollars (\$550,000.00), including the cost of the Appraisal, and as set forth in Section 4 (a) (iii) below.

Comment [AC4]: What will the limit be for this one?

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3. Escrow. (a) Upon establishment of the Purchase Price, the Parties shall open an escrow with a title company ("Escrow Agent"), and the sale of the Sales Property by Seller to City shall be completed not later than thirty (30) days after the Purchase Price is established pursuant to Section 2 above ("Close of

Escrow”), or as soon thereafter as reasonably possible. Upon Close of Escrow, fee title shall vest in City, subject to the provisions hereinafter set forth. Said fee title shall be unencumbered by any mortgage, deed of trust or other similar encumbrance. Seller shall pay, when due, any such mortgage, deed of trust or other similar encumbrance and shall defend, indemnify and hold City harmless therefrom.

(b) If the Purchase Price of the Sales Property as determined by the procedure set forth in Section 2 above is less than \$~~750,000.00~~~~550,000.00~~, the escrow costs shall be included in the Purchase Price. If the Purchase Price of the Sales Property as determined by the procedure set forth in Section 2 above is \$~~550,000.00~~~~750,000.00~~ or greater, Seller shall pay the escrow costs in their entirety.

Comment [AC5]: What will the limit be for purposes of this provision?

Comment [AC6]: Same question.

4. Payment of Purchase Price.

a. Sales Tax Payments. City agrees to pay the Purchase Price to Seller in semi-annual installments as hereafter provided (the “Sales Tax Payment(s)”). Exhibit E attached hereto and incorporated herein by this reference establishes the annual taxable sales from the Dealership as \$~~6,867,461.00~~ (\$10 million the “Base Sales Tax Generation Figure”). The Parties anticipate that the Dealership’s future use of the Sales Property as provided in this Agreement will increase the Base Sales Tax Generation Figure. The incremental increase in annual sales tax received by the City from the Dealership and resulting from the increase in the Dealership’s annual taxable sales over the Base Sales Tax Generation Figure (the “Sales Tax Increment”) will be the sole source of payment of the Purchase Price for the Sales Property. The Sales Tax Payments from the City to Seller will be fifty percent (50%) of the Sales Tax Increment, up to a total of the Purchase Price, and subject to the terms of this Agreement. The City shall retain as its own revenue all sales tax generated by the Dealership based on the Base Sales Tax Generation Figure and the remaining 50% of the Sales Tax Increment.

Comment [AC7]: Need sales tax numbers.

Comment [AC8]: Need sales tax numbers.

Comment [AC9]: This will not be use of sales tax property. It will be increased sales from Winner Chevrolet.

(i) Seller acknowledges that the Sales Tax Payments payable by City to Seller are a function of increased sales tax revenues to City generated by the Dealership and are therefore dependent upon such revenues being sufficient to make such Sales Tax Payments. Seller further acknowledges that for any six (6) month payment period during the term of this Agreement, the Sales Tax Payment may be Zero Dollars (\$0) because there may be no Sales Tax Increment generated.

(ii) All Sales Tax Payments shall be for sales tax generation periods of January 1 through June 30 and July 1 through December 31

of each year, and shall be due and payable on the later of (1) August 15 and February 15 of each year beginning in calendar year 2011, or (2) ten (10) days from the date City receives from the State Board of Equalization the data necessary to calculate the Sales Tax Payment (the "Sales Tax Payment Date(s)").

Comment [AC10]: 2016?

(iii) The total aggregate Sales Tax Payments made under this Agreement shall not exceed ~~Five Hundred Fifty Thousand Dollars (\$550,000.00)~~, Seven Hundred Fifty Thousand Dollars (\$750,000.00) inclusive of the following costs:

Comment [AC11]: What will it be?

- (a) Escrow costs, if the appraised fair market value of the Sales Property is less than ~~\$750,000.00~~ \$550,000.00, as set forth in Section 3 above;
- (b) The cost of the Appraisal; and
- (c) Interest at a rate of five percent (5%) ~~three percent (3%)~~, compounded annually, from the date of the Close of Escrow.

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(iv) Each Sales Tax Payment shall be paid in lawful money of the United States of America, by warrant or check drawn against funds of the City, at the office of Winner. Any Sales Tax Payment which is not paid when due shall bear interest at the Local Agency Investment Fund ("LAIF") quarterly apportionment rate existing as of the due date of the delinquent payment. If there is no such rate of interest, then the delinquent payment shall bear interest at the average rate of return to City on City's investments as of the due date of the delinquent payment.

(v) Notwithstanding the foregoing, City may withhold Sales Tax Payments if so ordered by a court of competent jurisdiction in connection with an action brought by a third party not a Party to this Agreement, provided, however, that Sales Tax Payment obligations shall continue to accrue, and on the date that the court determines City to be liable for such Sales Tax Payment obligation and the court order is lifted, the aggregate unpaid Sales Tax Payment(s) shall be due and payable together with interest at the rate set forth in Section 4.a.(iv) above from the date the Sales Tax Payment was first withheld by City.

b. Taxes; Operating and Management Expenses. In addition, to the Sales Tax Payments, the City shall pay, at its own expense, the following:

(i) Any taxes and assessments of any nature whatsoever, including, but not limited to, excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Sales Property or upon the Seller's interest therein or upon Winner's operation thereof or Winner's income derived therefrom, provided such taxes and assessments are levied on the City as owner of the Sales Property and provided such taxes and assessments would have been levied on the City without the existence of this Agreement. Seller shall cooperate with the City in an effort to apply for exemption from any such tax or assessment.

c. Consideration. The Sales Tax Payments for each year of the term of the Agreement shall be paid by the City for and in consideration of the acquisition of the Sales Property.

d. Budget. City shall take such action as may be necessary to include and maintain all Sales Tax Payments due under this Agreement in each Fiscal Year in its budget for such Fiscal Year and further shall make the necessary appropriations for all such Sales Tax Payment obligations. City shall furnish to Seller copies of the budget prior to final adoption thereof. The covenants on the part of the City contained in this subsection shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Agreement agreed to be carried out and performed by the City.

e. No failure on the part of City to make the necessary appropriations for such Sales Tax Payment obligations shall excuse City of its obligations or preclude Seller from exercising its rights and remedies on account of such failure to pay.

The obligation of City to make Sales Tax Payments created under this Agreement does not constitute an obligation of City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation to make Sales Tax Payments does not constitute an indebtedness of the City, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

5. Payment Term. City shall pay the Purchase Price to Seller from Sales Tax Increment over a period of ten (10) years, unless paid in full earlier by City. If City has not paid the Purchase Price in full over ten years to Seller, this

Agreement shall be automatically extended for up to two (2) five year periods, or until City has paid the Purchase Price in full, whichever is earlier.

6. Sales Tax Payment Computations. The source of funds from which City shall make Sales Tax Payments to Seller shall be the City’s General Fund. Sales Tax Payments shall be computed by the Sales Tax Increment sales tax receipts generated by taxable sales of Winner. Notwithstanding any provision herein to the contrary, in the event that the allocation by the State to the City, as of the date of this Agreement, of a percentage of sales tax revenues generated in the City is changed, revised or otherwise amended, the City and the Seller each agree to meet in good faith to revise this Agreement to reflect as closely as possible the original intent of the parties in entering into this Agreement with respect to the allocation of sales tax receipts.

a. Sales Tax Base. The Base Sales Tax Generation Figure as of January 31, 2016 is Ten Million Dollars (\$10,000,000.00) ~~December 31, 2009 is the 2009 taxable sales figure for the Dealership of \$6,867,461.00.~~

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Comment [AC12]: Need base year and sales tax information.

b. Sales Tax Increment. Sales Tax Increment is the incremental increase in annual sales tax received by the City from the Dealership and resulting from the increase in the Dealership’s annual taxable sales over the Base Sales Tax Generation Figure.

~~7. City Lease of Sales Property to Seller. Upon Close of Escrow, City shall lease the Sales Property to Winner for a period of fifty (5050) years, at an annual rental rate of One Dollar (\$1.00), payable by Winner to City on the anniversary date of this Agreement. Winner shall use the Sales Property for purposes supporting the Dealership, as determined by Winner in its sole and absolute discretion. This Agreement shall comprise the lease of the Sales Property from City to Winner.~~

Comment [AC13]: Is this part of the transaction?

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~~7. -Wording to be finalized~~

Comment [AC14]: A purpose needs to be described.

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8. Seller Improvement of Sales Property. In exchange for City’s lease of the Sales Property to Winner, Winner shall improve the Sales Property with parking facilities and appropriate structures (the “Improvements”) in support of the Dealership. City shall process expeditiously any applications for permits or approvals by Winner to improve the Sales Property??? Furthermore, City, by entering into this Agreement, hereby provides Winner, upon City acquiring fee title to the Sales Property, a right of entry and temporary construction easement to construct the Improvements on, over and under the Sales Property. Seller and Winner shall not pledge, hypothecate or otherwise encumber the Sales Property or any interest therein without the City’s prior written consent, which consent shall not be unreasonably withheld.

Comment [MM15]: Paragraph 7 to reflect Winner’s use of properties for alternate purposes, with City’s interests protected, jobs, sales tax, etc.

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Comment [AC16]: These terms need to be discussed.

9. Maintenance of Improvements, Indemnification of City. (a) For so long as Winner leases the Sales Property from City, Winner shall maintain the Sales Property and the Improvements constructed by Winner thereon. Upon expiration or termination of the lease of the Sales Property by City to Winner, City shall become responsible for maintenance of the Sales Property, including any Improvements constructed by Winner.

Comment [AC17]: Is the sales property going to be improved or unimproved? It sounds like this will be an entirely different type of transaction.

(b) Seller, Winner, and their successors-in-interest and assigns, hereby agree to, and shall defend and hold City, its elective and appointive boards, commissions, officers, agents, and employees harmless from any liability for damage or claims for damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Winner (including maintenance of the Sales Property), or of Winner's contractors, subcontractors, agents, or employees under this Agreement, whether such operations be by Winner, or by any of Winner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Winner or Winner's contractors or subcontractors, unless such damage or claim arises from the negligence or willful misconduct of City. The foregoing indemnity obligation of Seller and/or Winner, as the case may be, shall not apply to any liability for damage or claims for damage with respect to any damage to or use of any public improvements after the completion and acceptance thereof by City. In addition to the foregoing indemnity obligation, Seller and Winner agree to and shall defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents and employees harmless from any suits or actions at law or in equity arising out of the execution, adoption or implementation of this Agreement, exclusive of any such actions brought by Seller and/or Winner, its successors-in-interest or assigns. City acknowledges hereby that the foregoing liability of Seller shall be limited to its interest in the Sales Property and that neither Seller or Winner nor any of their partners, officers, shareholders, employees, co-trustees or agents shall have any personal liability therefore.

10. Use of the Improved Sales Property; Right of First Refusal. After ~~Winner's improvement of the Sales Property and~~ expiration of the lease or termination of the lease by Winner, the Sales Property may be used by City for any use City determines in its sole and absolute discretion, including disposition of the Sales Property by City, provided, however, that Seller shall have the right of first refusal to purchase or lease the Sales Property from City at fair market value, said fair market value to be determined by an appraisal conducted pursuant to the procedures set forth in Section 2 above. If Seller declines to so purchase or lease the Sales Property from City, the City may choose to sell or lease the Sales Property to any third party in the City's sole and absolute discretion.

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11. Binding on Successors and Assigns; Assignment. This Agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective Parties, including any public agency successor-in-interest, provided however, that it is specifically understood and agreed to by City that the Sales Tax Payments to be made hereunder are personal unto Seller, and should the Dealership be sold or assigned by Winner and/or the Dealership Property be sold by Seller, the City shall still be obligated to pay the Sales Price to Seller as provided for herein. Neither this Agreement nor any interest of either Party herein shall, at any time after the date hereof, without prior notice to of the other Party, be mortgaged, pledged, assigned, or transferred by voluntary act or by operation of law, or otherwise, except as specifically provided herein.

12. Involuntary Sales, Transfer or Assignment. Notwithstanding any other provision of this Agreement to the contrary, prior notice of an assignment of this Agreement or any interest herein shall not be required and Sales Tax Payments shall not be reduced in connection with any of the following:

(i) an assignment which consists of a conveyance for financing for the purpose of securing loans of funds to be used solely for financing the direct and indirect costs, including without limitation financing costs, interest and commissions, of planning, designing, constructing, and developing the improved Dealership by Seller. It is understood that Winner's entering into a management contract or contracts and a franchise agreement or agreements to operate the Dealership on the Dealership Property shall not be classified as an assignment for purposes of this Agreement;

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Comment [AC18]: This probably does not apply to the current transaction.

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(ii) transfers resulting from the death or mental or physical incapacity of Seller and Winner;

(iii) transfers or assignments in trust for the benefit of a spouse, children, grandchildren, or other family members, provided that the Seller or Winner or an assignee of Seller or Winner specifically permitted hereunder retains management control;

(iv) a sale of the Dealership Property or any portion thereof at foreclosure (or a conveyance thereof in lieu of a foreclosure) pursuant to a foreclosure thereof by a lender;

(v) the conveyance or dedication of any portion of the Dealership Property to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate the development of the Dealership.

13. Eminent Domain. If the Dealership Property shall be taken under the power of eminent domain, then this Agreement shall terminate as of the day possession shall be so taken. If less than the whole of the Dealership Property shall be taken under the power of eminent domain, then this Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking (and the Parties waive the benefit of any law to the contrary).

14. Liens. Winner shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Improvements and which may be secured by any mechanics', materialman's or other lien against the Improvements, and/or Winner's interest therein, and shall cause each such lien to be fully discharged and released; provided, however, that if Winner desires to contest any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof, is not promptly stayed, or if so stayed and said stay thereafter expires, then, and in any such event, Winner shall forthwith pay and discharge said judgment. City shall cooperate with Winner's efforts to discharge and release any liens pursuant to this Section 14 and shall discharge and release or cause to be discharged and released any liens created or suffered to be created by Winner on or against the Improvements.

15. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either Party to the other shall be in writing and shall be sufficiently given and served upon the other Party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

City:

City of Colfax
P. O. Box 702
Colfax, CA 95713
Attention: City Manager

With a copy to:

City of Colfax
P. O. Box 702
Colfax, CA 95713
Attention: Treasurer

Seller:

Gard Family Living Trust, dated November 14, 1994
c/o 1624 S. Canyon Way
Colfax, CA 95713
Attention: Mr. David Gard

Winner:

Winner Chevrolet
1024 S. Canyon Way
Colfax, CA
Attention: Mr. David Gard

With a copy to:

Lo Duca & Avdis, LLP
3200 Douglas Boulevard, Suite 300
Roseville, CA 95661
Attention: Marcus J. Lo Duca, Esq.

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Either Party may amend its address by providing the other with written notice.

16. Waiver. The waiver by either Party of any breach by the other Party of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

17. Default by City. (a) If (1) City shall fail to pay any Sales Tax Payment hereunder within five (5) days from the date such Sales Tax Payment is due and payable; or (2) City shall fail to keep any other terms, covenants or conditions herein for a period of twenty-five (25) days after written notice thereof from the Seller to City; or (3) City's interest in this Agreement or any part thereof shall be assigned or transferred without prior notice to the Seller, either voluntarily or by operation of law, then in any such events, City shall be deemed to be in default hereunder.

(b) If City should, after notice, fail to remedy any default with all reasonable dispatch, not exceeding thirty (30) days from the date of such notice, then the Seller shall have the right to recover from City or any successor-in-interest such Sales Tax Payments due hereunder as such Sales Tax Payments become due pursuant to this Agreement, without terminating this Agreement.

(c) Seller and City consider the foregoing remedies to be essential to the validity of this Agreement, and intend that by virtue of Section 1952.6 of the Civil Code the provisions of Sections 1951 and 1952.2, inclusive, of said code shall not be applicable to this Agreement.

18. Default by Seller. (a) If (1) Seller or Winner shall fail to keep any terms, covenants or conditions herein for a period of forty-five (45) days after written notice hereof from City to Seller and Winner, or (2) Seller's interest in the Agreement or any part thereof shall be assigned or transferred without the prior notice of City, except as permitted under Section 12 hereof either voluntarily or by operation of law; or (3) Seller shall file any petition or institute any proceedings wherein or whereby Seller asks or seeks or prays to be adjudicated a bankrupt, or to be discharged from any or all of its debts or obligations, or offers to Seller's creditors to effect a composition or extension of time to pay Seller's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization, or for a readjustment of Seller's debts, or for any similar relief; or (4) any such petition or any such proceedings of the same or similar kind or character shall be filed, instituted or taken against Seller, then, and in any such events Seller shall be deemed to be in default hereunder.

(b) If Seller should, after notice, fail to remedy any default with all reasonable dispatch, not exceeding thirty (30) days, then City shall have the right, at its option, to terminate the Lease and this Agreement by delivering written notice of such termination to Seller, and thereafter City shall be relieved of all obligations hereunder.

19. Attorneys Fees. In any arbitration or action arising as a consequence of or because of any default by a Party under this Agreement, the prevailing Party is entitled to all costs and expenses, including reasonable attorneys' fees and costs of suit in equity or action at law to enforce the terms and conditions of the Agreement. Proper venue for any arbitration or action connected with this Agreement shall be Placer County.

20. Recordation and Filing. This Agreement shall be recorded and filed or shall be caused to be recorded and filed by the City.

21. Execution; Entire Agreement. This Agreement may be simultaneously executed in any number of duplicate originals, each of which when so executed shall be deemed to be an original. This Agreement consists of twelve (12) pages and five (5) exhibits which constitute the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all

negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof.

22. Validity. If any one or more of the terms, provisions, promises, covenants or conditions hereof shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by the final decision of a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions hereof shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

23. Headings. Any headings preceding the texts of the several Sections hereof shall be solely for convenience of reference and shall not constitute a part hereof, nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the City of Colfax, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manger and attested to by its City Clerk under the authority of Resolution No. ____, adopted by the Council of the City of Colfax on the ____ day of ____, 2010 and Seller has caused this agreement to be executed.

CITY OF COLFAX, CALIFORNIA
a municipal corporation

GARD FAMILY TRUST, DATED
NOVEMBER 14, 1994

By: _____
~~Bruce Kranz~~ Mark Miller, City Manager
Trustee

By: _____
David C. Gard,

ATTEST:

By: _____
Stephanie D. Gard, Trustee

By: _____
~~Karen Pierce~~ Lorraine Cassidy, City Clerk

WINNER CHEVROLET,
a California corporation

Approved as to form:

By: _____
City Attorney

By: _____
David C. Gard

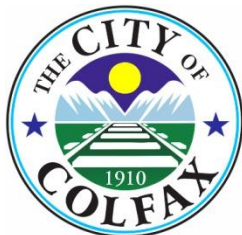


962 Canyon Way

100-152-011-000

1534 Canyon Way

101-132-022-000



STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE JANUARY 13, 2016 COUNCIL MEETING

FROM: City Staff

PREPARED: January 6, 2016

SUBJECT: Discuss City Manager Evaluation and Consider Resolution Approving Compensation Adjustment According to City Manager Employment Agreement

<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND: 560, 100, 572
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RECOMMENDED ACTION: Adopt Resolution No. 04-2016

ISSUE STATEMENT AND DISCUSSION:

The City Manager Employment Agreement calls for regular evaluations of the City Manager and review of his/her contract provisions as appropriate. The City Manager has offered to waive the cost of living increase provided for in the contract. Staff recommends City Council discuss the City Manager Evaluation and consider a resolution approving the performance based compensation adjustment to the Agreement as appropriate.

FINANCIAL AND/OR POLICY IMPLICATIONS:

Costs for City Manager employment are funded in the approved City Budget, and are allocated 50% sewer (Fund 560), 45% administration (Fund 100) and 5% landfill (Fund 572).

ATTACHMENTS:

1. Resolution 04-2016
2. Previously Approved Contract

City of Colfax City Council

Resolution № 04-2016

AUTHORIZING ADJUSTMENTS AS PROVIDED FOR IN THE CITY MANAGER EMPLOYMENT AGREEMENT

WHEREAS, Colfax Municipal Code Chapter 2.08 creates the position of City Manager and authorizes the City Council to select an individual to fill that position based solely on the basis of his/her executive and administrative qualifications; and

WHEREAS, Colfax Municipal Code Chapter 2.08 dictates that the City Manager reports to, and serves at the will of, the City Council; and

WHEREAS, the City Manager Employment Agreement, effective December 9, 2013, calls for the City Council to evaluate the City Manager yearly during the term of agreement, and provides for performance based compensation at the sole discretion of the City Council; and

WHEREAS, the City Manager has offered to forego the cost of living adjustment provided for in the Employment Agreement Section 7 B; and

WHEREAS, the City Council finds the City Manager performance to be (TBD based on evaluation) and determines that it is in the best interests of the City of Colfax to adjust the manager compensation (TBD based on evaluation).

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Colfax the City of Colfax as follows

1. The foregoing recitals are true and correct statements of fact and are incorporated into this Resolution by this reference.
2. The Mayor, City Attorney and Finance Director are authorized to execute on behalf of the City the determined adjustment to the compensation.
3. The City is authorized to appropriate and expend all City funds needed to perform the City's obligations under the attached Employment Agreement dated December 9, 2013.

PASSED AND ADOPTED at the Regular Meeting of the City Council of the City of Colfax held on the 13th day of January, 2016 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Parnham, Mayor

ATTEST:

Lorraine Cassidy, City Clerk

EMPLOYMENT AGREEMENT FOR CITY MANAGER

THIS EMPLOYMENT AGREEMENT (“AGREEMENT”), is made and entered into effective the 9th day of December 2013 (the “Effective Date”), by and between the City of Colfax, a California municipal corporation and general law city (the “City”) and Mark A. Miller (“City Manager”), both of whom understand and agree as follows:

RECITALS

This Agreement is made with respect to the following facts:

A. The City wishes to employ Mark A. Miller as its City Manager, subject to the following terms and conditions and consistent with applicable laws of the State of California and City ordinances; and

B. Mark A. Miller desires to accept employment by the City as its City Manager, subject to the following terms and conditions and consistent with applicable laws of the State of California and City ordinances.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the mutual promises, terms and conditions of this Agreement, the City and City Manager agree as follows:

Section 1. Employment.

The City hereby employs Mark A. Miller as City Manager to perform the duties and functions identified in Colfax Municipal Code Title 2, Chapter 2.08, and other duties and functions as the Mayor and/or the City Council assign either orally or in writing to the City Manager. Mark A. Miller hereby accepts employment as City Manager subject to the terms and conditions of this Agreement and agrees (1) to devote his full time, attention and energies to performing all such duties and functions in a professional and ethical manner to the best of his skill and ability and (2) to use his best efforts to promote and advance the interests of the City. City Manager shall have the authority to execute contracts on behalf of and bind the City for amounts up to and including \$5,000 per contract. With this exception, City Manager agrees that he has no authority to bind the City or any of its elected or appointed officials or commit the City to any course of action without the duly authorized written consent of the Mayor and/or the City Council. City Manager acknowledges that the position of City Manager is a position of high visibility before the public and agrees that he shall conduct himself before the public and City staff, both during and outside of regular working hours, in a manner that reflects favorably on the City.

Section 2. No Other Employment.

City Manager agrees not to undertake any other employment during the term of this Agreement that will diminish the number of hours he has available to lawfully work for the City. City Manager further agrees to confer with the Mayor and/or the City Council or a designated

subcommittee thereof before undertaking any projects for organizations other than the City which may require a time commitment by City Manager that may diminish the number of hours he has available to lawfully work for the City.

Section 3. Employment Agreement Controls.

In the event of any conflict or ambiguity between the terms of this Agreement and the Colfax Municipal Code Title 2, Chapter 2.08, the terms of this Agreement shall control.

Section 4. At-Will Employment.

A. This Agreement is effective December 9, 2013 and shall automatically renew from year to year unless and until it is terminated by either party as hereinafter provided. City Manager agrees that he serves at the pleasure of the City. Either the City or City Manager may, consistent with the provisions of Section 5 of this Agreement, terminate this Agreement and the relationship created hereby at any time for any reason with or without good cause or prior notice.

B. Notwithstanding any other provision of this Agreement or of the Colfax Municipal Code, City Manager shall not be removed from office, except for Good Cause as defined in Section 5 C (iii) below, during or within a period of 30 days prior and 90 days immediately succeeding any general or special election held in the City at which a member of the City Council is elected, or within a period of 90 days immediately after a new member of the City Council is appointed. In this regard, Colfax Municipal Code Title 2, Chapter 2.08, Section 2.08.040 in effect as of the Effective Date is expressly made applicable to City Manager.

Section 5. Termination of Agreement.

A. City Manager may terminate this Agreement and resign as City Manager at any time, for any reason, upon three months prior written notice to the City. Upon receipt of written notice from City Manager, the City may elect to immediately remove City Manager from his position as City Manager or to allow City Manager to remain as City Manager for all or any part of the three month notice period. If the City removes City Manager from his position as City Manager prior to the expiration of the three month notice period, the City will pay City Manager an amount equal to the salary and benefits that City Manager would have received if he had remained in the City Manager position until the expiration of the three month notice period, less legally required withholdings. If the City advises City Manager that he should continue to perform his duties and functions as City Manager during the three month notice period, and City Manager fails to do so, City Manager will receive no salary or benefits after the last date on which he actually performs his City Manager duties and functions.

B. If the City elects to terminate this Agreement and City Manager's employment without Good Cause as defined in Section 5 C (iii) of this Agreement ("Good Cause"), then as of the effective date of termination the term of this contract shall be deemed to have a then remaining duration of three months. The City will pay City Manager for all earned pay and accrued, unused vacation benefits up to but not including the effective date of termination, less legally required withholdings.

- C. (i) If the City elects to terminate this Agreement for Good Cause, it will pay City Manager for all earned pay and accrued, unused vacation benefits at the time it notifies City Manager of the termination decision, less legally required withholdings. City Manager will be entitled to no pay or benefits after the date that the City notifies him that this Agreement and his employment by the City are being terminated for Good Cause. If the City elects to terminate this Agreement with Good Cause, it will provide City Manager with a brief, written explanation for that decision sent to City Manager's last known home address. City Manager shall have no right to be heard publicly by the City Council prior or subsequent to a final vote on his termination and hereby waives any right to be heard publicly under any provision of the Colfax Municipal Code or otherwise. City Manager shall have the right to meet with the City Council in closed session for the purpose of discussing the basis for his proposed termination for Good Cause prior to a final vote on his termination for Good Cause. In order to exercise that right, he must provide a written request to meet in closed session to the Mayor of the City within fifteen days of the effective date of his termination for Good Cause. Failure to timely provide such written notice shall constitute a waiver of the right to be heard.
- (ii) If the City Council proposes to terminate this Agreement and City Manager's employment for Good Cause, the City Council may consider granting City Manager, upon City Manager's written request, the opportunity to cure the proposed reason for termination within a thirty (30) business day period after City Manager is advised of the reason the City Council is considering termination of this Agreement and City Manager's employment.
- (iii) For purposes of this Section 5, "Good Cause" includes without limitation, as determined in the sole discretion of the City, any of the following: (1) neglect of or failure to adequately perform the essential duties or functions of City Manager, (2) insubordination, (3) dishonesty, (4) embezzlement, (5) violation of Federal, State or local requirements pertaining to conflict of interest, (6) appearance of a conflict of interest, (7) conviction of a criminal act, other than minor traffic violations or similar offenses, which is likely to have a material adverse impact on the City or City Manager's reputation, (8) involvement in any act involving moral turpitude that would compromise City Manager's effective performance as City Manager, (9) taking a position adverse to the interests of the City without the City's prior written consent, (10) violation of any fiduciary duty owed to the City, (11) proven failure of City Manager to observe or perform any of his duties and obligations under this Agreement or (12) inability to perform the essential duties and functions of the City Manager position as referred to in Section 6 of this Agreement.
- (iv) If termination of this Agreement is the result of the death of City Manager, the City shall pay all salary and benefits due up to and including City Manager's date of death to City Manager's legal heir(s).

D. In the event this Agreement is terminated by the City or City Manager for any reason, the City and City Manager agree that neither party shall make any written or oral statements to members of the public, the press, or any City employee concerning City Manager's termination except in the form of a joint press release or statement which is mutually agreeable to both parties. The joint press release or statement shall not contain any text or information that is disparaging to the City or City Manager. Either party may orally repeat the substance of the joint press release or statement in response to any inquiry.

Section 6. Inability To Perform Essential Duties and Functions.

City Manager agrees that if he is unable to perform the essential duties and functions of the City Manager position for any reason for more than 60 consecutive calendar days, the City may terminate this Agreement. If the City elects to terminate this Agreement based on City Manager's inability to perform the essential duties and functions of the City Manager position, it will so advise City Manager in a writing sent to City Manager's last known home address. At the time the City provides such notice, it will pay City Manager for all earned pay and accrued, unused vacation benefits, less legally required deductions. Once said amounts have been paid, all financial obligations between City and City Manager shall cease.

Section 7. Compensation

A. Base Compensation

The City agrees to pay City Manager for the performance of his duties and functions an initial compensation of \$100,000.00 per year of service under this Agreement. City Manager's salary will be paid in installments at the same time that other employees of the City are paid, prorated for any partial month of service. The City shall have the right to increase City Manager's base annual salary at any time. Any adjustment to City Manager's salary must be authorized in writing by the City. City Manager shall not be entitled to receive payment or credit for, and the City shall not pay or credit City Manager for, overtime, compensated time off in lieu of overtime or other compensation except as expressly provided in this Agreement. City Manager acknowledges that the position of City Manager is exempt from the provisions of the Fair Labor Standards Act (FLSA).

B. Annual Cost Of Living Adjustment.

On each annual anniversary date of this Agreement (the "Adjustment Date"), and provided that City Manager remains employed by the City, the City Manager's annual salary shall increase by the increase in the Consumer Price Index (CPI), calculated as follows. The base for computing the annual salary adjustment is the Consumer Price Index, All Urban Consumers, All Items, For The San Francisco Bay Area, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index") which is in effect on the Effective Date.(the "Beginning Index"). The Index published most immediately preceding the Adjustment Date in question ("Extension Index") is to be used in determining the amount of the adjustment. If the Extension has increased over the Beginning Index, the increase in the City Manager's salary shall be set by multiplying the City Manager's gross annual salary immediately prior to the

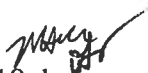

Adjustment Date by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall the City Manager's salary be decreased. If the CPI is discontinued by the Bureau of Labor Statistics, the Index designated by the Bureau of Labor Statistics as replacing the CPI shall be used. The CPI increase provided for in this paragraph shall be in addition to any other salary or benefit increase the City Council may authorize.

C. Performance Based Bonus

If the City Council, in its sole discretion, concludes that City Manager has performed satisfactorily as City Manager, the City may award the City Manager a performance based bonus of not more than 10% of his then base compensation, prorated on an annual basis, which bonus may be paid to City Manager in the form of additional salary, additional benefits, or in such other manner as City Manager and the City Council agree. Annual bonuses paid pursuant to this Section shall not, unless otherwise specified in writing, constitute or create an increase in City Manager's base compensation.

Section 8. Benefits.

During the term of this Agreement and his employment hereunder, City Manager shall be entitled to receive the following benefits on the same terms and conditions as other City department heads:

- A.  Vacation: 10 days per year, accrued at the rate of 6.1538 hours per month commencing on the Effective Date with a beginning balance of 40 hours. 
- B. Holidays: consistent with the City's holiday policy.
- C. Sick Leave: 8 hours per full month of service for use due to a bona fide illness, off-duty injury or confinement for medical treatment. City Manager's maximum accrual of sick leave shall be as provided to other City employees.
- D. Bereavement Leave: consistent with the City's policy.
- E. Health Plan. Employee and Employee's qualified dependents shall be eligible to participate in Employer's sponsored health plan. The Employer shall pay up to \$800 toward medical insurance each month, prorated for any partial month of employment. Any and all monthly premium payments in excess of \$800 shall be paid by the Employee and shall be deducted from the Employee's paycheck as a pre-tax deduction as allowed by applicable law. Employee shall be permitted, at Employee's election, to receive \$400 per month in lieu of medical insurance.
- F. Pension: On the same basis as other department heads employed by the City.
- G. Compensated Time Off / Administrative Time: On the same basis as other department heads employed by the City.

H. Other benefits on the same basis as department heads employed by the City.

Section 9. Automobile

City Manager understands that the City does not provide a vehicle for City Manager's use and that City Manger shall be required to use his privately owned vehicle on City business. City Manager shall be reimbursed for mileage actually driven on City business at the IRS standard mileage rate per City business mile driven, as such mileage rate may be adjusted from time-to-time. At all times during this Agreement, City Manager shall keep and maintain a policy of comprehensive automobile insurance (Bodily Injury and Property Damage) on owned, leased and non-owned vehicles used in connection with City business of no less than \$500,000 combined single limit per occurrence. Proof of such insurance shall be provided to the City's risk manager. The City Manager's insurance coverage shall be primary as respects the City, its officers, agents, employees and volunteers. Any insurance kept or maintained by the City, its officers, agents, employees and volunteers shall be excess of City Manager's and shall not contribute with it.

Section 10. Performance Evaluations

The City Council shall review and consider City Manager's performance as City Manager as close as reasonably possible to the beginning of each year while this Agreement, or any renewal or extension of this Agreement, remains in effect. The review shall be discussed with City Manager and reduced to writing, and shall only cover the annual period of performance being reviewed.

Section 11. Confidential Information.

City Manager agrees that he will not reveal any confidential information about the City or City employees that he learns while performing the duties and functions of City Manager.

Section 12. City Property.

City Manager agrees that all materials, regardless of their form, that he receives, creates or produces in connection with this Agreement and/or his employment as City Manager are and will remain the exclusive property of the City. City Manager will immediately deliver all originals and all copies of such materials that are in his possession or control to the City upon termination of this Agreement or upon any request from the Mayor and/or the City.

Section 13. Assistance in Litigation.

City Manager agrees that he will furnish information and proper assistance to the City as it may reasonably require with any litigation in which it is or may become involved, either during or after the termination of this Agreement. City Manager further agrees that he will not discuss, reveal or convey any information or documents pertaining to the City to any person or entity, or to any attorney for or representative of any person or entity, with actual or potential claims adverse to the City except pursuant to duly issued legal process or as otherwise authorized by the

City. City Manager agrees to notify the City immediately upon receipt of any legal process pertaining to the City.

Section 14. Alternative Dispute Resolution

(a) City Manager and the City agree that if a dispute arises from or relates to this Agreement, to City Manager's employment as City Manager or his termination or resignation from that position, or to the amount of pay or benefits which City Manager is owed, then before resorting to mediation, arbitration or other legal process, City Manager and a committee of two elected City Council members appointed by the Mayor and approved by a majority of the City Council shall first meet and confer and attempt to amicably resolve any such dispute subject to the following provisions. Any party desiring to meet and confer shall so advise the other party pursuant to a written notice. Within 30 days after provision of that written notice by the party desiring to meet and confer, City Manager and a committee of two elected City Council members appointed by the Mayor and approved by a majority of the City Council shall meet in person and attempt to amicably resolve their dispute. If any dispute remains unresolved at the end of the meeting, any party to this Agreement shall have the right to invoke the mediation process provided for in sub-Section 14 (b) below. Any resolution shall be subject to approval by a majority of the City Council.

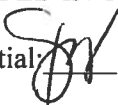
(b) Subject to the provisions of sub-Section 14 (a), any dispute that remains unresolved after the meet and confer shall immediately be submitted to non-binding neutral mediation before a mutually acceptable, neutral retired judge or justice at the nearest office of the Judicial Arbitration and Mediation Service (JAMS). If within five days after the meet and confer the parties are unable to agree upon the selection of a neutral mediator, then the first available retired judge or justice at the nearest office of JAMS shall serve as the neutral mediator. The parties agree to commit to at least one full day to the mediation process. Additionally, to expedite the resolution of any dispute that is not resolved by mediation, the parties agree to each bring to the neutral mediation a list of at least five neutral arbitrators, including their resumes, whose availability for an arbitration hearing within 30 days after the mediation has been confirmed.

(c) If mediation is unsuccessful, then before the mediation concludes, the parties shall mediate the selection of a neutral arbitrator to assist in the resolution of their dispute. If the parties are unable to agree on an arbitrator, the parties shall submit selection of an arbitrator to the mediator, whose selection of an arbitrator shall be binding on the parties. In that case, the mediator shall select a neutral arbitrator from the then active list of retired judges or justices, other than himself/herself, at the nearest office of the Judicial Arbitration and Mediation Service (JAMS). The arbitration shall be conducted pursuant to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure or pursuant to such other process as the City and City Manager may agree. In either case, the provisions of Code of Civil Procedure Section 1283.05 and 1283.1 shall apply and are hereby incorporated into this Agreement. The award of the arbitrator shall be subject to the provisions of the California Arbitration Act, sections 1280-1294.2 of the California Code of Civil Procedure. The City shall pay the costs incurred with JAMS for the arbitration. The arbitration hearing shall last as long as is reasonably necessary for the arbitrator to decide all issues in dispute. Both parties shall be allowed to present to the arbitrator all legal and equitable claims available to them under law.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL.

BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SECTION 14. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THIS AGREEMENT TO ALTERNATIVE DISPUTE RESOLUTION AS PROVIDED IN THIS SECTION 14.

City Initial: 

City Manager's Initials: 

Section 15. Indemnification

This section was intentionally omitted.

Section 16. Governing Law.

This Agreement will be construed and enforced in accordance with the laws of the State of California.

Section 17. Headings.

The headings used in this Agreement are provided for convenience only and may not be used to construe meaning or intent.

Section 18. Assignment.

Neither this Agreement nor any interest in this Agreement may be assigned by City Manager without the prior express written approval of the City.

Section 19. Severability.

If any provision or portion of this Agreement is held to be invalid or unenforceable, this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable provision(s) or portion(s) had never been included.

Section 20. Notices.

Notices pursuant to this Agreement shall be given in writing and shall be deemed given when personally served upon the person to whom addressed or when mailed by certified or

registered mail and deposited with the United States Postal Service, postage prepaid and addressed as follows:

City: Mayor, City of Colfax
P.O. Box 702
33 S. Main Street
Colfax, CA 95713

City Manager:

Mark Miller
426 Jordan Street
Nevada City, CA 95959

Section 21. Modification.

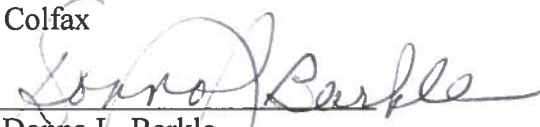
This Agreement may only be modified in a writing signed by the City and the City Manager.

Section 22. Entire Agreement.

This Agreement supersedes any and all other agreements, either oral or in writing, and contains all agreements between City Manager and the City regarding his employment as City Manager. City Manager and the City agree that no representations, inducements, promises or agreements, oral or otherwise, have been made to either party, or anyone acting on behalf of either party, which are not stated herein, and that no agreement, statement, or promise not contained in this Agreement will be valid or binding on either party.


City of Colfax

By:



Donna L. Barkle
Mayor, City of Colfax


Mark A. Miller
City Manager

ATTEST:


Karen Pierce
City Clerk

Approved As To Form


Alfred A. Cabral
City Attorney