



# CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR STEVE HARVEY • MAYOR PRO TEM TONY HESCH  
COUNCILMEMBERS KIM DOUGLASS • MARNIE MENDOZA • WILL STOCKWIN



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## REGULAR MEETING AGENDA

February 22, 2017

Closed Session 6:30 PM – Regular Session 7:00 PM

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### 1) CONVENE CLOSED SESSION

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- 1A. **Call Closed Session to Order**
- 1B. **Roll Call**
- 1C. **Public Comment – Closed Session Items**
- 1D. **Closed Session Agenda**  
Conference With Legal Counsel - Anticipated Litigation pursuant to Government Code Section 54956.9(d)(4), one case
- 1E. **Report from Closed Session**

### 2) OPEN SESSION

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- 2A. **Call Open Session to Order**
- 2B. **Pledge of Allegiance**
- 2C. **Roll Call**
- 2D. **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) PRESENTATION

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- 3A. **Amendment to Sierra Valley Energy Authority Agreement**  
Jenine Windeshausen, Placer County Treasurer/Tax Collector  
**Recommendation:** Adopt Resolution 05-2017 authorizing the execution and delivery of an amended and restated Joint Exercise of Powers Agreement for the Sierra Valley Energy Authority.
- 3B. **City of Colfax Audit Reports as of June 30, 2016**  
Ingrid Sheipline (Richardson and Co.), Auditor  
**Recommendation:** Receive Audit Reports as of June 30, 2016 – discuss and approve as appropriate.

### 4) CONSENT CALENDAR

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*Matters on the Consent Agenda are routine in nature and will be approved by one blanket motion with a Council vote. No discussion of these items ensues unless specific items are pulled for discussion and separate action. 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 January 25, 2017**  
**Recommendation:** Approve the Minutes of the Regular Meeting of January 25, 2017.
- 4B. **Minutes - City Council Special Workshop Meeting January 25, 2017**  
**Recommendation:** Approve the Minutes of the Special Workshop Meeting of January 25, 2017.
- 4C. **Cash Summary Report – December 2016**  
**Recommendation:** Accept and File.
- 4D. **Quarterly Investment Report – December 2016**  
**Recommendation:** Accept and File



- 4E. **Placer County Transportation Planning Agency Funding claims and agreements**  
**Recommendation:** Adopt Resolution 06-2017 to submit claims to the Placer County Transportation Planning Agency for the City of Colfax's Article 8 Local Transportation Funds and Article 6.5 State Transit Assistance Funds for FY2016-2017.
- 4F. **Council Committee Assignments 2017**  
**Recommendation:** Review and Approve City Council Committee Assignments for 2017.
- 4G. **2016 Building Report**  
**Recommendation:** Accept and File

**5) PUBLIC COMMENT**

*Members of the audience are permitted to address the Council on matters of concern to the public within the subject matter jurisdiction of the City Council that are not listed on this agenda. Please make your comments as brief as possible; not to 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.*

**6) 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.*

- 6A. **Committee Reports and Colfax Informational Items - All Councilmembers**
- 6B. **City Operations Update – City staff**
- 6C. **Additional Reports – Agency partners**

**7) COUNCIL BUSINESS**

- 7A. **Mid year Budget Review**  
**STAFF PRESENTATION:** Laurie Van Groningen, Finance Director  
**RECOMMENDATION:**
- 7B. **CDBG Update**  
**STAFF PRESENTATION:** John Schempf, City Manager; Laurie Van Groningen, Finance Director  
**RECOMMENDATION:** Verbal Report for information only
- 7C. **Ordinance 532 – Adopting Provisions and Procedures for Administrative Fines**  
**STAFF PRESENTATION:** Mick Cabral, City Attorney  
**RECOMMENDATION:** Introduce the proposed ordinance by title only, waive the first reading and schedule a public hearing, second reading and adoption at the March 8, 29176 regularly scheduled Council meeting, to be effective 39 days thereafter.

**8) ADJOURNMENT**

I, Lorraine Cassidy, City Clerk for the City of Colfax declare that this agenda was posted at Colfax City Hall and the Colfax Post Office. The agenda is also available on the City website at [www.Colfax-ca.gov](http://www.Colfax-ca.gov).



Lorraine Cassidy, City Clerk

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 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.  
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# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE FEBRUARY 08, 2017 COUNCIL MEETING

**FROM:** John Schempf, City Manager  
**PREPARED BY:** Jenine Windeshausen, Placer County Treasurer/Tax Collector  
**DATE:** February 15, 2017  
**SUBJECT:** Amendment to Sierra Valley Energy Authority Agreement

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**RECOMMENDED ACTION:** Adopt Resolution 05-2017 authorizing the execution and delivery of an amended and restated Joint Exercise of Powers Agreement for the Sierra Valley Energy Authority.

**BACKGROUND AND ANALYSIS:**

On September 9, 2015, the City Council approved the formation of the Sierra Valley Energy Authority (SVEA) for the purpose of administering the mPOWER program. The SVEA is currently comprised of two voting members, the County of Placer and the City of Colfax. The Agreement provides for Associate Members for the purpose of authorizing and administering the mPOWER program in the jurisdiction of the Associate Members. The Associate Members do not have representation on the Board and do not have voting rights. Non-voting members include Nevada and Sacramento Counties, the Cities of Grass Valley, Nevada City, Folsom and the Town of Truckee.

On July 12, 2016, the Placer County Board of Supervisors adopted an ordinance authorizing the implementation of a CCA Program in Placer County and the development of a draft joint powers of authority agreement. At this meeting, the Board of Supervisors also authorized a budget revision in the amount of \$1,391,526 for the implementation of a CCA Program, based on a financing plan approved by the Board of Supervisors on June 21, 2016, which provides for the County to be reimbursed the cost of implementing a CCA, contingent upon the implementation of a CCA program. Based on recommendation by County staff, the Board also authorized that the eligible cities of Rocklin, Lincoln, Auburn, Colfax and the Town of Loomis be invited to participate in the CCA program.

CCA Implementation Update

Staff and consultants have worked diligently on implementation of a CCA Program since the Board provided authorization and direction in the summer of 2016. Progress to date includes, but is not limited to:

- Executing agreements with energy industry professionals to develop energy load profiles and energy supply portfolios
- Developed a community outreach and information plan and contracted with a professional researcher to conduct focus groups and surveys to understand community needs and priorities related to electricity demand
- Entered into discussions and negotiations with energy suppliers
- Developed staffing and outsourcing plans
- Initiated the development of job description and compensation structures
- Reviewed contract proposals for outsourced activities
- Conducted a property search for location of the CCA program

- Engaged with CCA industry professionals regarding regulatory, legislative, and technical issues. Representatives include:
  - Staff from operational and implementing CCAs
  - CPUC representatives
  - CAISO representatives
- Development of policies for consideration by the CCA board, including employment policies and energy portfolio risk management policies
- Development of regulatory required documents
- Met with representatives from the cities of Rocklin, Lincoln, Auburn, Colfax and the Town of Loomis invited them to participate in the CCA program, participated in a number of meetings with representatives from the cities to provide information and respond to questions, and provided presentations to the city councils of Colfax, Lincoln and Rocklin

### CCA Implementation Next Steps

The next steps necessary to implement the CCA is formation of the entity with the responsibility of administering the CCA. Under AB 117 and Government Code Section 6500 et. Seq. cities and counties are authorized to establish joint powers authorities for the purpose of aggregating and serving electric load to customers within their collective jurisdictions. Staff is recommending that the Sierra Valley Energy Authority Joint Exercise of Powers (JPA) Agreement (the “Agreement”) be amended to authorize the implementation of the CCA program within the unincorporated area of Placer County and within the areas of the cities of Rocklin, Lincoln, Auburn, Colfax and the Town of Loomis, subject to each city taking action to become a Voting Members of the Authority.

To continue with the implementation of the CCA program, the Authority must be in place and authorized to take the actions required and necessary for implementation of the CCA program. These actions include finalization of an Implementation Plan and Statement of Intent (the “Plan”.) The Plan is territory specific and must be approved by the board of the CCA before it can be submitted to the California Public Utilities Commission (CPUC) for certification. While a final draft of the Plan is substantially complete, it cannot be completed until the territory to be served is formalized, and the Plan is approved by the Authority Board.

Other actions that can only be carried out under the authority of the CCA entity include:

- Execution of long-term contracts for outsourced services
- Execution of financing documents
- Execution of power purchase contracts
- Approval of required organizational and business policies
- Hiring of employees
- Execution of facilities leases

Upon approval of the Amended and Restated JPA Agreement by the County Board of Supervisors and the Colfax City Council, the Authority will be authorized to conduct and transact business on its own behalf and will be able to add the other eligible cities as Voting Members of the Authority. The Count has placed approval of the Amended and Restated JPA Agreement on its February 21, 2017 Board of Supervisors agenda.

### Amended and Restated Joint Exercise of Powers Agreement

Exhibit A provides a summary of the substantive amendments to the Agreement.

**CEQA AND ENVIRONMENTAL COMPLIANCE**

The actions requested will not result in a direct physical change to the environment or a reasonably foreseeable indirect change to the environment, and thus is not a project as defined by the California environmental quality Act (CEQA) Guideline Section 15378. CEQA Guidelines Section 15378(b)(5) states that a project does not include “Organization or Administrative activities of governments that will not result in direct or indirect physical changes in the environment.” Per CEQA Guidelines Section 15378, there cannot be a project unless the proposed action will result in “either a direct physical change in the environment, or a reasonably foreseeable indirect physical changes in the environment.”

**FISCAL IMPACT**

There is no fiscal impact to the City of Colfax related to this action. Previously, the Board of Supervisors approved the financing plans on June 21, 2016, which included an allocation for implementation costs and also called for the Authority to reimburse the County for implementation costs

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**ATTACHMENTS:**

1. Resolution 05-2017
2. Exhibit A, Summary of Substantive Amendments to the Joint Exercise of Powers Agreement for the Sierra Valley Energy Authority

# City of Colfax

## City Council

Resolution № 05-2017

### **AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SIERRA VALLEY ENERGY AUTHORITY**

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**Whereas**, the City of Colfax is duly incorporated in the State of California, organized and existing pursuant to the constitution and laws of the State; and

**Whereas**, the County of Placer (the County) and the City of Colfax (the City) have formed a joint powers authority under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the Joint Powers Law, for the purpose of providing assistance to the County and the City, and any other public agencies that become members of the joint powers authority from time to time, in accordance with the Agreement (as defined below) (collectively, the Members) with the development and implementation of public and private sector energy and resource development and conservation programs under which local water energy and economic development needs and goals will be determined, and infrastructure programs will be planned, developed and administered, and with the financing and refinancing of capital improvement projects of the Members and the financing of working capital for the Members; and

**Whereas**, the County and the City desire to approve and deliver an Amended and Restated Joint Exercise of Powers Agreement for the Authority for the purpose of providing for local control of energy resources, the adoption of programs to foster economic development, energy efficiency, and resource conservation, and to further define and describe the scope of powers to be exercised by the Authority; and,

**Whereas**, cities and counties have the power under California law to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, by providing a Community Choice Aggregation Program, pursuant to California Public Utilities code Sections 331.1 and 366.2; and,

**Whereas**, Cities and counties have the power under California law to enter into voluntary contractual assessments with property owners to provide financing for the installation of authorized improvements within their jurisdictions by providing Property Assessed Clean energy (PACE) Programs pursuant to Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code; and,

**Whereas**, the County and the City would like to provide the opportunity for eligible cities to participate in the Community Choice Aggregation Program and the PACE Program; and,

**Whereas**, to these ends, the City Council of the City of Colfax wishes at this time to approve the execution and delivery of the Amended and Restated Joint Exercise of Powers Agreement (the Agreement) for the Sierra Valley Energy Authority (the Authority) by and between the County and the City and those cities who take the actions necessary to become a Voting Member under the Agreement; and,

**Now, Therefore, Be It Resolved and Declared** by the City Council of the City of Colfax, as follows:

SECTION 1. The Council hereby specifically finds and declares that the actions authorized hereby constitute, and are with respect to, public affairs of the City, and that the statements, findings and determinations of the City are set forth in the recitals above and of the documents approved herein are true and correct.

SECTION 2. Amendment and Restatement of the Joint Exercise of Powers Agreement for the Sierra Valley Energy Authority. The City Council hereby approves the Amended and Restated Agreement of the Authority under the Joint Powers Law, in the form on file with the City Clerk. The Mayor is authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the Agreement in the name and on behalf of the City.

SECTION 3. Authorization to Make Necessary Filings. The firm of Jones Hall, A Professional Law Corporation, is hereby authorized and directed to cause to be prepared, executed and filed any and all reports, statements and other documents as may be required in order to implement the Amendment and Restatement of the Authority.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its passage and adoption by both the County and the City.

**The Foregoing Resolution was Duly and Regularly Adopted** at a regular meeting of the City Council of the City of Colfax held on the 22<sup>nd</sup> day of February 2017 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Steven Harvey, Mayor

ATTEST:

\_\_\_\_\_  
Lorraine Cassidy, City Clerk

## Exhibit A

**AMENDED AND RESTATED JOINT EXERCISE OF POWERS  
AGREEMENT FOR THE SIERRA VALLEY ENERGY AUTHORITY**

THIS Amended and Restated Joint Exercise of Powers Agreement (hereafter “Agreement”) amends and restates the Joint Exercise of Powers Agreement for the SIERRA VALLEY ENERGY AUTHORITY, (hereafter “Authority”) originally entered as of September 9, 2015, (the “Original Agreement”) which was by and between the COUNTY OF PLACER, and the CITY OF COLFAX, both public entities of the State of California. By this amendment and restatement it becomes a Joint Exercise of Powers Agreement by and between the COUNTY OF PLACER, the CITY OF COLFAX and the cities of Rocklin, Lincoln, Auburn and the town of Loomis within the County of Placer who become signatories to this Agreement ( “Voting Members”), as well as those local agencies that become signatories to this Agreement as Associate Members, and relates to the joint exercise of powers among all of the signatories hereto either as Voting Members or Associate Members (hereafter collectively referred to as the “Members”).

**RECITALS:**

- A. Whereas, each of the Members has a vested interest in the economic well-being of its respective jurisdiction and the region as a whole as well as energy efficiency and clean energy growth and development;
- B. Whereas, the Members desire to enter into this Agreement to provide for local control of energy resources, the adoption of programs to foster economic development, energy efficiency, and resource conservation, and to further define and describe the scope of powers to be exercised by the Authority;
- C. Whereas, the Members share various powers under California law, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with property owners to provide financing for the installation of authorized improvements within their jurisdictions;
- D. Whereas, the purposes for entering into this restated Agreement include, but are not limited to:
  - 1) Providing electric power and other forms of energy to customers at a competitive cost;
  - 2) Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources and the overall power supply portfolio.
  - 3) Carrying out programs to reduce energy consumption;
  - 4) Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
  - 5) Reducing greenhouse gas emissions related to the use of electric power and other forms of energy in Placer County and neighboring regions;

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- E. Whereas, it is the intent of this Agreement to promote the development and use of a wide range of energy sources and energy efficiency programs, including but not limited to hydroelectric, biomass, landfill gas, conversion of waste-to-energy, solar, and wind energy production;
- F. Whereas, Pacific Gas and Electric and Liberty Energy are the investor owned providers of retail electric service throughout the Voting Member jurisdictions and a Community Choice Aggregator is authorized to aggregate electrical load served by such investor owned providers within its members' jurisdiction. Each of the Voting Members must adopt an ordinance electing to implement through the Authority a common Community Choice Aggregation pursuant to California Public Utilities Code Sections 331.1(b) and 366.2(12)(A).

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the Members hereto agree to establish a joint powers authority as follows:

Section 1. Authority for this Joint Exercise of Powers Agreement

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of power common to the counties and public agencies and other powers specified therein (hereinafter the "Act"). Under Sections 6505 and 6507 of the Act, the Authority is a public agency separate from its Members. As provided by Section 6508.1 of the Act, and Section 12 hereof the debts, liabilities or obligations of the Authority shall not be the debts, liabilities or obligations of the individual Members, unless the governing body of a Member agrees in writing to assume any of those debts, liabilities or obligations.

The Members are each empowered by the laws of the State of California to exercise, in their respective jurisdictions, the powers set forth herein, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with properties owners for authorized improvements within their jurisdictions.

Section 2. Purpose of Agreement

The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to the Members and other powers granted to the Authority under the Act, to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, to exercise all other powers necessary and incidental to accomplishing these purposes, and to provide a Community Choice Aggregation (hereinafter "CCA") Program, pursuant to California Public Utilities Code Sections 331.1 and 366.2, and as further described in Section 10.

Without limiting the generality of the foregoing, the Members also intend for this Agreement to be used as a mechanism by which non-voting Associate Members may authorize the Authority to provide Property Assessed Clean Energy ("PACE") Programs pursuant to Chapter 29 of the

## Exhibit A

Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code. The Members intend that other agreements with Associate Members shall define the terms and conditions associated with the implementation of the CCA Program, the PACE Program, and any other energy programs approved by the Authority within the territorial jurisdiction of such Associate Members. As of the Effective Date of this Agreement, the Associate Member include County of Nevada, County of Sacramento, City of Grass Valley, City of Folsom, City of Nevada City and Town of Truckee. The Authority may provide PACE Programs pursuant to Chapter 29 within the boundaries of each Voting Member without any further action by such Voting Members.

### Section 3. Effective Date and Term

This Agreement shall be effective as an amendment and restatement of the Original Agreement, and the Authority shall continue to exist as a separate public agency under the terms of this Agreement upon execution by the County of Placer and the City of Colfax. This Agreement shall be in full force and effect until terminated in the manner herein provided, subject to the rights of the Members to withdraw from the Authority.

### Section 4. Powers

The Authority shall have all powers common to the Members, and such additional powers accorded to it by law, including the power to develop and implement comprehensive energy and resource development and conservation programs, as described herein. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (CEQA). As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the County of Placer.

The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 5C and Section 8:

- A. to make and enter into contracts;
- B. to employ agents and employees, including but not limited to an Executive Director;
- C. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;
- D. to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- E. to lease any property;

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- F. to sue and be sued in its own name;
- G. to incur debts, liabilities, obligations and to issue bonds, and to make and enter into agreements and other documents of any nature whatsoever as may be necessary or convenient in the exercise of the powers provided under the Act the Marks-Roos Local Bond Pooling Act of 1985, as amended, and other provisions of California law that authorize public agencies to issue bonds and incur indebtedness, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et. seq.;
- H. to form subsidiary or independent corporations or entities, if necessary to carry out energy supply and energy conservation programs and to take advantage of legislative or regulatory changes;
- I. to deposit its money pursuant to Section 6505.5 of the Act and to invest its money which is not required for the immediate use of the Authority, as the Authority determines is advisable in the same manner and upon the same conditions as local agencies, pursuant to Section 53635 of the California Government Code;
- J. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- K. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- L. to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority (“Operating Rules and Regulations”);
- M. to establish and operate a CCA program, and make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program, including the acquisition of electric power supply and the provision of retail and regulatory support services;
- N. to establish and operate one or more Property Assessed Clean Energy (“PACE”) programs pursuant to Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code, and to enter into one or more agreements, including without limitation, participation agreements, implementation agreements and joint powers agreements and amendments thereto to fulfill such programs both within and outside the jurisdictional boundaries of the Authority;
- O. to establish a non-voting “Associate Member” status that provides membership in the Authority to jurisdictions that are outside jurisdictional boundaries of the Authority’s Voting Members, but within whose boundaries a PACE, CCA, or other energy program is established and implemented by the Authority on behalf of the Associate Member. Said jurisdictions shall become Associate Members of

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the Authority by adopting one or more agreements (e.g., the “PACE Agreements” or “CCA Agreements”) on terms and conditions established by the Authority. The rights of Associate Members shall be limited solely to those terms and conditions expressly set forth in the PACE, CCA or other energy program agreements for the purposes of implementing the PACE, CCA or other energy program within the jurisdictional boundaries of the Associate Member. Except as expressly provided for by the PACE, CCA or other energy program agreement, Associate Members shall not have any rights otherwise granted to Authority Members by this Agreement, including but not limited to the right to vote, the right to amend this Agreement and the right to sit on committees or boards established under this Agreement;

- P. to execute agreements for the purpose of authorizing the Authority to implement, manage and administer area-wide and regional programs in the interest of providing energy supply, development of energy generation, energy efficiency, resource conservation, local public welfare and other economically related energy programs. The costs incurred by the Authority in implementing a program, including indirect costs, shall be costs of the Authority and shall not be assessed to the Members, unless approved by the Governing Body of the Member.

#### Section 5. Governance and Internal Organization

- A. **Governing Board.** The governing body of the Authority shall consist of up to seven (7) person Board, consisting of two (2) members of the Placer County Board of Supervisors, and one (1) member each appointed by the Cities of Colfax, Rocklin, Lincoln, Auburn and the Town of Loomis within Placer County that becomes a signatory to this Agreement (“Board Member”).

The Board of Supervisors from Placer County, and the City/Town Councils from the Cities/Town set out above shall respectively appoint such member(s) and not less than one alternate member. The term of office of each Board Member and respective alternate may be terminated at any time by the appointing Board of Supervisors or City/Town Council. The designated alternate shall have authority to attend, participate, and vote at any meeting of the Board whenever the regular member, for whom they are designed to act as an alternate, is absent from the meeting.

- B. **Quorum.** The majority of the members of the Board shall constitute a quorum. No action may be taken by the Board unless a quorum is present, except that less than a quorum may adjourn a meeting from time to time.
- C. **Powers and Function of Board.** The Board will exercise governance, policy guidance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. Action by the Authority Board will be taken by majority vote of the Board Members present. However, as described in Section 8, upon request of a Board Member, a weighted vote by shares will be conducted.

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- D. Chairperson. The Chairperson and Vice Chairperson of the Board shall be selected by the Board from its members. The term of office of the Chairperson and Vice Chairperson shall each be one calendar year.
- E. Secretary. The Board shall appoint a Secretary to the Board who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.
- F. Meetings. All meetings of the Board shall be held subject to the provisions of the Ralph M. Brown Act, Division 2, Chapter 9 of the California Government Code (hereafter, the "Brown Act"). The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.
- G. Bylaws. The Board shall adopt bylaws for the conduct of business that shall not be inconsistent with the provisions of this Agreement, and the laws of the State of California.
- H. Board Member Compensation. Board Members shall serve without compensation from the Authority. However, Board Members may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Board Members.

Section 6. Executive Director and Other Staff

- A. Executive Director. The Board shall appoint an Executive Director for the Authority, who shall be responsible for the day-to-day operation and management of the Authority. The Executive Director may exercise all powers of the Authority, except the powers specifically set forth in Section 4, or those powers that by law must be exercised by the Board. The Executive Director shall hire and supervise any Authority employees or consultants.
- B. Executive Director Reports to the Board. The Executive Director shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Board on the operations of the Authority during the preceding fiscal quarter. The Bylaws shall specify the information to be included in the Executive Director's reports.
- C. Services Providers. The Executive Director may appoint one or more services providers to serve as the Authority's agent(s) for planning, implementing, operating and administering the PACE Program, the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written

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agreement between the Authority and the appointed administrative services provider or providers (a “Services Agreement”). The appointed services provider may be one of the Voting Members. A Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the PACE Program, the CCA Program and other approved programs. The Services Agreement shall set forth the term of the Agreement and the circumstances under which the Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the PACE Program, the CCA Program or any other program.

- D. Independent Monitor. The Board may appoint or contract for the services of an independent monitor to review programs operated by the Authority and to report to the Board.
- E. Advisory Commissions, Boards or Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees.

#### Section 7. Treasurer and Auditor-Controller

The Placer County Treasurer shall act as the Treasurer for the Authority. The Treasurer shall be the depository of the Authority and shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The duties and obligations of the Treasurer are further specified in Section 9. The Auditor-Controller of the County of Placer shall be the Auditor-Controller of the Authority and shall make or contract with a certified public accountant to make an annual audit in compliance with Section 6505 of the Act.

#### Section 8. Special Voting Requirements and Voting Shares

- A. Involuntary Termination or Amendment. Action of the Board on the matters set forth in Section 14A (involuntary termination of a Member), or Section 19 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of the Board Members; provided, however, that for votes to involuntarily terminate a Member under Section 14A, the Board Member(s) for the Member subject to involuntary termination may not vote, and the number of Board Members constituting two-thirds of all Board Members shall be recalculated as if the Voting Member subject to possible termination were not a Voting Member.
- B. Eminent Domain. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least two-thirds

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of all Board Members.

- C. Contributions by Members. The imposition on any Member of any obligation to make contributions or pledge assets as a condition of continued participation in the PACE Program, the CCA Program, or other energy programs shall require a vote of at least two-thirds of all Board Members and the approval of the governing boards of the Members and Associate Members who are being asked to make such contribution or pledge.
- D. Calculation of Voting Shares. If a request for weighted vote is made by any Board Member, each Board Member shall have a voting share determined by Annual Energy Use Divided by Total Annual Energy, multiplied by 100. "Annual Energy Use" means the annual electricity usage, expressed in kilowatt hours ("kWh") within the Member's respective jurisdiction, and "Total Annual Energy" means the sum of all of the Members Annual Energy Use. All measures of kilowatt hours shall be set using the electric load forecast upon which the current annual budget was based. If a Member has more than one Board Member, then the voting shares allocated to the entity shall be equally divided amongst its Board Members.

#### Section 9. Financial Provisions

- A. Fiscal Year. For the purposes of this Agreement, the Authority shall have such fiscal year from July 1 to and including the following June 30.
- B. Depository. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Member or any other person or entity. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Members at all reasonable times. The Board shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.
- C. Expenditures. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.
- D. Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Board in accordance with the Operating Rules and Regulations.
- E. Funding of Initial Costs. The County of Placer has funded certain activities

## Exhibit A

necessary to implement the CCA Program. If the CCA Program becomes operational, these initial costs paid by the County of Placer shall be included in the customer charges for electric services as provided by Section 14 to the extent permitted by law, and the County of Placer shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Placer shall provide such documentation of costs paid as the Board may request. In the event that the CCA Program does not become operational, the County of Placer shall not be entitled to any reimbursement of the initial costs it has paid from the Authority or any Member.

- F. CCA Program Costs. The Members desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

Section 10. Implementation Action and Authority Documents

- A. Each Member shall adopt an ordinance or resolution in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Member intends to implement a CCA Program by and through its participation in the Authority.
- B. Each Member shall adopt a resolution expressing its desire to become a Member to this Agreement, and its intention to have the territory of the Member's jurisdiction included in the service territory of the CCA.
- C. Each Member may adopt a resolution authorizing the implementation of a PACE program within the boundaries of its jurisdiction. The Authority may provide PACE Programs pursuant to Chapter 29 within the boundaries of each Voting Member without any further action by such Voting Members.
- D. Implementation Plan and Statement of Intent. The Authority shall cause to be prepared an Implementation Plan and Statement of Intent meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations. The Implementation Plan and Statement of Intent shall specify the service territory of the CCA to be within the boundaries of the Member jurisdictions that have taken the actions specified in A and B above. The Implementation Plan and Statement of Intent shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 5.

If a City within the boundaries of Placer County adopts an ordinance and resolution pursuant to A and B above, expressing its desire to become a Member

## Exhibit A

to this Agreement subsequent to the filing of the then most recently filed Implementation Plan and Statement of Intent, the Board shall direct the preparation and filing of a new or amended Implementation Plan and Statement of Intent to include the territory of the City as soon as reasonably practicable. The Board may require the City to pay the cost of preparation and submission of the Implementation Plan and Statement of Intent. Upon Public Utilities Commission certification of the new or amended Implementation Plan and Statement of Intent by the Public Utilities Commission, the Board shall take an action to approve the membership of the City. The City shall then be entitled to all rights under this Agreement, including a seat on the Board and voting rights pursuant to Section 5.A and Section 8.

- E. Termination of CCA and PACE Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA or the PACE Program at any time in accordance with any applicable requirements of state law.
- F. Authority Documents. The Members acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Members agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Members' right to withdraw from the Authority as described in Section 14.

#### Section 11. Records and Reports

The Board shall establish reporting requirements and direct staff to maintain such reports, including, but not limited to, funds and accounts as may be required by good accounting practice or by law. All books and records of the Authority shall be open to inspection at all reasonable times by any Member to this Agreement or its representatives. Annual audits of the Authority's accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

#### Section 12. Debts, Liabilities and Obligations

The Authority is a public agency separate from the Members. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Members unless the governing board of a Member agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Member who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Members agree to assume the debt, liability or obligation of the Authority. Should any debt, liability or obligation of the Authority not be waived or allowed payable through assets of the Authority, none of the County or City members shall be liable, except as provided by Government Code sections 895 through 895.8.

#### Section 13. Insurance and Indemnity

The Authority shall acquire and maintain such insurance coverage as is necessary to protect the

## Exhibit A

interests of the Authority, the Members, and the public. The insurance shall also contain a written endorsement to such policy or policies, which names each of the County and Cities as additional insureds. The Authority shall defend, indemnify, and hold harmless the Members, and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

Section 14. Withdrawal

- A. **Right to Withdraw by Voting Member.** A Voting Member may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 12 months advance written notice of its election to do so, which notice shall be given to the Authority and each Voting Member. Withdrawal of a Voting Member shall require an affirmative vote of its governing board.
- B. **Right to Withdraw By Voting Member After Amendment.** Notwithstanding Section 14A, a Voting Member may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Board Member appointed as a Voting Member voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Member shall require an affirmative vote of its governing board and shall not be subject to the twelve month advance notice provided in Section 14A. In the event of such withdrawal, the Member shall be subject to the provisions of Section 15B.
- C. **Continuing Liability; Further Assurances.** A Voting Member that withdraws its participation in the CCA Program may be subject to certain continuing liabilities, as described in Section 15B. The withdrawing Voting Member and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Voting Member from participation in the CCA Program.
- D. **Withdrawal of Associate Member.** The rights of an Associate Member to withdraw from the Authority shall be governed by the applicable PACE Agreement or CCC Agreement.

Section 15. Termination

- A. **Involuntary Termination of a Member.** Participation of a Member in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Member's participation in the CCA Program upon a vote of Board Members as provided in Section 8A. Prior to any vote to terminate participation with respect to a Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to

## Exhibit A

the Member whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Member has allegedly violated. The Member subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Member that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 15B.

- B. Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Member, the Member shall remain responsible for any claims, demands, damages, or liabilities arising from the Member's membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Member shall not be responsible for any liabilities arising after the date of the Member's withdrawal or involuntary termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Member may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Member's load. With respect to such liability, upon notice by an Member that it wishes to withdraw from the program, the Authority shall notify the Member of the minimum waiting period under which the Member would have no costs for withdrawal if the Member agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Member elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Member also shall be responsible for any costs or obligations associated with the Member's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Member. The Authority may withhold funds otherwise owing to the Member or may require the Member to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board, to cover the Member's liability for the costs described above. Any amount of the Member's funds held on deposit with the Authority above amounts not required to pay any liabilities or obligations shall be returned to the Member. The liability of any Member under this section 15B is subject and subordinate to the provisions of Section 12, and nothing in this section 15B shall reduce, impair, or eliminate any immunity from liability provided by Section 12.
- C. Mutual Termination. This Agreement may be terminated by mutual agreement of all the Voting Members; provided, however, the foregoing shall not be construed as limiting the rights of a Associate Member to withdraw its participation in the CCA Program, as described in Section 14A.

## Exhibit A

- D. **Disposition of Property upon Termination of Authority.** Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Voting Members in proportion to the contributions made by each. If no such contributions have been made, then such surplus after payment of all liabilities, costs, expenses, and charges shall be distributed based on the weighted voting shares pursuant to Section 8D. However, no termination of this Agreement shall be effective until the full retirement of any outstanding debt. Any Voting Member may fund the retirement of the debt for the purpose of terminating the Authority.
- E. **Negotiations with Associate Members.** If the Voting Members wish to terminate this Agreement, or if the Voting Members elect to withdraw from the CCA Program following an amendment to this Agreement as provided in Section 14B, but two or more Associate Members wish to continue to participate in the CCA Program, the Voting Members will negotiate in good faith with such Associate Members to allow the Associate Members to become the Voting Members to this Agreement or to effect a transfer of CCA Program operations to another entity.

Section 16. Associate Members

With the approval of the Board, any qualified public agency (as defined by Section 6500 of the JPA law) may become an Associate and non-voting Member of this Agreement. A public agency requesting such membership may apply by presenting to the Authority a resolution of the public agency approving of this form of participation. The date and terms upon which the applying public agency will become an Associate Member will be determined by the Board and set forth in a PACE Agreement or a CCA Agreement.

Section 17. Termination of Powers

The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, and thereafter shall continue to exercise only such powers as to enable it to pay and discharge all costs, expenses, and charges legally incurred hereunder, and to dispose of, divide and distribute any property required as a result of the joint exercise of such powers.

Section 18. Disposition of Assets; Property and Money

Upon termination of this Agreement under Section 14, all costs, expenses, and charges legally incurred by the Authority shall be paid and discharged; and the Authority shall sell such property as may be necessary and shall distribute to the federal or State government such property and funds as are lawfully required; the balance of such property and any surplus money on hand shall be distributed or returned in proportion to contributions made by the affected Members except to the extent otherwise agreed upon by the affected Members.

Section 19. Amendments

## Exhibit A

This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 8. The Authority shall provide written notice to all Members of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments. Any amendment required to add a new Voting Member shall only be executed by the Voting Members. Any amendment required to add a new Associate Member shall only be executed by the new Associate Member and the Authority.

Section 20. Severability

Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions of provisions shall not be affected thereby.

Section 21. Entire Agreement

This Agreement contains the entire agreement between the Members and supersedes all prior understanding between them with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations, oral or written, between or among the Members relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligation under this Agreement be waived, except as provided in Section 19.

Section 22. Counterparts and Effective Date

This Agreement may be executed in counterparts and be as valid and binding as if each Member signed the same copy. A faxed copy of the executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the date the second member has executed the Agreement.

Exhibit A

WITNESS THE AGREEMENT HEREOF the date set opposite our respective entities:

EXECUTED ON

COUNTY OF PLACER, a political  
subdivision

And approved as to form \_\_\_\_\_

By \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

\_\_\_\_\_

EXECUTED ON

CITY OF COLFAX, a Municipal Corporation

And approved as to form \_\_\_\_\_

By \_\_\_\_\_  
Mayor, City Council

ATTEST:

\_\_\_\_\_

## CITY OF COLFAX

## AUDIT PRESENTATION OUTLINE

February 22, 2017

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 recommendations
- Appropriations limit testing report

## Independent Auditor's Report

- Unmodified (clean) opinion

## Financial Statements highlights

- General Fund revenues exceeded expenses by \$377,000, used to establish the operating reserve
- Positive unrestricted/unassigned fund balance in General Fund of \$672,000, in addition to the \$395,000 operating reserve, remained about the same
- General Fund revenues exceeded budget by \$340,000—higher sales taxes
- Unrestricted Sewer Fund reserve increased by \$213,000 to \$1,050,000, including the operating reserve of \$230,000

## Report on Internal Control and Compliance

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

## Governance (required communications) letter

- Significant adjusted audit differences
  - Only financial statement reclassification adjustments needed
- 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
  - Establish funds in accounting system to reflect capital assets and long-term liabilities
  - Council to review and approve investment policy annually

**CITY OF COLFAX, CALIFORNIA**

Audited Financial Statements and Supplemental Information

June 30, 2016



CITY OF COLFAX, CALIFORNIA

Audited Financial Statements and Supplemental Information

June 30, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **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, 2016, 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

## 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 February 1, 2017 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*

February 1, 2017

## 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, 2016. 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 2015-2016 by \$18,823,091 (*Net Position*) which represents an increase of 5.7% or \$1,019,295. These assets are allocated as follows:
  - Net Investment in capital assets - \$15,220,203. Total capital additions for the fiscal year were \$1,101,260.
  - Restricted net position - \$1,571,347. 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 - \$2,031,541. This is an increase of \$538,104 over the previous year. These funds may be used to meet ongoing obligations of the City.
- Total revenue from all sources was \$4,620,207 of which \$582,664 was from capital grants and contributions. Total operating expenditures from all sources were \$3,600,912.

### 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 \$18,823,091 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, 2016 and 2015 are summarized (Table 1), as follows:

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

	Governmental Activities		Business Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Current and other assets	\$ 2,708	\$ 2,493	\$ 1,381	\$ 1,111	\$ 4,090	\$ 3,604
Non-current and Capital assets	5,346	4,303	19,927	20,541	25,273	24,844
<b>Total Assets</b>	8,054	6,796	21,308	21,652	29,362	28,448
<b>Deferred Outflows of Resources</b>						
Pension Contributions made subsequent to measurement date	17	18	16	15	33	33
<b>Liabilities:</b>						
Long-term liabilities	939	681	8,740	9,107	9,679	9,788
Other liabilities	270	344	537	513	807	857
<b>Total Liabilities</b>	1,209	1,025	9,277	9,620	10,486	10,645
<b>Deferred Inflows of Resources</b>						
Unamortized gains on pension investment	44	18	42	15	86	33
<b>Net Position:</b>						
Net Investment in capital assets	4,800	4,193	10,420	10,661	15,220	14,854
Restricted	1,036	921	535	536	1,571	1,457
Unrestricted	981	657	1,050	835	2,032	1,492
<b>Total Net Position</b>	<u>\$ 6,818</u>	<u>\$ 5,771</u>	<u>\$ 12,005</u>	<u>\$ 12,032</u>	<u>\$ 18,823</u>	<u>\$ 17,803</u>

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 revenues for Governmental Activities increased 26.7% in fiscal year 2015-2016 as compared to the previous year. The majority of the increase was capital grants associated with the Road Rehabilitation and Railroad Crossing Improvements projects which started in fiscal year 2012-2013 and were completed during fiscal year 2015-2016. The City's governmental activities net position increased by \$1,046,458 for the fiscal year. Sources of revenue and expenditures are noted in Table 2 below.

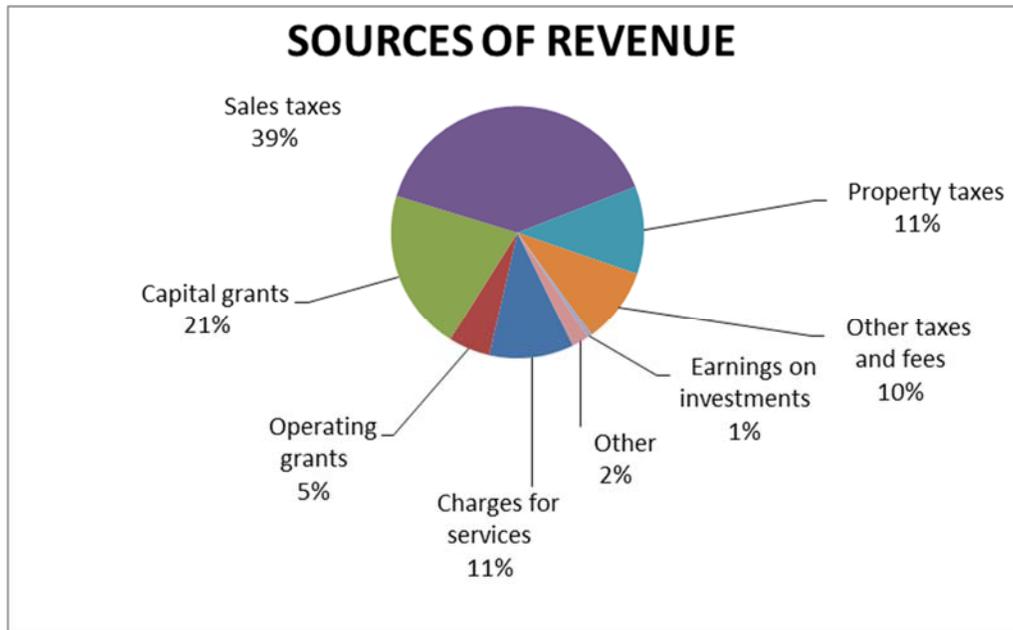
## Business-Type Activities

Business-type activities decreased the City of Colfax's net position by \$27,163 for the fiscal year. Detailed revenues and expenditures are reported in Table 2 below.

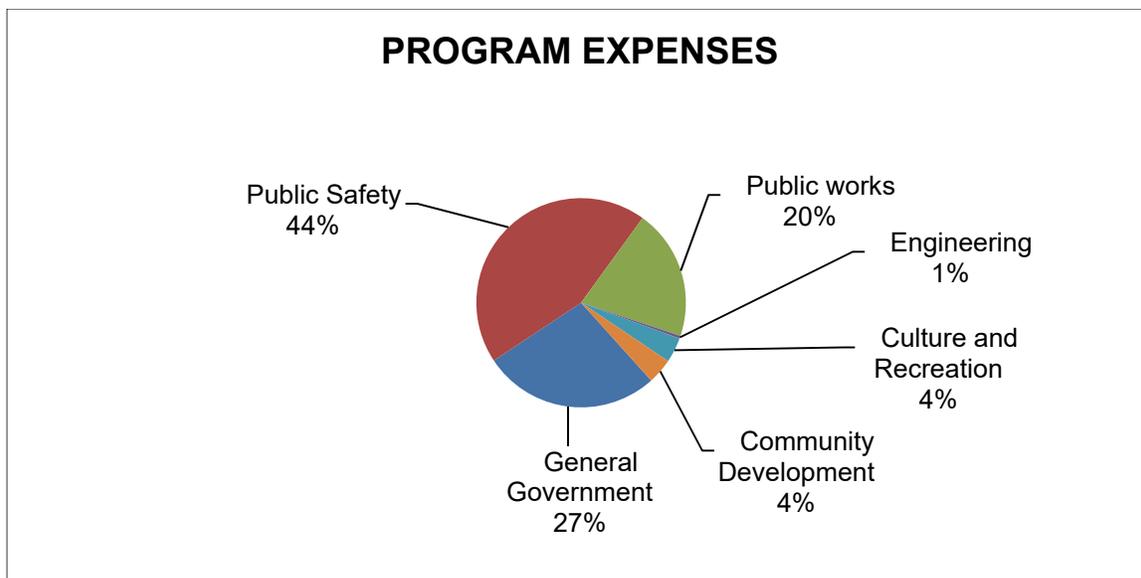
**Table 2**  
**City of Colfax, Change in Net Position**  
**(in Thousands)**

	Governmental Activities		Business Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 304	\$ 198	\$ 1,800	\$ 1,791	\$ 2,104	\$ 1,989
Operating grants and contributions	150	182	-	-	150	182
Capital grants and contributions	583	144	-	-	583	144
General revenues:						
Sales taxes	1,104	956	-	-	1,104	956
Property taxes	315	300	1	3	316	303
Other taxes and fees	274	342	-	-	274	342
Earnings on investments	15	13	13	13	27	26
Other	62	80	-	-	62	80
<b>Total revenues</b>	<b>2,806</b>	<b>2,215</b>	<b>1,814</b>	<b>1,807</b>	<b>4,620</b>	<b>4,022</b>
<b>Expenses:</b>						
General government	481	410	-	-	481	410
Public Safety	779	719	-	-	779	719
Public works	355	280	-	-	355	280
Engineering	8	44	-	-	8	44
Culture and recreation	67	171	-	-	67	171
Community development	69	92	-	-	69	92
Sewer	-	-	1,842	1,825	1,842	1,825
Garbage	-	-	-	-	-	-
<b>Total expenses</b>	<b>1,759</b>	<b>1,716</b>	<b>1,842</b>	<b>1,825</b>	<b>3,601</b>	<b>3,541</b>
Change in net position	1,046	499	(27)	(18)	1,019	481
Net position, July 1						
-as previously reported	5,771	5,294	12,032	12,069	17,804	17,363
Restatement	-	(22)	-	(19)	-	(41)
Net position, July 1 -as restated	5,771	5,272	12,032	12,050	17,804	17,322
Net position, June 30	\$ 6,818	\$ 5,771	\$ 12,005	\$ 12,032	\$ 18,823	\$ 17,803

**Fiscal Year 2015-2016**  
**Governmental Activities – Sources of Revenue**  
 (Graphic representation of Table 2 in percentages)



**Fiscal Year 2015-2016**  
**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, 2016, net capital assets of the governmental activities totaled \$5,227,846 and the net capital assets of the business-type activities totaled \$19,413,370. 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,289	\$ 758	\$ 135	\$ 135	\$ 1,424	\$ 893
Construction in progress	36	236	-	-	36	236
Building and Improvements	5,073	4,345	24,343	24,343	29,415	28,688
Vehicles	420	420	3	3	423	423
Furniture and Fixtures	7	7	-	-	7	7
Machinery and equipment	382	382	637	594	1,019	976
Accumulated depreciation	(1,978)	(1,845)	(5,704)	(5,069)	(7,682)	(6,914)
<b>Total Assets</b>	<b>\$ 5,228</b>	<b>\$ 4,303</b>	<b>\$ 19,413</b>	<b>\$ 20,006</b>	<b>\$ 24,641</b>	<b>\$ 24,309</b>

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

- Final construction costs incurred for Grass Valley Street Road Rehabilitation and Railroad Pedestrian crossing improvements.
- Purchase of parcel of land from Winner Chevrolet.

## Long-Term Debt

At the end of fiscal year 2015-2016, the City of Colfax had total long-term debts outstanding of \$10,071,527, as compared to a total of \$10,175,282 last year (See Table 4 and Note E to the financial statements).

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

	Governmental Activities		Business Activities		Total	
	2016	2015	2016	2015	2016	2015
Note Payable	\$ 427	\$ 109	\$ -	\$ -	\$ 427	\$ 109
Compensated absences	12	8	13	8	25	16
Landfill Closure	482	537	-	-	482	537
General obligation bond	-	-	14	20	14	20
State Loans	-	-	8,980	9,325	8,980	9,325
Legal Settlements	-	-	97	111	97	111
Pension Liability	24	31	23	26	46	57
<b>Total Long-term Debt</b>	<b>\$ 945</b>	<b>\$ 685</b>	<b>\$ 9,126</b>	<b>\$ 9,490</b>	<b>\$ 10,072</b>	<b>\$ 10,175</b>

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:

- Purchase of additional parcel of land and payments made on the Note Payable associated with the purchase of property from previous years (Governmental Activities)
- Annual payment on the 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 2016-2017, 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 2015-2016. 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 has continued to provide existing services at the reduced staff levels achieved over the past several years – and anticipates adding one new position in fiscal year 2016-2017.

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. Funding is secured for some of 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, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,138,277	\$ 1,213,777	\$ 3,352,054
Accounts receivable, net of allowance for doubtful accounts	34,524	160,946	195,470
Due from other government agencies	532,914	3,513	536,427
Interest receivable	2,721	2,046	4,767
Prepaid expenses		864	864
Total current assets	<u>2,708,436</u>	<u>1,381,146</u>	<u>4,089,582</u>
Noncurrent assets:			
Restricted cash		494,039	494,039
Notes receivable	117,942	19,586	137,528
Capital assets, net of accumulated depreciation			
Non-depreciable	1,324,976	134,700	1,459,676
Depreciable	<u>3,902,870</u>	<u>19,278,670</u>	<u>23,181,540</u>
	<u>5,345,788</u>	<u>19,926,995</u>	<u>25,272,783</u>
Total assets	<u>8,054,224</u>	<u>21,308,141</u>	<u>29,362,365</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	<u>17,253</u>	<u>16,445</u>	<u>33,698</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	231,150	82,384	313,534
Accrued expenses	7,012	68,352	75,364
Unearned revenue	25,702		25,702
Current portion of long-term liabilities	<u>6,040</u>	<u>386,344</u>	<u>392,384</u>
Total current liabilities	<u>269,904</u>	<u>537,080</u>	<u>806,984</u>
Long-term liabilities:			
Notes payable	427,444	8,710,752	9,138,196
Postclosure landfill costs	482,167		482,167
Compensated absences	6,040	6,466	12,506
Net pension liability	<u>23,692</u>	<u>22,582</u>	<u>46,274</u>
Total long-term liabilities	<u>939,343</u>	<u>8,739,800</u>	<u>9,679,143</u>
Total liabilities	<u>1,209,247</u>	<u>9,276,880</u>	<u>10,486,127</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	<u>44,465</u>	<u>42,380</u>	<u>86,845</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,800,402	10,419,801	15,220,203
Restricted net position	1,036,229	535,118	1,571,347
Unrestricted net position	<u>981,134</u>	<u>1,050,407</u>	<u>2,031,541</u>
Total net position	<u>\$ 6,817,765</u>	<u>\$ 12,005,326</u>	<u>\$ 18,823,091</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, 2016

	Program Revenues						Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>							
General government	\$ 480,971	\$ 182,774			\$ (298,197)		\$ (298,197)
Public safety	779,410	117,561	\$ 137,559		(524,290)		(524,290)
Public works	354,710		7,135	\$ 582,664	235,089		235,089
Community development	69,106		5,000		(64,106)		(64,106)
Engineering services	7,691				(7,691)		(7,691)
Culture and recreation	67,437	3,480			(63,957)		(63,957)
Total governmental activities	<u>1,759,325</u>	<u>303,815</u>	<u>149,694</u>	<u>582,664</u>	<u>(723,152)</u>		<u>(723,152)</u>
<b>Business-type activities:</b>							
Sewer	1,749,638	1,800,339				\$ 50,701	50,701
Interest on long-term debt	91,949					(91,949)	(91,949)
Total business-type activities	<u>1,841,587</u>	<u>1,800,339</u>				<u>(41,248)</u>	<u>(41,248)</u>
<b>Total government</b>	<u>\$ 3,600,912</u>	<u>\$ 2,104,154</u>	<u>\$ 149,694</u>	<u>\$ 582,664</u>	<u>(723,152)</u>	<u>(41,248)</u>	<u>(764,400)</u>
			<b>General revenues</b>				
			Taxes:				
			Sales and use taxes		1,104,357		1,104,357
			Property taxes		314,709	1,389	316,098
			Transient occupancy tax		18,060		18,060
			Franchises		81,591		81,591
			Gas taxes		49,266		49,266
			Motor vehicle in-lieu		125,364		125,364
			Investment income		14,667	12,696	27,363
			Rental income		54,115		54,115
			Miscellaneous		7,481		7,481
			Total general revenues		<u>1,769,610</u>	<u>14,085</u>	<u>1,783,695</u>
			Changes in net position		<u>1,046,458</u>	<u>(27,163)</u>	<u>1,019,295</u>
			Net position, beginning of year		<u>5,771,307</u>	<u>12,032,489</u>	<u>17,803,796</u>
			Net position, end of year		<u>\$ 6,817,765</u>	<u>\$ 12,005,326</u>	<u>\$ 18,823,091</u>

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

## CITY OF COLFAX

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2016

	Major Funds			Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,499,214	\$ 4,852	\$ 634,211	\$ 2,138,277
Accounts receivable, net of allowance for doubtful accounts	34,524			34,524
Due from other governmental agencies	370,127	155,652	7,135	532,914
Interest receivable	2,017	(80)	784	2,721
Notes receivable	73,923		44,019	117,942
Due from other funds	125,597			125,597
<b>TOTAL ASSETS</b>	<b>\$ 2,105,402</b>	<b>\$ 160,424</b>	<b>\$ 686,149</b>	<b>\$ 2,951,975</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 193,262	\$ 29,998	\$ 7,890	\$ 231,150
Accrued expenses	5,280		1,732	7,012
Unearned revenue	25,702			25,702
Due to other funds		125,597		125,597
<b>Total liabilities</b>	<b>224,244</b>	<b>155,595</b>	<b>9,622</b>	<b>389,461</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue		28,325	7,135	35,460
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>28,325</b>	<b>7,135</b>	<b>35,460</b>
<b>Fund balances:</b>				
Nonspendable			44,019	44,019
Committed	395,000			395,000
Restricted	813,544		625,373	1,438,917
Unassigned	672,614	(23,496)		649,118
<b>TOTAL FUND BALANCES</b>	<b>1,881,158</b>	<b>(23,496)</b>	<b>669,392</b>	<b>2,527,054</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 2,105,402</b>	<b>\$ 160,424</b>	<b>\$ 686,149</b>	<b>\$ 2,951,975</b>

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, 2016

Total Governmental Fund Balances	\$ 2,527,054
Amounts reported for governmental activities in the statement of net position are different because:	
Pension contributions subsequent to the valuation measurement date and other items will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	17,253
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	5,227,846
Certain receivables are not available to pay current period expenditures and therefore are deferred in the governmental funds	35,460
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.	(945,383)
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>(44,465)</u>
Net Position of Governmental Activities	<u><u>\$ 6,817,765</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, 2016

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
<b>REVENUES:</b>				
Taxes	\$ 1,512,798		\$ 49,266	\$ 1,562,064
Licenses, fees and permits	131,707		930	132,637
Intergovernmental revenues	149,280	\$ 439,018	319,290	907,588
Charges for services	89,970			89,970
Fines, forfeitures and penalties	2,731			2,731
Use of money and property	65,539	(502)	3,745	68,782
Other revenue	6,551			6,551
Total revenues	<u>1,958,576</u>	<u>438,516</u>	<u>373,231</u>	<u>2,770,323</u>
<b>EXPENDITURES:</b>				
General government	498,699		10,359	509,058
Public safety	665,502		111,372	776,874
Public works	124,983		183,285	308,268
Community development			118	118
Engineering services	7,691			7,691
Cultural and recreation	54,413			54,413
Debt Service:				
Principal	212,920			212,920
Capital outlay	531,800	526,443		1,058,243
Total expenditures	<u>2,096,008</u>	<u>526,443</u>	<u>305,134</u>	<u>2,927,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(137,432)</u>	<u>(87,927)</u>	<u>68,097</u>	<u>(157,262)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from long-term debt	530,800			530,800
Transfers in	23,320	39,680	49,055	112,055
Transfers out	(39,680)		(72,375)	(112,055)
Total other financing sources (uses)	<u>514,440</u>	<u>39,680</u>	<u>(23,320)</u>	<u>530,800</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	377,008	(48,247)	44,777	373,538
Fund balance - beginning of year	<u>1,504,150</u>	<u>24,751</u>	<u>624,615</u>	<u>2,153,516</u>
Fund balance - end of year	<u>\$ 1,881,158</u>	<u>\$ (23,496)</u>	<u>\$ 669,392</u>	<u>\$ 2,527,054</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, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 373,538

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

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.

Capital outlay	1,058,243
Depreciation expense	(133,365)

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.

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.

Gard Family Living Trust note payments	212,920
Postclosure landfill costs	54,394
Issuance of note payable	(530,800)

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.

Deferred revenue recognized	35,460
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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.

Change in compensated absences	(4,160)
Change in deferred outflow of resources	(394)
Change in net pension obligation	7,056
Change in deferred inflow of resources	(26,434)

Change in Net Position of Governmental Activities	\$ 1,046,458
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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, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,060,000	\$ 1,225,000	\$ 1,512,798	\$ 287,798
Licenses, fees and permits	57,700	57,700	131,707	74,007
Intergovernmental	130,000	130,000	149,280	19,280
Charges for services	148,263	148,263	89,970	(58,293)
Fines and forfeitures	10,000	10,000	2,731	(7,269)
Use of money and property	46,300	46,300	65,539	19,239
Other revenue	1,000	1,000	6,551	5,551
Total revenues	<u>1,453,263</u>	<u>1,618,263</u>	<u>1,958,576</u>	<u>340,313</u>
<b>Expenditures:</b>				
Current:				
General government and administration	502,861	517,088	498,699	18,389
Public safety	595,843	622,090	665,502	(43,412)
Public works	83,593	83,593	124,983	(41,390)
Engineering services	7,500	30,000	7,691	22,309
Culture and recreation	46,419	46,419	54,413	(7,994)
Debt Service:				
Principal	120,000	85,000	212,920	(127,920)
Capital outlay	15,000	15,000	531,800	(516,800)
Total expenditures	<u>1,371,216</u>	<u>1,399,190</u>	<u>2,096,008</u>	<u>(696,818)</u>
Excess (deficiency) of revenues over expenditures	82,047	219,073	(137,432)	(356,505)
<b>Other financing sources (uses):</b>				
Proceeds from long-term debt			530,800	530,800
Transfers in			23,320	23,320
Transfers out	(50,226)	(50,226)	(39,680)	10,546
Total other financing uses	<u>(50,226)</u>	<u>(50,226)</u>	<u>514,440</u>	<u>564,666</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	31,821	168,847	377,008	208,161
Fund balances - beginning of year	<u>1,504,150</u>	<u>1,504,150</u>	<u>1,504,150</u>	
Fund balances - end of year	<u>\$ 1,535,971</u>	<u>\$ 1,672,997</u>	<u>\$ 1,881,158</u>	<u>\$ 208,161</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, 2016

## ASSETS:

## Current Assets:

Cash and cash equivalents	\$ 1,213,777
Accounts receivable, net of allowance for doubtful accounts of \$20,000	160,946
Notes receivable	19,586
Due from other governmental agencies	3,513
Interest receivable	2,046
Prepaid expenses	864
Total current assets	<u>1,400,732</u>

## Noncurrent Assets:

Restricted cash	494,039
Capital assets:	
Nondepreciable	134,700
Depreciable	19,278,670
Total capital assets, net of accumulated depreciation	<u>19,413,370</u>

Total assets	<u>21,308,141</u>
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## DEFERRED OUTFLOWS OF RESOURCES:

Pension contributions subsequent to measurement date	<u>16,445</u>
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## LIABILITIES:

## Current Liabilities:

Accounts payable	82,384
Accrued expenses	68,352
Current portion of long-term liabilities	386,344
Total current liabilities	<u>537,080</u>

## Long-term Liabilities:

Bonds payable, long-term portion	-
Notes payable, long-term portion	8,710,752
Compensated absences	6,466
Net pension liability	22,582
Total long-term liabilities	<u>8,739,800</u>
Total liabilities	<u>9,276,880</u>

## DEFERRED INFLOWS OF RESOURCES:

Unamortized gains on pension investments	<u>42,380</u>
--	---------------

## NET POSITION:

Invested in capital assets, net of related debt	10,419,801
Restricted	535,118
Unrestricted	<u>1,050,407</u>
Total net position	<u>\$ 12,005,326</u>

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, 2016

Operating revenues:	
Service charges	\$ 1,751,499
Permits	18,556
Miscellaneous	30,284
Total operating revenues	<u>1,800,339</u>
Operating expenses:	
Personnel services	392,246
Operation and maintenance	722,107
Depreciation	635,285
Total operating expenses	<u>1,749,638</u>
Income from operations	<u>50,701</u>
Non-operating revenues (expenses):	
Interest income	12,696
Tax assessment	1,389
Interest expense	(91,949)
Total nonoperating revenues	<u>(77,864)</u>
Change in net position	(27,163)
Net position, beginning of year	<u>12,032,489</u>
Net position, end of year	<u>\$ 12,005,326</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, 2016

Cash Flows from Operating Activities:	
Cash received from customers	\$ 1,819,692
Cash paid to suppliers	(705,316)
Cash paid to employees and related benefits	(358,026)
Cash provided by operating activities	<u>756,350</u>
Cash Flows from Noncapital Financing Activities:	
Tax assessments received	<u>1,829</u>
Cash provided by noncapital financing activities	<u>1,829</u>
Cash Flows from Capital and Related Financing Activities:	
Capital expenditures	(43,017)
Debt principal paid	(351,721)
Settlements paid	(14,259)
Interest paid	(94,254)
Cash used for capital and related financing activities	<u>(503,251)</u>
Cash Flows from Investing Activities:	
Interest received	11,482
Payments received on issued notes	741
Cash used for investing activities	<u>12,223</u>
Increase in cash and cash equivalents	267,151
Cash and cash equivalents, beginning of year	<u>1,440,665</u>
Cash and cash equivalents, end of year	<u>\$ 1,707,816</u>
Reconciliation of cash and cash equivalents to the statement of net position:	
Cash and investments	\$ 1,213,777
Restricted cash and investments	<u>494,039</u>
Cash and cash equivalents	<u>\$ 1,707,816</u>
Reconciliation of operating income from operations to cash provided by operating activities:	
Operating income	\$ 50,701
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	635,285
Change in pension obligation and related deferred inflows (outflows)	21,927
(Increase) decrease in assets:	
Accounts receivable	19,353
(Decrease) increase in liabilities:	
Accounts payable	16,791
Accrued expenses	6,978
Accrued compensated absences	<u>5,315</u>
Cash provided by operating activities	<u>\$ 756,350</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, 2016

## 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, 2016

## 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, if any, 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 Fund – The Capital Projects Fund is 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, 2016

## 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, 2016

## 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 expenditures 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, 2016

## 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, 2016

## 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 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, 2016

## 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
Major Governmental Funds:			
Capital Projects	\$ 260,000	\$ 526,443	\$ 266,443
Major Enterprise Fund:			
Sewer Fund	1,775,194	1,841,587	66,393
Nonmajor Governmental Funds:			
Supplemental Law Enforcement Fund	100,000	114,618	14,618
CDBG Fund	-	8,702	8,702
Transportation and Road Fund	164,836	165,091	255
Gas Tax Fund	59,837	66,999	7,162

**Deficit Fund Equity:** The City's Capital Projects Fund had a fund deficit at June 30, 2016, because a portion of the receivables were not collected within the City's availability period. This deficit will be eliminated when this receivable is collected.

**New Pronouncements:** In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* (GASB 79). GASB 79 addresses accounting and financial reporting for certain external pools and pool participants and established criteria for an external pool to qualify for making an election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective beginning the year ending June 30, 2017.

In June 2015, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No. 73*. This Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective beginning the year ended June 30, 2017.

The City is currently analyzing the impact of the required implementation of these new statements.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## 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, 2016 are classified in the accompanying financial statements as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,138,277	\$ 1,213,777	\$ 3,352,054
Restricted cash		494,039	494,039
	<u>\$ 2,138,277</u>	<u>\$ 1,707,816</u>	<u>\$ 3,846,093</u>

As of June 30, 2016, the City's cash and investments consisted of the following:

Cash on hand	\$ 300
Deposits in financial institutions	138,883
Investments	
California Local Agency Investment Fund	<u>3,706,910</u>
Total cash and investments	<u>\$ 3,846,093</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.

	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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, 2016

## 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 167 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, 2016, the carrying amount of the City's deposits was \$138,883 and the balance in financial institutions was \$290,919. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$40,919 was covered by the pledging financial institution with assets held in a common pool for the City and other governmental agencies.

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 \$75,442,588,513 managed by the State Treasurer. Of that amount, 2.81% 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, 2016

NOTE C – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2016 were as follows:

<u>Due to Other Funds</u>	<u>Due from Other Funds General Fund</u>
Capital Projects Fund	<u>\$ 125,597</u>

The due to/from balance was to provide resources to the Capital Projects Funded to pay project expenditures until receivables are collected.

Transfers during the year ended June 30, 2016 were as follows:

<u>Transfers out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Transportation and Road</u>	
Major Governmental Funds:				
General		\$ 39,680		\$ 39,680
Nonmajor Governmental Funds:				
Supplemental Law Enforcement	\$ 14,618			14,618
CDBG	8,702			8,702
Gas Tax			\$ 49,055	49,055
	<u>\$ 23,320</u>	<u>\$ 39,680</u>	<u>\$ 49,055</u>	<u>\$ 112,055</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.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## NOTE D – CAPITAL ASSETS

Governmental capital assets activity for the year ended June 30, 2016 was as follows:

	Balance at June 30, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 758,329	\$ 530,800			\$ 1,289,129
Construction in progress	235,793	455,029		\$ (654,975)	35,847
Total capital assets, not being depreciated	994,122	985,829	-	(654,975)	1,324,976
Capital assets, being depreciated:					
Buildings and improvements	4,345,353	72,414		654,975	5,072,742
Vehicles	419,525				419,525
Machinery and equipment	382,298				382,298
Furniture and fixtures	6,764				6,764
Total capital assets, being depreciated	5,153,940	72,414	-	654,975	5,881,329
Less accumulated depreciation for:					
Buildings and improvements	(1,048,064)	(131,053)			(1,179,117)
Vehicles	(407,968)	(2,312)			(410,280)
Machinery and equipment	(382,298)				(382,298)
Furniture and fixtures	(6,764)				(6,764)
Total accumulated depreciation	(1,845,094)	(133,365)	-	-	(1,978,459)
Capital assets being depreciated, net	3,308,846	(60,951)	-	654,975	3,902,870
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 4,302,968	\$ 924,878	\$ -	\$ -	\$ 5,227,846

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

General governmental	\$ 13,942
Public safety	2,536
Public works	37,189
Culture and recreation	10,770
Community development	68,928
Total governmental activities depreciation expense	<u>\$ 133,365</u>

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## NOTE D – CAPITAL ASSETS (Continued)

Business-type capital assets activities for the year ended June 30, 2016 was as follows:

	Balance at June 30, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 134,700				\$ 134,700
Total capital assets, not being depreciated	134,700				134,700
Capital assets, being depreciated:					
Buildings and improvements	24,342,595				24,342,595
Vehicles	3,400				3,400
Machinery and equipment	593,499	\$ 43,017			636,516
Total capital assets, being depreciated	24,939,494	43,017			24,982,511
Less accumulated depreciation for:					
Buildings and improvements	(4,686,490)	(590,670)			(5,277,160)
Vehicles	(3,400)				(3,400)
Machinery and equipment	(378,666)	(44,615)			(423,281)
Total accumulated depreciation	(5,068,556)	(635,285)			(5,703,841)
Capital assets being depreciated, net	19,870,938	(592,268)			19,278,670
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 20,005,638	\$ (592,268)	\$ -	\$ -	\$ 19,413,370

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

Sewer	\$ 635,285
Total business-type activities depreciation expense	\$ 635,285

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## NOTE E – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Payments	Balance June 30, 2016	Due Within One Year
Governmental Activities:					
Note payable	\$ 109,564	\$ 530,800	\$ (212,920)	\$ 427,444	
Postclosure landfill costs	536,561		(54,394)	482,167	
Compensated absences	7,920	4,160		12,080	\$ 6,040
Pension liability	30,748		(7,056)	23,692	
Governmental activities long-term liabilities	<u>\$ 684,793</u>	<u>\$ 534,960</u>	<u>\$ (274,370)</u>	<u>\$ 945,383</u>	<u>\$ 6,040</u>
Business-Type Activities:					
General obligation bonds	\$ 20,000		\$ (6,000)	\$ 14,000	\$ 14,000
State loan - restructured	9,325,290		(345,721)	8,979,569	349,178
Legal settlement 2009	111,318		(14,259)	97,059	16,698
Total bonds, loans, settlements payable	9,456,608		(365,980)	9,090,628	379,876
Compensated absences	7,619	\$ 5,315		12,934	6,468
Pension liability	26,262		(3,680)	22,582	
Business-type activities long-term liabilities	<u>\$ 9,490,489</u>	<u>\$ 5,315</u>	<u>\$ (369,660)</u>	<u>\$ 9,126,144</u>	<u>\$ 386,344</u>

Long-term debt of the City's governmental activities consists of the following as of June 30, 2016:

On February 10, 2016, the City entered into an agreement with the Gard Family Living Trust to purchase two land parcels from Winner Chevrolet. 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 property 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. The agreement entered into on December 8, 2010 was completely paid during the year ended June 30, 2016.

\$ 427,444

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## 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, 2016, the remaining closure and postclosure maintenance costs to be recognized over the next 23 years is \$482,167.

Long-term debt of the City's business-type activities consists of the following as of June 30, 2016:

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. On August 3, 2016, the City paid this remaining balance of \$14,000. \$ 14,000

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. 8,979,569

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. 97,059

\$ 9,090,628

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## 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
2017	\$ 7,000	\$ 349,178	\$ 16,698	\$ 372,876
2018	7,000	352,670	22,263	381,933
2019		356,196	27,830	384,026
2020		359,759	30,268	390,027
2021		363,356		363,356
2022-2026		1,872,016		1,872,016
2027-2031		1,967,508		1,967,508
2032-2036		2,067,871		2,067,871
2037-2039		1,291,015		1,291,015
Totals	<u>\$ 14,000</u>	<u>\$ 8,979,569</u>	<u>\$ 97,059</u>	<u>\$ 9,090,628</u>

Interest payments on debt are due as follows:

June 30	General Obligation Bonds	State Loan - Restructured	Total
2017	\$ 700	\$ 89,796	\$ 90,496
2018	350	86,304	86,654
2019		82,777	82,777
2020		79,215	79,215
2021		75,618	75,618
2022-2026		322,853	322,853
2027-2031		227,361	227,361
2032-2036		126,998	126,998
2037-2039		25,906	25,906
Totals	<u>\$ 1,050</u>	<u>\$ 1,116,828</u>	<u>\$ 1,117,878</u>

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## NOTE F – NET POSITION/FUND BALANCE

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Landfill	\$ 331,377	
Economic development	251,166	
Mitigation projects	228,480	
Fire Department	140,147	
Recycling	40,754	
Street projects	39,038	
Community projects	5,267	
Debt service reserve		\$ 438,974
Replacement of short-lived assets		55,064
Capital improvements		41,080
	<u>\$ 1,036,229</u>	<u>\$ 535,118</u>

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

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:				
Nonspendable:				
Long-term receivables			\$ 44,019	\$ 44,019
Prepaid expenses				
Total Nonspendable			<u>44,019</u>	<u>44,019</u>
Committed for:				
Operating Reserve	\$ 395,000			395,000
Total committed	<u>395,000</u>	<u>-</u>	<u>-</u>	<u>395,000</u>
Restricted for:				
Street projects			3,578	3,578
Landfill closure	813,544			813,544
Economic redevelopment			207,147	207,147
Recycling			40,754	40,754
Fire Department			140,147	140,147
Community projects			5,267	5,267
Mitigation projects			228,480	228,480
Total Restricted	<u>813,544</u>	<u>-</u>	<u>625,373</u>	<u>1,438,917</u>
Unassigned	672,614	\$ (23,496)		649,118
Total Unassigned	<u>672,614</u>	<u>(23,496)</u>		<u>649,118</u>
Total fund balances	<u>\$ 1,881,158</u>	<u>\$ (23,496)</u>	<u>\$ 669,392</u>	<u>\$ 2,527,054</u>

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## 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 City has the following cost-sharing rate plans:

- Miscellaneous Plan
- PEPRAs Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Council 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](http://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 Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates - union	5.000%	6.500%
Required employee contribution rates - non-union	7.000%	6.500%
Required employer contribution rates	7.489%	6.724%

In addition to the contribution rates above, the City was also required to make payments of \$1,224 toward its unfunded actuarial liability during the year ended June 30, 2016. 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 Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## NOTE G – PENSION PLANS (Continued)

For the year ended June 30, 2016, the employer contribution made to the Plan was \$33,408 for the year ended June 30, 2016.

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

As of June 30, 2016, the City reported a net pension liability for its proportionate share of the net pension liability of \$46,274.

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's 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 Plan as of June 30, 2016 and 2015 was as follows:

	Miscellaneous Plan
Proportion - June 30, 2015	0.00231%
Proportion - June 30, 2016	0.00169%
Change - Increase (Decrease)	(0.00062)%

For the year ended June 30, 2016, the City recognized pension expense of \$72,288. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 31,812	
Change in assumptions		\$ (17,840)
Net differences between projected and actual earnings on plan investments		(8,943)
Difference between expected and actual experience	1,886	
Adjustment due to differences in proportions		(60,062)
Total	<u>\$ 33,698</u>	<u>\$ (86,845)</u>

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2016

## NOTE G – PENSION PLANS (Continued)

The \$31,812 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2017	\$ (35,762)
2018	(34,741)
2019	(25,888)
2020	<u>11,432</u>
	<u>\$ (84,959)</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate is 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, 2016

## 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 7.65 percent investment return assumption used in this accounting valuation is gross of administrative expenses. Administrative expenses are assumed to be 15 basis points.

Paragraph 30 of Statement 68, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

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 the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	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, 2016

## 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:

1% Decrease		6.65%
Net Pension Liability	\$	77,604
Current Discount Rate		7.65%
Net Pension Liability	\$	46,274
1% Increase		8.65%
Net Pension Liability	\$	20,407

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, 2016, the City had payables for the outstanding amount of contributions to the pension plan of \$927.

## 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, 2016

## NOTE H – INSURANCE (Continued)

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

<u>Amount</u>	<u>Coverage provider</u>	<u>Payment Source</u>
<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, 2016, 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.

## NOTE J – JOINT VENTURE

The City participates in 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. The City has not had a financial activity related to the Authority during the year ended June 30, 2016.

**REQUIRED SUPPLEMENTARY INFORMATION**

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## CITY OF COLFAX

## REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

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

	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.001687%	0.002307%
Proportionate share of the net pension liability	\$ 46,274	\$ 57,010
Covered - employee payroll - measurement period	\$ 367,481	\$ 353,250
Proportionate share of the net pension liability as a percentage of covered payroll	12.59%	16.14%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	79.82%

## 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: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016.

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**

	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 33,408	\$ 30,589
Contributions in relation to the actuarially determined contributions	(33,408)	(30,589)
Contribution deficiency (excess)	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 456,524	\$ 367,481
Contributions as a percentage of covered - employee payroll	7.32%	8.32%
Valuation date:	June 30, 2013	June 30, 2012

## Methods and assumptions used to determine contribution rates:

Amortization method	Entry age normal
Remaining amortization period	Level percentage of payroll, closed 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 two years are shown.

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**COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS**

## CITY OF COLFAX

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

	Special Revenue				
	Community Projects	Supplemental Law Enforcement	CDBG	Transportation & Road Fund	Gas Tax
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 5,260		\$ 206,874	\$ 7,708	\$ 5,434
Due from other governmental agencies				7,135	
Interest receivable	7		273	(61)	44
Notes receivable			44,019		
<b>Total assets</b>	<b>\$ 5,267</b>	<b>\$ -</b>	<b>\$ 251,166</b>	<b>\$ 14,782</b>	<b>\$ 5,478</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable				\$ 5,975	\$ 1,901
Accrued expenses				1,671	
<b>Total liabilities</b>		<b>-</b>		<b>7,646</b>	<b>1,901</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue				7,135	
<b>Total Deferred Inflows of Resources</b>				<b>7,135</b>	
<b>Fund balance:</b>					
Nonspendable		\$ 44,019			
Restricted	\$ 5,267		207,147	1	3,577
<b>Total fund balance</b>	<b>5,267</b>		<b>251,166</b>	<b>1</b>	<b>3,577</b>
<b>Total liabilities and fund balance</b>	<b>\$ 5,267</b>	<b>\$ -</b>	<b>\$ 251,166</b>	<b>\$ 14,782</b>	<b>\$ 5,478</b>

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
\$ 228,190	\$ 32,891	\$ 7,886	\$ 139,968	\$ 634,211
290	48	4	-	7,135
			179	784
				44,019
<u>\$ 228,480</u>	<u>\$ 32,939</u>	<u>\$ 7,890</u>	<u>\$ 140,147</u>	<u>\$ 686,149</u>
		\$ 14		\$ 7,890
		61		1,732
		75		9,622
				7,135
				7,135
				44,019
\$ 228,480	\$ 32,939	7,815	\$ 140,147	625,373
228,480	32,939	7,815	140,147	669,392
<u>\$ 228,480</u>	<u>\$ 32,939</u>	<u>\$ 7,890</u>	<u>\$ 140,147</u>	<u>\$ 686,149</u>

## CITY OF COLFAX

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

For the Year Ended June 30, 2016

	Special Revenue				
	Community Projects	Supplemental Law Enforcement	CDBG	Transportation & Road Fund	Gas Tax
<b>REVENUES:</b>					
Tax revenues					\$ 49,266
Licenses, fees and permits				\$ 930	
Intergovernmental revenues		\$ 114,618		115,321	
Use of money and property	\$ 21		\$ 2,210	(214)	153
Total revenues	<u>21</u>	<u>114,618</u>	<u>2,210</u>	<u>116,037</u>	<u>49,419</u>
<b>EXPENDITURES:</b>					
General government					
Public safety		100,000			
Public works				165,091	17,944
Community development					
Total expenditures		<u>100,000</u>		<u>165,091</u>	<u>17,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21</u>	<u>14,618</u>	<u>2,210</u>	<u>(49,054)</u>	<u>31,475</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in				49,055	
Transfers out		(14,618)	(8,702)		(49,055)
Total other financing sources (uses)		<u>(14,618)</u>	<u>(8,702)</u>	<u>49,055</u>	<u>(49,055)</u>
Net change in fund balance	21		(6,492)	1	(17,580)
Fund balances - beginning of year	<u>5,246</u>		<u>257,658</u>		<u>21,157</u>
Fund balances - end of year	<u>\$ 5,267</u>	<u>\$ -</u>	<u>\$ 251,166</u>	<u>\$ 1</u>	<u>\$ 3,577</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
				\$ 49,266
		\$ 5,000	\$ 84,351	930
\$ 930	\$ 138	14	493	319,290
930	138	5,014	84,844	3,745
				373,231
10,359				10,359
			11,372	111,372
	250			183,285
		118		118
10,359	250	118	11,372	305,134
(9,429)	(112)	4,896	73,472	68,097
				49,055
				(72,375)
				(23,320)
(9,429)	(112)	4,896	73,472	44,777
237,909	33,051	2,919	66,675	624,615
\$ 228,480	\$ 32,939	\$ 7,815	\$ 140,147	\$ 669,392



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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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 1, 2017.

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*

February 1, 2017



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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, 2016, and have issued our report thereon dated February 1, 2017. 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 June 24, 2016. 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 June 24, 2016, 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. 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 of the unfunded pension liability. 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 accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the following:

- Information on the City's pension plans including the City's share of the unfunded pension liability, is shown in Note G. The City's share of the unfunded pension liability at June 30, 2015, the most recent measurement date, was \$46,274, which is reflected as a liability in the City's financial statements as of June 30, 2016.

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. Adjustments included 16 closing entries and audit adjustments needed to correct balances of the accounts and transactions. The nature of these adjustments consists of the following:

- Record purchase of land from Winner Chevrolet with a note payable
- Assist with entries to record the net pension liability and related accounts.
- Adjust restricted and other components of fund balances and net position.

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 February 1, 2017.

#### Management Consultations with Other Independent Accountants

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

#### 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*

February 1, 2017



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## 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, 2016, 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:

### Establish New Fund

We suggest a separate fund be established in the general ledger to record capital assets and long-term liabilities that are not required to be reflected in the General Fund. Establishing this fund to track these balances will assist in reconciling balances on detail listings to the general ledger.

### Review of Investment Policy

To comply with the Government Code, the City Council should review and approve the City's Investment Policy annually.

To the City Council  
City of Colfax

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 February 1, 2017 on the financial statements of the City.

*Richardson & Company, LLP*

February 1, 2017



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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, 2016. 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 2015/2016 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 2015/2016 Appropriation Limit by multiplying the product of the two above factors by the 2014/2015 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 2015/2016.

Finding: For the 2015/2016 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*

February 1, 2017

## APPENDIX A

CITY OF COLFAX  
 APPROPRIATION LIMIT CALCULATION  
 Year Ended June 30, 2016

**APPROPRIATION LIMIT  
 ADOPTED BY CITY:**

Recorded in Final 2015/2016 Budget \$ 2,008,127

**APPROPRIATION LIMIT  
 COMPUTATION PER REVIEW:**

2015/2016 Appropriation Limit	\$ 1,940,060	
Cost of living factor:		
Change in California per capita income	1.0382	
Population Adjustment Factor:		
Population change in City of Colfax	0.9970	
Auditor computed limitation		2,008,128
Variance		\$ (1)



City of Colfax  
 City Council Minutes  
 Regular Meeting of Wednesday, January 25, 2017  
 City Hall Council Chambers  
 33 S. Main Street, Colfax CA

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## 1 OPEN SESSION

### 1A. **Call to Order**

Mayor Harvey called the meeting to order at 7:00PM.

### 1B. **Pledge of Allegiance**

Tim Ryan, City Treasurer, led the Pledge of Allegiance.

### 1C. **Roll Call**

Council members present: Douglass, Harvey, Hesch, Stockwin

### 1D. **Approval of Agenda Order**

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

**AYES:** Douglass, Harvey, Hesch, Stockwin

## 2 COUNCIL MEMBER APPOINTMENT

### 2A. **Discussion and Consideration of Applicants to Fill a Vacancy on the City Council**

**RECOMMENDATION:** Review Applicants and adopt Resolution 03-2017: Appointing \_\_\_ to fill the vacancy created by the ineligibility of Councilmember Elect Wally Costa.

City Manager Schempf stated the City received four applications for the vacant Council position. Staff has created a matrix Council may use to help in questioning the applicants.

Mayor Harvey suggested, and Council agreed, to add questions regarding pros and cons of a swimming pool and a train museum to the candidate rating form provided.

On behalf of the Council, Mayor Harvey questioned each of the applicants, Marnie Mendoza, Al Turner, Nicole Maldonado, and Ric Ostermeyer using the amended matrix.

Alan Shuttleworth, Connie Heilaman, and Rich Miller, area residents and Larry Hillberg and Foxey McCleary, Colfax residents spoke in support of Marnie Mendoza.

Brandi Esquivel, Lyn Tausch, Suzanne Roberts, area residents, supported Nicole Maldonado.

On a motion by Mayor Pro Tem Hesch, seconded by Councilmember Stockwin, the Council voted to adopt Resolution 03-2017 Appointing Marnie Mendoza to fill the Council vacancy.

**AYES:** Douglass, Hesch, Stockwin

**ABSTAIN:** Harvey

### 2B. **Oath of Office for New Councilmember**

City Clerk Cassidy gave Ms. Mendoza the Oath of Office and Councilmember Mendoza took her seat at the dais.

Council thanked each of the applicants for their participation and reminded them that there will be four openings on the City Council in 2018. The applicants were urged to run in the next election.

**3 CONSENT CALENDAR****3A. Minutes City Council Meeting of January 11, 2016**

**Recommendation:** Approve the Minutes of the Regular Meeting of January 11, 2016.

**3B. RGS Contract Extension for Planning Services**

**Recommendation:** Adopt Resolution 04-2017 authorizing the City Manager to extend the contract with RGS for planning services on an as needed basis from the initial \$85,000 to not to exceed \$170,000 and subject to renewal June 30, 2018.

On a motion by Councilmember Stockwin, seconded by Mayor Pro Tem Hesch, Council approved the consent calendar as amended.

**AYES:** Douglass, Harvey, Hesch, Stockwin

**4 PUBLIC COMMENT**

*Connie Heilaman, Colfax business owner and President of the Sierra Vista Community Center*

- Ms. Heilaman invited everyone to a fundraiser dinner dance to be held at the Community Center at 5:30PM on February 24, 2017.

*Foxy McCleary, 127 Saunders Lane*

- Ms. McCleary announced the upcoming Chocolate, Wine and Art Indulgence set to be held on April 29, 2017 from 6:00PM-9:00PM at the Sierra Vista Community Center.
- She also mentioned the Art Walk will be held on four 3<sup>rd</sup> Fridays this summer. She asked Mayor Harvey to help coordinate a car show to be held in conjunction with the Art Walk.

*Tim Ryan, 300 S. Main Street*

- Mr. Ryan thanked the City for the new electric car chargers which are being installed behind Roy Toms Plaza.
- He also thanked Council for the application process for filling the Council vacancy.

*Larry Hillberg, Colfax Resident*

- Mr. Hillberg spoke against the Skatepark and lamented he had not had enough notice before the January 11, 2017 meeting to make a prepared objection to the Skatepark during the presentation of that item in Council Business. He requested personal notification if the Skatepark is placed on the agenda in the future. He feels the location is very close to his home and also isolated. It is the wrong place to put the park.

*Brandi Esquivel, Area Resident*

- Ms. Esquivel spoke in support of the Skatepark.

*Helen Hillberg, Colfax Resident*

- Ms. Hillberg stated her opposition to the Skatepark.

*Rich Miller, Area Resident*

- Mr. Miller congratulated new Councilmember Mendoza.

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

*Councilmember Stockwin*

- Councilmember Stockwin reported he is the new Vice President of the Placer County Vector Control Board.

- He commended Sergeant Connors for the remodel of the Sheriff Substation and Open House event.
- He stated rainfall for the season is 54", which is 7.3" more rainfall since the last meeting.

*Councilmember Douglass*

- Councilmember Douglass attended the SACOG meeting and had good discussions with the mayors of Auburn, Winters and Galt. These meetings provide good ideas and networking for topics which are apropos for Colfax such as skateparks and roundabouts.
- He also attended the Sierra Vista Community Center Board meeting, met with the Mayor of Sacramento, and enjoyed the Substation Open House and the Chamber of Commerce meeting.

*Mayor Pro Tem Hesch*

- Mayor Pro Tem Hesch congratulated Councilmember Mendoza on her appointment to the Council.
- He attended the substation Open House and a PCTPA Board meeting.
- He will meet next week with the PCTPA Executive Director to explore the possibility of Colfax being included in a new proposal for sales tax designated for road repairs.

**5B. City Operations – City Staff**

*City Manager Schempf*

- City Manager Schempf congratulated Councilmember Mendoza and thanked the Council for making a quick decision.
- The City came through the storms relatively well. There were reports of a few potholes and a small crack at the Wastewater Treatment Plant which turned out to be a minor issue.
- City Manager Schempf commented the Workshop earlier today went well. Staff will be working on the General Plan for the City and updating the Municipal Code.

*City Attorney Cabral*

- City Attorney Cabral stated a new ordinance should be adopted to add fines for Building Code infractions. It is a good mechanism to put teeth into the Code Enforcement process.

Mayor Harvey challenged each council member to create a list of four items in the Municipal Code which need to be eliminated or updated.

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

*Officer Chris Nave, California Highway Patrol Gold Run Area Public Information Officer*

- Officer Nave stated the storms have kept officers busy with road closures and accidents.
- He reminded everyone of two new laws – mobile phones must be mounted or truly hands free and children under two years of age must travel in rear facing car seats.

*Battalion Chief Ty LaBelle, CAL FIRE*

- Chief LaBelle stated CAL FIRE has been busy with storm related calls.
- The City volunteer fire department has been meeting for training on Thursday nights. They are looking for more volunteers.

*Sergeant Conners, Placer County Sheriff's Office Colfax Substation Commander*

- Sergeant Conners thanked everyone for coming to the Substation Open House.
- He announced Devon Bell has been appointed to complete the term of retiring Sheriff Edward Bonner. He is pleased with the appointment.
- He would like to organize a luncheon for Sheriff Bonner to thank him for his service to Colfax.
- Sergeant Conners introduced three Probation Officers which now have an office in the substation.

Mayor called a brief recess at 8:55PM.

He called the meeting back to order at 9:00PM.

## **6 COUNCIL BUSINESS**

### **6A. Proposal for Business Development, Jonelle Tannahill**

**STAFF PRESENTATION:** John Schempf, City Manager

**RECOMMENDED ACTION:** Discuss and approve proposal.

City Manager Schempf introduced Jonelle Tannahill. He stated he likes the idea of this proposal because economic development requires considerable follow-up to gain momentum and be effective.

Ms. Tannahill gave a presentation outlining her proposal. She would conduct research to develop a baseline and tracking system to monitor progress, publish an online newsletter regularly which would include calendars and volunteer opportunities, and meet with the Chamber and businesses regularly. Her proposal involves approximately 20 hours each week for about 1 year.

Council discussed the proposal, expressing concerns that the City has had several economic development presentations with no significant impact.

City Manager Schempf reminded Council the proposal includes weekly reinforcement and would therefore have more lasting results. This would be an at-will contract and worth the experiment.

Council is reluctant to expend more funds outside of the proposed budget. They would prefer to have the Chamber of Commerce involved in the decision-making process.

Alan Shuttleworth, Area Resident, stated Ms. Tannahill would be able to bring all of the groups in Colfax together and make a cohesive effort to improve the economic environment.

Foxy McCleary, 127 Saunders Lane, stated she has found Colfax business owners are very reluctant to participate in programs such as this.

Mora Rowe, Executive Director of the Placer County Visitor's Bureau, cautioned Council not to spend funds to duplicate efforts and resources already provided at no cost to the City through the Visitor's Bureau. She stated the Bureau has marketing tools and has already completed a tourism inventory for the City. Ms. Tannahill will probably not need to do the research she suggested in her proposal. She stated it normally takes two years to get an economic plan working. The Bureau is willing to work more closely with Colfax.

Lynn Tausch, Colfax business owner, stated the economic development presentations the City had in the past lacked action steps. She suggested the City should hire someone who would be in charge of implementing ideas.

Councilmember Stockwin suggested Council schedule a public meeting to see if there is any interest from business owners for this type of service.

Ms. Rowe suggested recruiting new business owners from other areas. As prosperity comes to the town, the current owners will have motivation to participate in economic development programs.

Council agreed to table this topic until Staff can return with an updated proposal, perhaps including a well-advertised public meeting and a more structured timeline for activities.

6B. **2017 Goals and Objectives from Workshop/Special Meeting of January 25, 2017**

**STAFF PRESENTATION:** John Schempf, City Manager

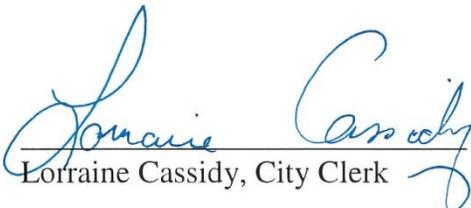
**RECOMMENDED ACTION:** Approve goals as presented.

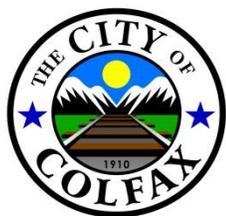
City Manager Schempf stated Council and staff had a good meeting today. Staff will prepare a goal list and calendar of benchmark dates for Council's approval.

7 **ADJOURNMENT**

As there was no further business on the agenda, Mayor Harvey adjourned the meeting at 10:05PM.

Respectfully submitted to City Council this 22<sup>nd</sup> day of February, 2017

  
Lorraine Cassidy, City Clerk



City of Colfax  
 City Council Minutes  
 Special Meeting of Wednesday, January 25, 2017  
 City Hall Council Chambers  
 33 S. Main Street, Colfax CA

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**1 OPEN SESSION**

**1A. Call to Order**

Mayor Harvey called the open session to order at 1:05PM.

**1B. Roll Call**

Council members present: Douglass, Harvey, Hesch, Stockwin

**2 PUBLIC COMMENT**

2A. There was no public comment at this time.

**3 WORKSHOP**

**3A. Staff Items**

City Manager Schempf explained the workshop format.

Planning Director Feagans handed out information and explained the requirements for General Plans. She recommends updating the Land Use Element and the Transportation Element. She also recommended cleaning up the Zoning Code. Council requested staff provide a timeline and cost analysis for completing these tasks. Staff will work with the General Plan/Circulation Element Update Committee as progress is made on these projects.

**3B. Council Items**

Each Council member contributed to the list of items which should be addressed. These included: Downtown economic viability, Community pool, Railroad museum, Trail from Whitcomb Avenue to downtown, Sewer Service Rate Study, CDBG loans, Gateway monuments and advertising, Road improvement, and Hiring a grant writer.

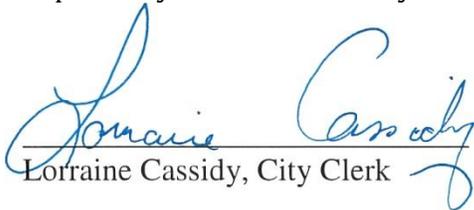
Tim Ryan, 300 S Main Street, Lynn Tausch, Colfax business owner, and Marnie Mendoza, 9 Depot Street were present and joined the discussion.

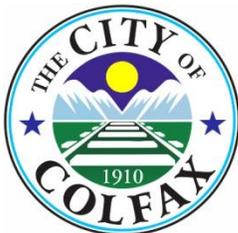
Council recommended staff develop a calendar with benchmark dates for updating several documents including the Sewer Service Rate Study, the ADA Transition Plan, CDBG Grant applications, the Employee Handbook and the General Plan Zoning and Transportation Elements.

**4 ADJOURNMENT**

As there was no further business on the agenda, Mayor Harvey adjourned the meeting at 2:45PM.

Respectfully submitted to City Council this 22<sup>nd</sup> day of February, 2017

  
 Lorraine Cassidy, City Clerk



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE FEBRUARY 08, 2017 COUNCIL MEETING

**FROM:** John Schempf, City Manager  
**PREPARED BY:** Laurie Van Groningen, Finance Director  
**DATE:** January 23, 2017  
**SUBJECT:** City of Colfax Cash Summary Report: December 2016

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Accept and file City of Colfax Cash Summary Report: December 2016.

### **BACKGROUND AND ANALYSIS:**

These monthly financial reports include General Fund Reserved Cash Analysis Graphs and the City of Colfax Cash Summary Report (with supporting documentation). The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports, and bank statements. Detailed budget comparisons are provided as a mid-year report and also as part of the proposed budget process each year.

The purpose of the reports is to provide status of funds and transparency for Council and the public of the financial transactions of the City.

The attached reports reflect an overview of the financial transactions of the City of Colfax in December 2016. Monthly highlights include:

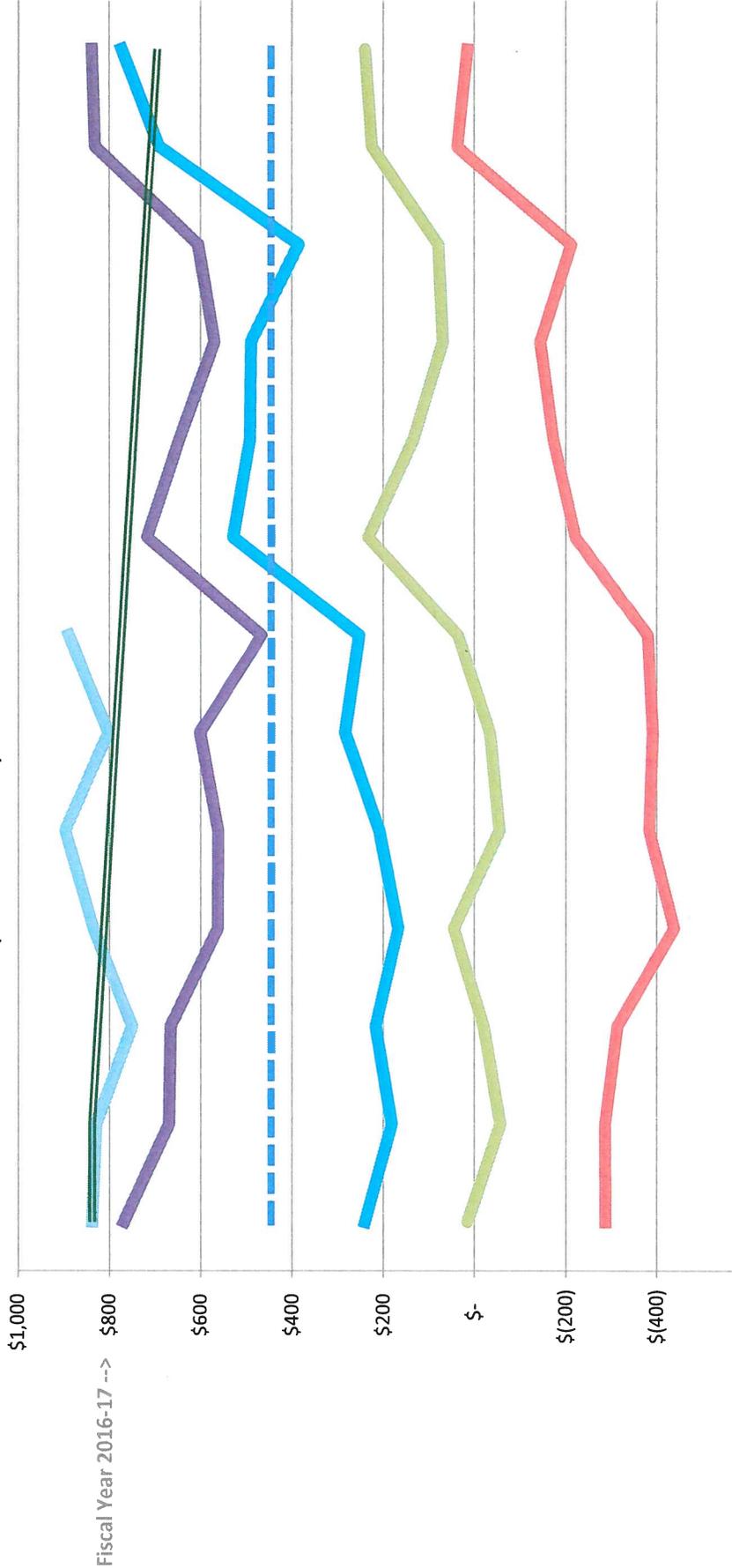
- Negative cash fund balances are due to timing of funding allocations and reimbursements.
  - Fund 250 - Streets& Roads – Funding through PCTPA is expected by April 2017.
  - Fund 280 – Recycling – Grant Funds were received in early January (\$5,000)
  - Fund 370 – Capital Funds – Funding is based on reimbursement at end of project
- The quarterly payment for Sheriff services for FY17-Q2 was paid at the end of November - \$156,401. This payment was processed in December in the previous two fiscal years.
- The first allocation of FY2016-2017 property taxes and delinquent sewer charges placed on tax rolls (County Teeter process) has been received in January 2017.

### **ATTACHMENTS:**

1. General Fund Reserved Cash Analysis Graphs
  - a. Cash Analysis – Balance
  - b. Expenses by Month
  - c. Revenues by Month
2. Cash Activity Reports
  - a. Cash Summary
  - b. Cash Transactions Report – by individual fund
  - c. Check Register Report - Accounts Payable
  - d. Daily Cash Summary Report (Cash Receipts)

# City of Colfax - December 2016 General Fund Reserved Cash Analysis

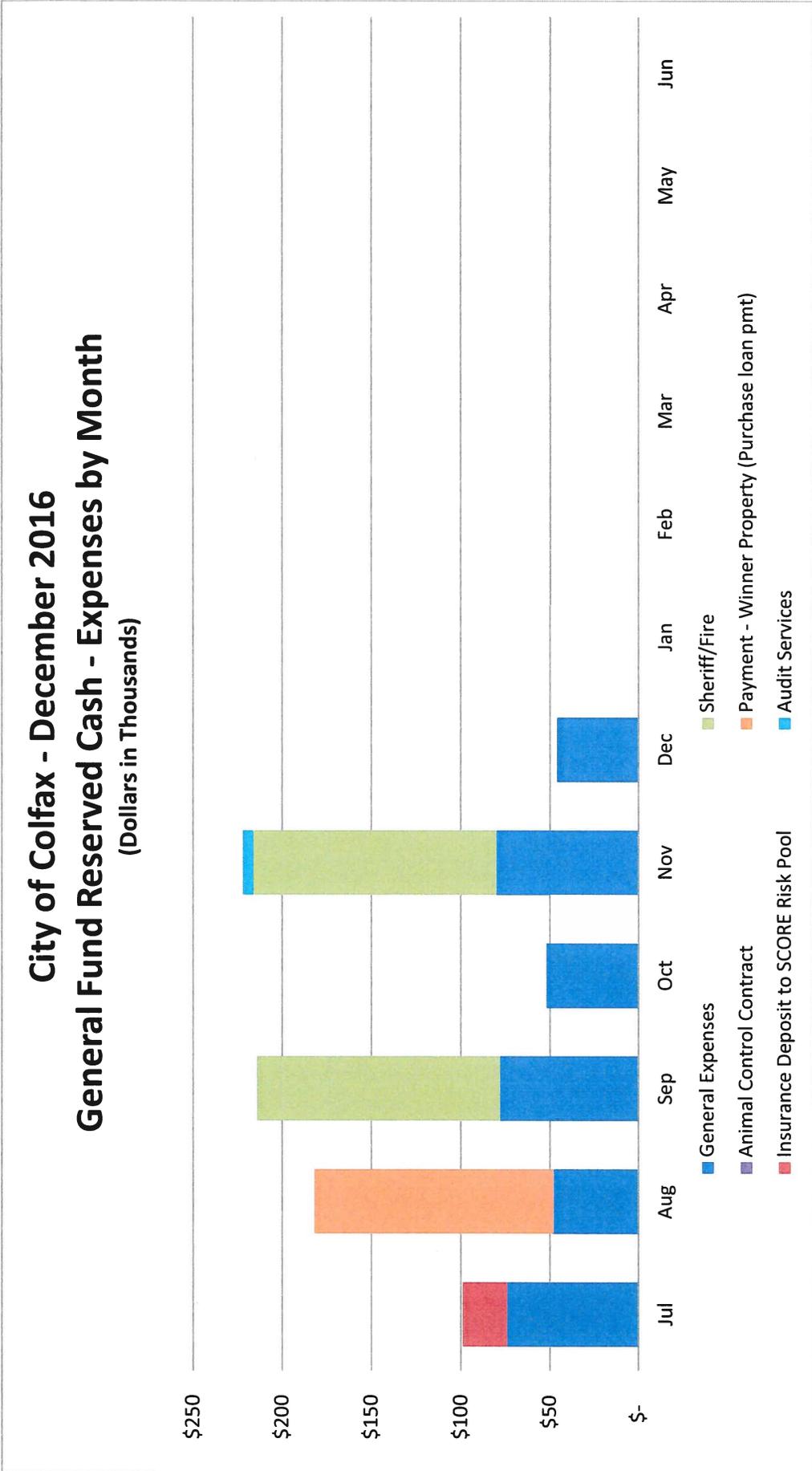
(Dollars in Thousands)



	Prev Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Balance FY2016-17	\$838	\$829	\$750	\$835	\$897	\$802	\$889						
Cash Balance FY2015-16	\$768	\$670	\$666	\$562	\$561	\$601	\$466	\$717	\$647	\$569	\$605	\$831	838
Cash Balance FY2014-15	\$240	\$181	\$217	\$167	\$209	\$284	\$253	\$528	\$491	\$489	\$385	\$691	773
Cash Balance FY2013-14	\$15	\$(57)	\$(20)	\$45	\$(55)	\$(34)	\$36	\$233	\$134	\$69	\$79	\$225	240
Cash Balance FY2012-13	\$(287)	\$(286)	\$(314)	\$(438)	\$(383)	\$(391)	\$(380)	\$(221)	\$(173)	\$(144)	\$(212)	\$37	15
*Reserves (Ops, Cap, Pen)	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	\$445	445
Budget FY2016-17	\$838	\$838	\$825	\$812	\$799	\$786	\$773	\$760	\$747	\$734	\$721	\$708	\$695

\* General Fund (GF) Reserves per adopted budget.





**City of Colfax  
Cash Summary  
December 31, 2016**

	<b>Balance 11/30/2016</b>	<b>Revenues In</b>	<b>Expenses Out</b>	<b>Transfers</b>	<b>Balance 12/31/2016</b>
US Bank	\$ 91,287.16	\$ 283,535.20	\$ (149,831.45)	\$ -	\$ 224,990.91
LAIF	\$ 3,557,161.02	\$ -	\$ -	\$ -	\$ 3,557,161.02
Total Cash - General Ledger	<u>\$ 3,648,448.18</u>	<u>\$ 283,535.20</u>	<u>\$ (149,831.45)</u>	<u>\$ -</u>	<u>\$ 3,782,151.93</u>
Petty Cash (In Safe)	\$ 300.00				\$ 300.00
Total Cash	<u>\$ 3,648,748.18</u>	<u>\$ 283,535.20</u>	<u>\$ (149,831.45)</u>	<u>\$ -</u>	<u>\$ 3,782,451.93</u>

**Change in Cash Account Balance - Total** \$ 133,703.75

Attached Reports:

- 1. Cash Transactions Report (By Individual Fund)
- 2. Check Register Report (Accounts Payable) \$ (89,717.48)
- 3. Cash Receipts - Daily Cash Summary Report \$ 162,053.12
  - Payroll Checks and Tax Deposits \$ (59,493.99)
  - Utility Billings - Receipts \$ 120,982.07
  - Service Charge - December \$ (119.97)
  - \$ -
  - \$ -
  - \$ 133,703.75 \$ -

Prepared by: Laurie Van Groningen 1/22/17  
Laurie Van Groningen, Finance Director

Reviewed by: John Schempf  
John Schempf, City Manager

## City of Colfax

## Cash Transactions Report - December 2016

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
<b>Fund Type: 1.11 - General Fund - Unassigned</b>				
Fund: 100 - General Fund	\$ 973,829.64	\$ 133,339.93	\$ (42,659.47)	\$ 1,064,510.10
Fund: 120 - Land Development Fees	\$ 33,402.44	\$ -	\$ (3,755.00)	\$ 29,647.44
Fund: 570 - Garbage Fund	\$ (205,307.74)	\$ -	\$ (43.06)	\$ (205,350.80)
<b>Fund Type: 1.11 - General Fund - Unassigned</b>	<b>\$ 801,924.34</b>	<b>\$ 133,339.93</b>	<b>\$ (46,457.53)</b>	<b>\$ 888,806.74</b>
<b>Fund Type: 1.14 - General Fund - Restricted</b>				
Fund: 571 - AB939 Landfill Diversion	\$ 29,317.26	\$ -	\$ -	\$ 29,317.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 779,292.89	\$ -	\$ (11,660.37)	\$ 767,632.52
<b>Fund Type: 1.14 - General Fund - Restricted</b>	<b>\$ 808,610.15</b>	<b>\$ -</b>	<b>\$ (11,660.37)</b>	<b>\$ 796,949.78</b>
<b>Fund Type: 1.24 - Special Rev Funds - Restricted</b>				
Fund: 210 - Mitigation Fees - Roads	\$ 34,124.76	\$ -	\$ (2,247.49)	\$ 31,877.27
Fund: 211 - Mitigation Fees - Drainage	\$ 3,054.01	\$ -	\$ -	\$ 3,054.01
Fund: 212 - Mitigation Fees - Trails	\$ 42,785.73	\$ -	\$ -	\$ 42,785.73
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 97,980.69	\$ -	\$ -	\$ 97,980.69
Fund: 214 - Mitigation Fees - City Bldgs	\$ 945.95	\$ -	\$ -	\$ 945.95
Fund: 215 - Mitigation Fees - Vehicles	\$ 4,500.05	\$ -	\$ -	\$ 4,500.05
Fund: 217 - Mitigation Fees - DT Parking	\$ 26,669.11	\$ -	\$ -	\$ 26,669.11
Fund: 218 - Support Law Enforcement	\$ 4,717.01	\$ 11,862.09	\$ -	\$ 16,579.10
Fund: 241 - CDBG Housing Rehabilitation	\$ 94,429.79	\$ -	\$ -	\$ 94,429.79
Fund: 244 - CDBG MicroEnterprise Lending	\$ 116,513.99	\$ 500.00	\$ -	\$ 117,013.99
Fund: 250 - Streets - Roads/Transportation	\$ (58,661.42)	\$ 270.00	\$ (8,467.56)	\$ (66,858.98)
Fund: 253 - Gas Taxes	\$ 18,187.30	\$ 3,832.40	\$ (1,519.68)	\$ 20,500.02
Fund: 270 - Beverage Container Recycling	\$ 32,986.22	\$ 5,000.00	\$ -	\$ 37,986.22
Fund: 280 - Oil Recycling	\$ (713.63)	\$ -	\$ (95.60)	\$ (809.23)
Fund: 286 - Community Projects	\$ 5,274.27	\$ -	\$ -	\$ 5,274.27
Fund: 292 - Fire Department Capital Funds	\$ 147,427.34	\$ -	\$ -	\$ 147,427.34
Fund: 342 - Fire Construction - Mitigation	\$ 2,432.58	\$ -	\$ -	\$ 2,432.58
Fund: 343 - Recreation Construction	\$ 2,433.03	\$ -	\$ -	\$ 2,433.03
<b>Fund Type: 1.24 - Special Rev Funds - Restrict</b>	<b>\$ 575,086.78</b>	<b>\$ 21,464.49</b>	<b>\$ (12,330.33)</b>	<b>\$ 584,220.94</b>
<b>Fund Type: 1.34 - Capital Projects - Restricted</b>				
Fund: 350 - Street Improvement Projects	\$ 24,069.78	\$ -	\$ -	\$ 24,069.78
Fund: 370 - North Main Street Bike Route	\$ (31,286.31)	\$ -	\$ -	\$ (31,286.31)
<b>Fund Type: 1.34 - Capital Projects - Restricted</b>	<b>\$ (7,216.53)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,216.53)</b>
<b>Fund Type: 2.11 - Enterprise Funds - Unassigned</b>				
Fund: 560 - Sewer	\$ 511,103.45	\$ 81,324.53	\$ (67,499.89)	\$ 524,928.09
Fund: 561 - Sewer Liftstations	\$ 365,779.50	\$ 13,627.08	\$ (11,883.33)	\$ 367,523.25
Fund: 563 - Wastewater Treatment Plant	\$ 185,786.40	\$ 33,427.46	\$ -	\$ 219,213.86
Fund: 564 - Sewer Connections	\$ 41,080.00	\$ -	\$ -	\$ 41,080.00
Fund: 565 - General Obligation Bond 1978	\$ 2,180.89	\$ 5.87	\$ -	\$ 2,186.76
Fund: 567 - Inflow & Infiltration	\$ 364,113.20	\$ 345.84	\$ -	\$ 364,459.04
<b>Fund Type: 2.11 - Enterprise Funds - Unassigni</b>	<b>\$ 1,470,043.44</b>	<b>\$ 128,730.78</b>	<b>\$ (79,383.22)</b>	<b>\$ 1,519,391.00</b>
<b>Fund Type: 9.0 - CLEARING ACCOUNT</b>				
Fund: 998 - PAYROLL CLEARING FUND	\$ -	\$ -	\$ -	\$ -
<b>Fund Type: 9.0 - CLEARING ACCOUNT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals:</b>	<b>\$ 3,648,448.18</b>	<b>\$ 283,535.20</b>	<b>\$ (149,831.45)</b>	<b>\$ 3,782,151.93</b>

Check Register Report

ITEM 4C

A/P Checks - December 2016

Date: 7/10/2017

Time: 3:37 pm

Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>US BANK Checks</b>							
52209	12/08/2016	Printed		011200	24 SEVEN FIRE PROTECTION	FIRE EXTINGUISHER MAINTENANCE	324.75
52210	12/08/2016	Printed		01418	ALL PHASE AUTO	98 CHEVY REPAIRS	799.68
52211	12/08/2016	Printed		01413	ALLIANT INSURANCE SERVICES,	WINTERFEST 2016 EVENT INS	643.00
52212	12/08/2016	Printed		01432	JOSHUA ALPINE	EVENT REIMB - ELECT ALPINE BBQ	100.00
52213	12/08/2016	Printed		01448	AMERIGAS - COLFAX	PROPANE CITY HALL	199.02
52214	12/08/2016	Printed		01448	AMERIGAS - COLFAX	PROPANE SHERIFF'S DEPT.	49.71
52215	12/08/2016	Printed		01448	AMERIGAS - COLFAX	PROPANE FIRE HOUSE	18.86
52216	12/08/2016	Printed		01448	AMERIGAS - COLFAX	PROPANE DEPOT	82.07
52217	12/08/2016	Printed		01500	ANDERSON'S SIERRA	WWTP FILTER PART	158.04
52218	12/08/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	ACCT & PW TEMPS WK 11/20/16	1,452.80
52219	12/08/2016	Printed		03300	CHAMBER OF COMMERCE	WINTERFEST FIREWORKS 2016	500.00
52220	12/08/2016	Printed		07460	GOLD COUNTRY MEDIA	COLFAX CHAMBER GUIDE	275.00
52221	12/08/2016	Printed		08170	HILLS FLAT LUMBER CO	SUPPLIES	473.47
52222	12/08/2016	Printed		08200	HINDERLITER, DE LLAMAS & ASSOC	AUDIT CONT. SALES TAX 4TH QT	930.44
52223	12/08/2016	Printed		08501	HOME DEPOT CREDIT SERVICES	SEWER REPAIR /BP IRR SUPPLY	105.77
52224	12/08/2016	Printed		09513	INTERNATIONAL CODE COUNCIL	MEMBERSHIP	135.00
52225	12/08/2016	Printed		09540	INTERSTATE SALES	STREET SIGNAGE	45.15
52226	12/08/2016	Printed		12235	LIVELY LOCKS AND DEAD BOLTS	SP FACILITIES DEAD BOLTS	365.53
52227	12/08/2016	Printed		13195	MARSON'S OF COLFAX	EMPLOYER WORK BOOTS	825.60
52228	12/08/2016	Printed		16011(2)	PELLETREAU, ANDERSON & CABRAL	DEC 2016 SERVICES	2,452.50
52229	12/08/2016	Printed		16035	PG&E	STMT 11/21/2016	18,602.47
52230	12/08/2016	Void	12/14/2016	16040	PURCHASE POWER	POSTAGE	0.00
52231	12/08/2016	Printed		18121	RCH GROUP, INC.	SIERRA ESTATES ENVIRONMENTAL	2,530.00
52232	12/08/2016	Printed		19591	STANLEY CONVERGENT SECURITY	DEPOT SECURITY 1/01 - 3/31/17	132.57
52233	12/08/2016	Printed		20538	TROJAN TECHNOLOGIES	TRAINING UV SYSTEM	3,821.30
52234	12/08/2016	Printed		21560	US BANK CORPORATE PMT SYSTEM	STMT 11/22/2016	5,155.18
52235	12/08/2016	Printed		22106	VAN GRONINGEN & ASSOCIATES	FINANCIAL CONSULTANT NOV 2016	7,075.95
52236	12/08/2016	Printed		23169	WAVE BUSINESS SOLUTIONS	CITY HALL PHONES	190.52
52237	12/08/2016	Printed		23451	WOOD ROGERS	OCT 2016 INSTR. SURVEY REPORT	3,465.00
52238	12/15/2016	Printed		01414	ALHAMBRA & SIERRA SPRINGS	WATER CITY HALL/CORP YARD	114.04
52239	12/15/2016	Printed		01460	AMERIPRIDE UNIFORM SERVICE	STMT 11/30/16	331.58
52240	12/15/2016	Printed		01766	AT&T MOBILITY	NOV 2016 CELL PHONES	572.49
52241	12/15/2016	Printed		02829	BLUE RIBBON PERSONNEL SERVICES	ACCT & PW TEMPS	2,336.10
52242	12/15/2016	Printed		03142	CALTROL, INC.	PNEUNATIC ACTUATOR REPLACEMENT	549.04
52243	12/15/2016	Printed		03493	COASTLAND CIVIL ENGINEERING	ENGINEERING SERVICES NOV 2016	5,932.95
52244	12/15/2016	Printed		04400	DIAMOND WELL DRILLING CO.	OCT 2016 MONITORING	3,057.00
52245	12/15/2016	Printed		05184	BRET ELLIS	GRADE 11 CERTIFICATE	230.00
52246	12/15/2016	Printed		07570	GRAINGER	WWTP COMPRESSOR GAUGE	59.86
52247	12/15/2016	Printed		08159	HILL BROTHERS CHEMICAL CO.	CHEMICALS	6,677.90
52248	12/15/2016	Printed		08660	HUNT AND SONS, INC.	FUEL PUBLIC WORKS	244.43
52249	12/15/2016	Printed		14356	NORTHERN CALIFORNIA GLOVE	MESH VESTS	176.25
52250	12/15/2016	Printed		16300	PCWA -PLACER COUNTY	WATER	200.00
52251	12/15/2016	Printed		16040A	PITNEY BOWES	DEC 30,2016 - MARCH 29,2017	168.22
52252	12/15/2016	Printed		16040	PURCHASE POWER	POSTAGE	503.50
52253	12/15/2016	Printed		18194	RGS - REGIONAL GOV SERVICES	NOV 2016 PLANNING SERVICES	5,082.50

Check Register Report

**ITEM 4C**

A/P Checks - December 2016

Date: ~~8/06/17~~ 8/06/17

Time: 3:37 pm

Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>US BANK Checks</b>							
52254	12/15/2016	Printed		18400	RIEBES AUTO PARTS	SUPPLIES	65.23
52255	12/15/2016	Printed		18883	SAC-VAL JANITORIAL SUPPLY	SUPPLIES	205.47
52256	12/15/2016	Printed		01790	SIERRA OFFICE PRODUCTS	NOV 2016 OFFICE SUPPLIES	231.64
52257	12/15/2016	Printed		19696	SWRCB	ANNUAL LAND FILL FEE	11,276.00
52258	12/15/2016	Printed		23169	WAVE BUSINESS SOLUTIONS	CORP YARD PHONE/INTERNET	59.65
52259	12/15/2016	Printed		23301	WESTERN PLACER WASTE	STMT 11/30/16	734.25

**Total Checks: 51** **Checks Total (excluding void checks): 89,717.48**

**Total Payments: 51** **Bank Total (excluding void checks): 89,717.48**

**Total Payments: 51** **Grand Total (excluding void checks): 89,717.48**

DAILY CASH SUMMARY REPORT

ITEM 4C

Page 11  
1/18/2017  
3:37 pm

12/01/2016 - 12/31/2016

City of Colfax

MJE No.	Line	Posting Date	Type	GL Number	Debit	Credit	Net Chng	
<b>Fund: 100 - General Fund</b>								
97828	2	12/05/2016	CR	100-000-1000	557.54	0.00	557.54	
97829	2	12/05/2016	CR	100-000-1000	500.00	0.00	500.00	
97830	2	12/05/2016	CR	100-000-1000	2,769.62	0.00	2,769.62	
97832	2	12/05/2016	CR	100-000-1000	129.51	0.00	129.51	
97833	2	12/05/2016	CR	100-000-1000	136.93	0.00	136.93	
97834	2	12/05/2016	CR	100-000-1000	257.36	0.00	257.36	
97835	2	12/05/2016	CR	100-000-1000	150.00	0.00	150.00	
97836	2	12/05/2016	CR	100-000-1000	1,705.67	0.00	1,705.67	
97837	2	12/05/2016	CR	100-000-1000	175.00	0.00	175.00	
97838	2	12/05/2016	CR	100-000-1000	271.39	0.00	271.39	
97840	2	12/05/2016	CR	100-000-1000	89.77	0.00	89.77	
<b>12/05/2016</b>	<b>Daily Totals</b>				<b>6,742.79</b>	<b>0.00</b>	<b>6,742.79</b>	
97843	2	12/09/2016	CR	100-000-1000	223.83	0.00	223.83	
97844	2	12/09/2016	CR	100-000-1000	465.26	0.00	465.26	
97845	2	12/09/2016	CR	100-000-1000	63.75	0.00	63.75	
97846	2	12/09/2016	CR	100-000-1000	1,393.39	0.00	1,393.39	
97848	2	12/09/2016	CR	100-000-1000	1,000.00	0.00	1,000.00	
97850	2	12/09/2016	CR	100-000-1000	820.00	0.00	820.00	
97851	2	12/09/2016	CR	100-000-1000	20.00	0.00	20.00	
97852	2	12/09/2016	CR	100-000-1000	418.45	0.00	418.45	
<b>12/09/2016</b>	<b>Daily Totals</b>				<b>4,404.68</b>	<b>0.00</b>	<b>4,404.68</b>	
98073	2	12/14/2016	CR	100-000-1000	3,032.02	0.00	3,032.02	
<b>12/14/2016</b>	<b>Daily Totals</b>				<b>3,032.02</b>	<b>0.00</b>	<b>3,032.02</b>	
98115	2	12/23/2016	CR	100-000-1000	110,736.04	0.00	110,736.04	
<b>12/23/2016</b>	<b>Daily Totals</b>				<b>110,736.04</b>	<b>0.00</b>	<b>110,736.04</b>	
98117	2	12/29/2016	CR	100-000-1000	108.00	0.00	108.00	
98118	2	12/29/2016	CR	100-000-1000	211.16	0.00	211.16	
98119	2	12/29/2016	CR	100-000-1000	3,705.02	0.00	3,705.02	
98120	2	12/29/2016	CR	100-000-1000	1,772.97	0.00	1,772.97	
98122	2	12/29/2016	CR	100-000-1000	150.00	0.00	150.00	
98123	2	12/29/2016	CR	100-000-1000	122.25	0.00	122.25	
98124	2	12/29/2016	CR	100-000-1000	82.05	0.00	82.05	
98125	2	12/29/2016	CR	100-000-1000	175.00	0.00	175.00	
98128	2	12/29/2016	CR	100-000-1000	209.00	0.00	209.00	
<b>12/29/2016</b>	<b>Daily Totals</b>				<b>6,535.45</b>	<b>0.00</b>	<b>6,535.45</b>	
98135	2	12/31/2016	CR	100-000-1000	152.00	0.00	152.00	
98136	2	12/31/2016	CR	100-000-1000	711.00	0.00	711.00	
98137	2	12/31/2016	CR	100-000-1000	775.94	0.00	775.94	
<b>12/31/2016</b>	<b>Daily Totals</b>				<b>1,638.94</b>	<b>0.00</b>	<b>1,638.94</b>	
<b>Fund: 100 - General Fund</b>					<b>TOTALS:</b>	<b>133,089.92</b>	<b>0.00</b>	<b>133,089.92</b>
<b>Fund: 218 - Support Law Enforcement</b>								
98073	6	12/14/2016	CR	218-000-1000	11,862.09	0.00	11,862.09	

Limited to include: JE Types of: CR

DAILY CASH SUMMARY REPORT

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12/01/2016 - 12/31/2016

City of Colfax

MJE No.	Line	Posting Date	Type	GL Number	Debit	Credit	Net Chng	
<b>12/14/2016</b>		Daily Totals			<b>11,862.09</b>	<b>0.00</b>	<b>11,862.09</b>	
<b>Fund: 218 - Support Law Enforcement</b>					<b>TOTALS:</b>	<b>11,862.09</b>	<b>0.00</b>	<b>11,862.09</b>
<b>Fund: 244 - CDBG MicroEnterprise Lending</b>								
97831	2	12/05/2016	CR	244-000-1000	500.00	0.00	500.00	
<b>12/05/2016</b>		Daily Totals			<b>500.00</b>	<b>0.00</b>	<b>500.00</b>	
<b>Fund: 244 - CDBG MicroEnterprise Lending</b>					<b>TOTALS:</b>	<b>500.00</b>	<b>0.00</b>	<b>500.00</b>
<b>Fund: 250 - Streets - Roads/Transportation</b>								
97849	2	12/09/2016	CR	250-000-1000	180.00	0.00	180.00	
<b>12/09/2016</b>		Daily Totals			<b>180.00</b>	<b>0.00</b>	<b>180.00</b>	
98121	2	12/29/2016	CR	250-000-1000	90.00	0.00	90.00	
<b>12/29/2016</b>		Daily Totals			<b>90.00</b>	<b>0.00</b>	<b>90.00</b>	
<b>Fund: 250 - Streets - Roads/Transportation</b>					<b>TOTALS:</b>	<b>270.00</b>	<b>0.00</b>	<b>270.00</b>
<b>Fund: 253 - Gas Taxes</b>								
98141	2	12/30/2016	CR	253-000-1000	3,832.40	0.00	3,832.40	
<b>12/30/2016</b>		Daily Totals			<b>3,832.40</b>	<b>0.00</b>	<b>3,832.40</b>	
<b>Fund: 253 - Gas Taxes</b>					<b>TOTALS:</b>	<b>3,832.40</b>	<b>0.00</b>	<b>3,832.40</b>
<b>Fund: 280 - Oil Recycling</b>								
97847	2	12/09/2016	CR	280-000-1000	5,000.00	0.00	5,000.00	
<b>12/09/2016</b>		Daily Totals			<b>5,000.00</b>	<b>0.00</b>	<b>5,000.00</b>	
<b>Fund: 280 - Oil Recycling</b>					<b>TOTALS:</b>	<b>5,000.00</b>	<b>0.00</b>	<b>5,000.00</b>
<b>Fund: 560 - Sewer</b>								
97839	2	12/05/2016	CR	560-000-1000	860.23	0.00	860.23	
<b>12/05/2016</b>		Daily Totals			<b>860.23</b>	<b>0.00</b>	<b>860.23</b>	
98073	8	12/14/2016	CR	560-000-1000	4,743.28	0.00	4,743.28	
<b>12/14/2016</b>		Daily Totals			<b>4,743.28</b>	<b>0.00</b>	<b>4,743.28</b>	
98116	2	12/23/2016	CR	560-000-1000	200.00	0.00	200.00	
<b>12/23/2016</b>		Daily Totals			<b>200.00</b>	<b>0.00</b>	<b>200.00</b>	

Limited to include: JE Types of: CR

DAILY CASH SUMMARY REPORT

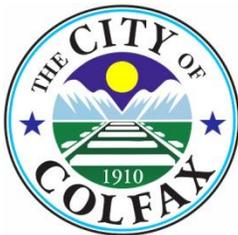
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12/01/2016 - 12/31/2016

City of Colfax

MJE No.	Line	Posting Date	Type	GL Number	Debit	Credit	Net Chng	
	98127	2 12/29/2016	CR	560-000-1000	61.33	0.00	61.33	
<b>12/29/2016</b>		Daily Totals			<b>61.33</b>	<b>0.00</b>	<b>61.33</b>	
<b>Fund: 560 - Sewer</b>					<b>TOTALS:</b>	<b>5,864.84</b>	<b>0.00</b>	<b>5,864.84</b>
<b>Fund: 561 - Sewer Liftstations</b>								
	97841	2 12/09/2016	CR	561-000-1000	407.00	0.00	407.00	
	97842	2 12/09/2016	CR	561-000-1000	407.00	0.00	407.00	
<b>12/09/2016</b>		Daily Totals			<b>814.00</b>	<b>0.00</b>	<b>814.00</b>	
	98126	2 12/29/2016	CR	561-000-1000	407.00	0.00	407.00	
<b>12/29/2016</b>		Daily Totals			<b>407.00</b>	<b>0.00</b>	<b>407.00</b>	
	98138	2 12/31/2016	CR	561-000-1000	407.00	0.00	407.00	
<b>12/31/2016</b>		Daily Totals			<b>407.00</b>	<b>0.00</b>	<b>407.00</b>	
<b>Fund: 561 - Sewer Liftstations</b>					<b>TOTALS:</b>	<b>1,628.00</b>	<b>0.00</b>	<b>1,628.00</b>
<b>Fund: 565 - General Obligation Bond 1978</b>								
	98073	10 12/14/2016	CR	565-000-1000	5.87	0.00	5.87	
<b>12/14/2016</b>		Daily Totals			<b>5.87</b>	<b>0.00</b>	<b>5.87</b>	
<b>Fund: 565 - General Obligation Bond 1978</b>					<b>TOTALS:</b>	<b>5.87</b>	<b>0.00</b>	<b>5.87</b>
<b>GRAND TOTALS:</b>					<b>162,053.12</b>	<b>0.00</b>	<b>162,053.12</b>	



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE FEBRUARY 22, 2017 COUNCIL MEETING

**FROM:** John Schempf, City Manager  
**PREPARED BY:** Laurie Van Groningen, Finance Director  
**DATE:** January 30, 2017  
**SUBJECT:** Quarterly Investment Report and Review of Investment Policy

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** 1. Accept and File City of Colfax Quarterly Investment Report: December 31, 2016.  
 2. Annual review of Investment Policy adopted October 29-2014 – Accept as written

**SUMMARY:**

Staff recommends that the Council accepts and files the Colfax Quarterly Investment Report for the quarter ended December 31, 2016.

**BACKGROUND AND ANALYSIS:**

California Government Code Section 53646 and the City of Colfax Investment Policy require a quarterly investment report be submitted to the City Council. Such report shall include at least the following information:

- Types of Investments;
- Name of the institution in which funds are invested or deposited;
- Date of Maturity, if applicable;
- Par and dollar amount investment for all securities;
- Percent distribution of each type of investment or deposit; current market value as of the date of the report, including source of the valuation except those under LAIF;
- Rate of interest
- Average weighted yield of all investments
- A statement relating the report to the City’s Investment Policy; and
- A statement that there are sufficient funds to meet the City’s next six months’ financial obligations.

The current practice for cash management is to maintain an operating balance between \$75,000 and \$150,000 in the City’s US Bank Corporate checking account. This account accumulates Earnings Credits based on the account balance which offset/reduce monthly service charges. City funds in excess of targeted operating balance are transferred to the State of California Local Agency Investment Fund (LAIF) on a weekly basis. The checking account balance may be reported at an amount higher than the target balance by the Bank due to the timing of City checks being processed by vendors/service providers.

Historically, due to fluctuations in fund balances, investment opportunities outside the corporate checking and LAIF accounts have been somewhat limited. Our investment policy dictates that the City should have liquid short term securities to meet six month's financial obligations. The budget for 2016-2017 reflects nearly \$4.5M in annual expenditures, therefore our target for liquid short term securities would be \$2.25M.

**CONCLUSION:**

The attached schedule Analysis of Treasury Investment Pool satisfies the State's reporting requirements. Additionally, we have determined:

- The investments held at December 31, 2016 conform to the City Investment Policy adopted by Resolution 29-2014,
- The composite yield of the City's investment pool to be the rate of .68% for the quarter ended December 31, 2016,
- There are sufficient funds on deposit to meet all anticipated City expenditures for the period January 01, 2017 to June 30, 2017.

The attached Colfax Investment Policy which was adopted in 2014 should be reviewed by Council annually. Staff does not recommend changes to the policy at this time.

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**ATTACHMENTS:**

1. Analysis of Treasury Investment Pool
2. State of California – PMIA and LAIF Performance Report (QE 12/31/16)
3. State of California – PMIA Average Monthly Effective Yields
4. Colfax Investment Policy

**City of Colfax**  
**Analysis of Treasury Investment Pool**  
**Quarterly Analysis - FY2016-2017**  
**Report Date: 01/30/2016**

<b>Quarter Ended 12/31/2016</b>					
<b>Type of Investment</b>	<b>Financial Institution</b>	<b>Date of Maturity</b>	<b>Investment Amount</b>	<b>% of Total Investment</b>	<b>Average Investment Yield</b>
Investment Fund	State Local Agency Investment Fund (LAIF)	N/A	\$ 3,557,161	94%	0.68%
Corporate Checking	US Bank	N/A	\$ 237,352	6%	0.19%
<b>Total Investment Pool</b>			<b>\$ 3,794,513</b>	<b>100%</b>	<b>0.65%</b>

<b>Quarter Ended 09/30/2016</b>					
<b>Type of Investment</b>	<b>Financial Institution</b>	<b>Date of Maturity</b>	<b>Investment Amount</b>	<b>% of Total Investment</b>	<b>Average Investment Yield</b>
Investment Fund	State Local Agency Investment Fund (LAIF)	N/A	\$ 3,576,677	89%	0.60%
Corporate Checking	US Bank	N/A	\$ 437,812	11%	0.19%
<b>Total Investment Pool</b>			<b>\$ 4,014,489</b>	<b>100%</b>	<b>0.57%</b>



**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/26/16	0.73	0.68	185
12/27/16	0.73	0.68	180
12/28/16	0.73	0.68	173
12/29/16	0.73	0.68	176
12/30/16	0.74	0.68	172
12/31/16	0.74	0.68	171
01/01/17	0.74	0.74	171
01/02/17	0.74	0.74	171
01/03/17	0.74	0.74	181
01/04/17	0.74	0.74	184
01/05/17	0.75	0.74	186
01/06/17	0.75	0.74	186
01/07/17	0.75	0.74	186
01/08/17	0.75	0.74	186
01/09/17	0.75	0.74	185
01/10/17	0.75	0.74	185
01/11/17	0.75	0.74	187
01/12/17	0.75	0.74	186
01/13/17	0.75	0.75	186
01/14/17	0.75	0.75	186
01/15/17	0.75	0.75	186
01/16/17	0.75	0.75	186
01/17/17	0.75	0.75	182
01/18/17	0.75	0.75	181
01/19/17	0.76	0.75	183
01/20/17	0.76	0.75	183
01/21/17	0.76	0.75	183
01/22/17	0.76	0.75	183
01/23/17	0.76	0.75	180
01/24/17	0.76	0.75	181
01/25/17	0.76	0.75	180

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

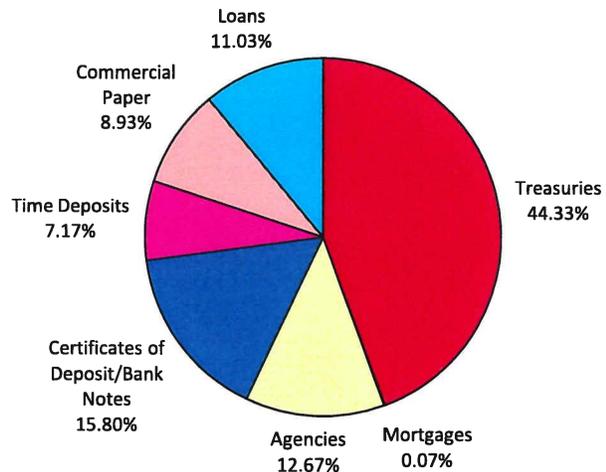
**Quarter Ending 12/31/16**

Apportionment Rate: 0.68%  
 Earnings Ratio: 0.00001851848158529  
 Fair Value Factor: 0.999423823  
 Daily: 0.74%  
 Quarter to Date: 0.68%  
 Average Life: 171

**PMIA Average Monthly Effective Yields**

**Dec 2016 0.719%**  
 Nov 2016 0.678%  
 Oct 2016 0.654%

**Pooled Money Investment Account  
Portfolio Composition  
12/31/16  
\$73.7 billion**





California State Treasurer  
**John Chiang**



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[Home](#) -> [PMIA](#) -> PMIA Average Monthly Effective Yields



POOLED MONEY INVESTMENT ACCOUNT

## PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719

**CITY OF COLFAX**  
**ADMINISTRATIVE POLICIES AND PROCEDURES**

Subject: Investment Policy  
Effective Date: October 8, 2014  
Resolution: Resolution No. 29-2014

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**SCOPE AND AUTHORITY**

The purpose of this policy is to establish a prudent and systematic Investment Policy, and to organize and formalize investment-related activities.

The City's Investment Policy is authorized under the California Government Code, section 53600, et, seq.as it applies to the investment of public funds.

It is intended that this policy cover all funds and investment activities under the direct authority of the City of Colfax. Investments authorized by Fiscal Agents pursuant to bonded debt are controlled by the terms and conditions of the specific bond, and may not necessarily coincide with the Investment Policy outlined herein. Investments must conform to Government Code Section 53600.5 concerning safekeeping of purchased securities by financial advisers, fiscal agent, or consultants. Wherever practical, investments made by a Fiscal Agent on behalf of the City will be consistent with this Policy.

**INVESTMENT OBJECTIVES**

**Safety** – It is the primary duty and responsibility of the City Staff to protect, preserve and maintain cash and investments on behalf of the citizens of Colfax.

**Liquidity** – An adequate percentage of the City's investment portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements. Since all cash requirements cannot be anticipated, investments in securities with active secondary or resale markets is highly recommended. Emphasis should be on marketable securities with low sensitivity to market risk.

**Yield** – Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

- A. The overall yield should be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.

**Public Trust** – All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

**Diversification** – The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

- A. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

**Prudence** – The City adheres to the "prudent person rule" which obligates a fiduciary to insure that: "...investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

### **INVESTMENT STRATEGY**

The most effective method of increasing investment yields without sacrificing safety is to extend the investment horizon commensurate with the City's cash requirements. To that end, improved cash forecasting and management is the preferred investment strategy for the City.

- A. Cash management activities include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and a short-term borrowing program, when needed, that coordinates working capital requirements and investment opportunity.

### **ALLOWABLE INVESTMENT INSTRUMENTS**

The Government Code, Sections 53601, 53601.1 and 53635 shall govern the City's allowable investments, and the length of those investments, unless specifically limited by this policy. Although the maximum maturity for any deposit or investment is five years, most investments should be for no longer than 2-3 years. All investments of City funds shall be made in accordance with California Government Code Sections 53601, et seq. and 53635 et seq., or in accordance with California Government Code 16429.1 authorizing investments into the State Local Agency Investment Fund (LAIF). Investments will be authorized by the City Manager, City Treasurer, Finance Director or Mayor only.

### **REPORTING REQUIRMENTS**

City staff shall submit a quarterly investment report to the City Council. The report must be submitted to the City Manager for the agenda within 30 days following the end of the month covered by the report, and is required under Government Code Section 53646. Such report shall include at least the following information:

- Types of investments;
- Name of the institution in which funds are invested or deposited;
- Date of maturity, if applicable;
- Par and dollar amount investment for all securities;
- Percent distribution of each type of investment or deposit; current market value as of the date of the report, including source of the valuation except those under LAIF;
- Rate of interest;

- Average weighted yield of all investments;
- A statement relating the report to the City's Investment Policy; and
- A statement that there are sufficient funds to meet the City's next six months' financial obligations.

Staff shall also submit the above information annually to the external auditors.

Periodic reports shall be prepared as required by circumstances or as directed by Council. Such circumstances include, but are not limited to, notification that any City investment may be in jeopardy or a sudden and significant drop in the current market value of any City investment.

### **INTERNAL CONTROLS AND GENERAL GUIDELINES**

A system of internal control shall be implemented to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

Controls deemed most important include:

- The control of collusion and separation of duties;
- Custodial safekeeping of funds invested or on deposit;
- Minimizing the number of authorized Investment Officers; and
- Written documentation of procedures and transactions.

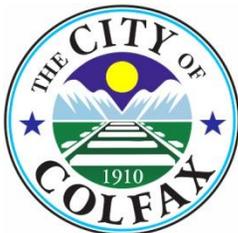
In selecting financial institutions for the deposit or investment of City funds, the City shall consider the credit-worthiness of the institution. Such credit-worthiness shall be monitored on a regular basis throughout the period in which City funds are deposited or invested.

- A. Any deposit or investment of funds shall be in writing, signed by the City and the authorized representative of the institution.
- B. All transfers must be made by authorized personnel and properly logged and documented.

City staff shall encourage peer review of the City's investments and investment practices. In addition, the City's cash management and investment practices shall be included in any outside financial audit of the City.

An annual Cash Flow Forecast may be prepared by the City, and would be used to assist in the development of the annual operating budget for the City.

This Investment Policy shall be reviewed by the City Council on an annual basis as part of the budget process.



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE FEBRUARY 22, 2017 COUNCIL MEETING

**FROM:** Staff

**PREPARED:** February 1, 2017

**SUBJECT:** Local Transportation Funds and State Transit Assistance Funds

<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 06-2017 to submit claims to the Placer County Transportation Planning Agency for the City of Colfax's Article 8 Local Transportation Funds and Article 6.5 State Transit Assistance Funds for FY2016-2017.

### ISSUE STATEMENT AND DISCUSSION:

Staff has completed the required Claim Documentation for the City allocation for FY 2016-2017. The total amount allocated and being requested is \$120,150. This amount exceeds the amount estimated in the adopted budget for FY 2016-2017 by \$10,862 (budgeted allocation was \$109,188). The excess amount will reduce the amount of Gas Taxes and or General Funds to be applied to the Streets and Roads Fund for FY 206-2017.

### RECOMMENDATION

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

### ATTACHMENTS:

1. PCTPA – Final Findings of Apportionment for FY2016-2017 (3 pages)
2. TDA Compliance Checklist
3. TDA Claim Worksheet
4. Claim for Local Transportation Funds – Transit Purposes
5. Claim for Local Transportation Funds – Streets and Road Purposes
6. TDA Annual Project and Financial Plan
7. Copy of Agreement with Placer County for Transit services

# City of Colfax

## City Council

### Resolution № 06-2017

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

- LOCAL TRANSPORTATION FUNDS IN THE AMOUNT OF \$107,161 FOR STREETS AND ROADS PURPOSES (ARTICLE 8 – SECTION 99400 OF THE CALIFORNIA PUBLIC UTILITIES CODE),
- LOCAL TRANSPORTATION FUNDS OF \$8,088 FOR TRANSIT SERVICES (ARTICLE 8C, SECTION 99400C OF THE CALIFORNIA PUBLIC UTILITIES CODE), AND
- STATE TRANSIT ASSISTANCE FUNDS IN THE AMOUNT OF \$4,901 FOR CONTRACTED TRANSIT SERVICES (SECTION 99313 OF THE CALIFORNIA PUBLIC UTILITIES CODE, CHAPTER 4, ARTICLE 6.5)

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**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 and State Transit Assistance 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 22<sup>nd</sup> Day of February 2017, by the City Council of the City of Colfax, by the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

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**Steven Harvey, Mayor**

**ATTEST:**

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**Lorraine Cassidy, City Clerk**

PLACER COUNTY TRANSPORTATION PLANNING AGENCY (PCTPA)

**FINAL FINDINGS OF APPORTIONMENT FOR FY 2016/2017**

**LOCAL TRANSPORTATION FUND (LTF)**

September 2016

		FY 2015/2016 Estimated Fund Balance Subtotal <sup>(1)</sup>	FY 2016/2017 Revenue Subtotal	FY 2016/2017 Apportionment Total
<b>PLACER COUNTY LTF REVENUE ESTIMATE</b>		\$1,133,931	\$22,374,523	<b>\$23,508,454</b>
TRPA Revenue Estimate <sup>(2)</sup>	2.7873%		\$623,656	\$623,656
TRPA LTF Fund Balance		\$3,723		\$3,723
<b>TRPA TOTAL</b>			<b>\$623,656</b>	<b>\$627,379</b>
County Auditor Administrative Costs			\$251	\$251
<b>BALANCE AVAILABLE FOR APPORTIONMENT BY TRPA</b>				<b>\$627,128</b>
PCTPA Revenue Estimate	97.2127%		\$21,750,879	\$21,750,879
PCTPA LTF Fund Balance		\$1,130,208		\$1,130,208
<b>PCTPA TOTAL</b>			<b>\$21,750,879</b>	<b>\$22,881,087</b>
County Auditor Administrative Costs			\$8,749	\$8,749
PCTPA Administrative and Planning Costs <sup>(3)</sup>			\$425,000	\$425,000
Pedestrian and Bicycle Allocation <sup>(4)</sup>		\$22,604	\$426,343	\$448,947
Community Transit Service Article 4.5 Allocation <sup>(5)</sup>		\$44,304	\$835,631	\$879,936
<b>BALANCE AVAILABLE FOR APPORTIONMENT BY PCTPA</b>		<b>\$1,063,300</b>	<b>\$20,055,156</b>	<b>\$21,118,456</b>

Apportionment of FY 2016/2017 PCTPA LTF Revenue Estimate by Jurisdiction					
Jurisdiction	Population January 1, 2016	Percent (%)	FY 2016/17 Allocation Subtotal	FY 2015/16 Carryover Apportionment <sup>(6)</sup>	Revenue Apportionment
<b>PLACER COUNTY</b>	98,784	27.18%	\$5,451,992	\$301,106	\$5,753,098
<b>AUBURN</b>	14,070	3.87%	\$776,538	\$40,996	\$817,534
<b>COLFAX</b>	2,068	0.57%	\$114,135	\$5,916	\$120,051
<b>LINCOLN</b>	47,339	13.03%	\$2,612,689	\$135,990	\$2,748,679
<b>LOOMIS</b>	6,692	1.84%	\$369,338	\$19,649	\$388,988
<b>ROCKLIN</b>	60,351	16.61%	\$3,330,835	\$178,757	\$3,509,592
<b>ROSEVILLE</b>	134,073	36.90%	\$7,399,629	\$380,886	\$7,780,515
<b>TOTAL</b>	<b>363,377</b>	<b>100.00%</b>	<b>\$20,055,156</b>	<b>\$1,063,300</b>	<b>\$21,118,456</b>

Apportionment of FY 2016/2017 PCTPA LTF Revenue Estimate Available to Claimant			
Jurisdiction	Revenue Apportionment	Planning Contribution <sup>(7)</sup>	Available to Claimant
<b>PLACER COUNTY</b>	\$5,753,098	(\$230,124)	\$5,522,974
<b>AUBURN</b>	\$817,534	(\$32,701)	\$784,832
<b>COLFAX</b>	\$120,051	(\$4,802)	\$115,249
<b>LINCOLN</b>	\$2,748,679	(\$109,947)	\$2,638,732
<b>LOOMIS</b>	\$388,988	(\$15,560)	\$373,428
<b>ROCKLIN</b>	\$3,509,592	(\$140,384)	\$3,369,208
<b>ROSEVILLE</b>	\$7,780,515	(\$311,221)	\$7,469,295
<b>TOTAL</b>	<b>\$21,118,456</b>	<b>(\$844,738)</b>	<b>\$20,273,717</b>

**NOTES:**

- 1) FY 2015/2016 LTF balance based on September 9, 2016 actual fund balance provided by Placer County Auditor.
- 2) Tahoe Regional Planning Agency receives funds proportional to its population within Placer County (see box below).
- 3) Apportioned per Section 7.1 PCTPA Rules & Bylaws for FY 2016/2017 Final Overall Work Program and Budget, May 2016.
- 4) Pedestrian and Bicycle Allocation is 2% of the remaining apportionment, per PCTPA Board direction.
- 5) Community Transit Service Article 4.5 allocation is up to 5% of the remaining apportionment, per PCTPA Board direction.  
FY 2016/2017 Article 4.5 allocation is set at 4%.
- 6) FY 2015/16 carryover apportionment (see next page) uses May 2015 DOF population estimates.
- 7) PCTPA receives 4% of apportionment for regional planning purposes and implementation of FAST-Act planning requirements.

January 1, 2016 DOF Population Estimates <sup>1</sup>		
TRPA Population <sup>2</sup>	10,419	2.7873%
PCTPA Population	363,377	97.2127%
<b>TOTAL</b>	<b>373,796</b>	<b>100.00%</b>

Sources:

1. Table E-1: City/County Population Estimates January 1, 2015 to January 1, 2016, DOF, May 1, 2016.
2. Western Slope and Tahoe Basin for Placer County as of January 1, 2016, DOF, May 2016.

**Calculation of FY 2015/16 PCTPA LTF Carryover  
Using 2015 Population - Western Slope**

Amount of FY 2015/2016 Carryover: **\$1,063,300**

<b>POPULATION</b>			
<b>JURISDICTION</b>	<b>01-Jan-15</b>	<b>PERCENT</b>	<b>ALLOCATION</b>
<b>PLACER COUNTY</b>	101,491	28.32%	\$301,106
<b>AUBURN</b>	13,818	3.86%	\$40,996
<b>COLFAX</b>	1,994	0.56%	\$5,916
<b>LINCOLN</b>	45,837	12.79%	\$135,990
<b>LOOMIS</b>	6,623	1.85%	\$19,649
<b>ROCKLIN</b>	60,252	16.81%	\$178,757
<b>ROSEVILLE</b>	128,382	35.82%	\$380,886
<b>TOTAL</b>	<b>358,397</b>	<b>100.00%</b>	<b>\$1,063,300</b>

**Sources:**

1. Table E-1: City/County Population Estimates January 1, 2014 to January 1, 2015, DOF, May 1, 2015.
2. FY 2015/2016 LTF balance based on September 9, 2016 final fund estimate provided by Placer County Auditor.

9-Sep-16

**PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
FY 2016/2017 STATE TRANSIT ASSISTANCE (STA) REVISED FUND ALLOCATION (EXCLUDING TAHOE BASIN)  
JANUARY 2017**

PUC 99313 Allocation	\$1,004,444
PUC 99314.8 Allocation	\$178,525
Total STA Allocation <sup>(1)</sup>	\$1,182,969

4 Percent Allocation of PUC 99313 to WPCTSA<sup>(2)</sup> \$40,178

Adjustment for FY 2015/16 99313 Revenue Shortfall<sup>(3)</sup> (\$103,113)

Total PUC 99313 Allocation Available to Jurisdictions \$861,153

**FY 2016/2017 Jurisdiction PUC Section 99313 STA Fund Allocation**

Jurisdiction	January 2016 Population <sup>(4)</sup>	PUC 99313 Population Percentage	PUC 99313 Population Allocation
Placer County	98,784	27.18%	\$234,104
Auburn	14,070	3.87%	\$33,344
Colfax	2,068	0.57%	\$4,901
Lincoln	47,339	13.03%	\$112,187
Loomis	6,692	1.84%	\$15,859
Rocklin	60,351	16.61%	\$143,024
Roseville	134,073	36.90%	\$317,735
<b>TOTAL</b>	<b>363,377</b>	<b>100.00%</b>	<b>\$861,153</b>

Notes: (1) 2016/2017 State Transit Assistance Allocation Revised Estimate, California State Controller Division of Accounting and Reporting, November 18, 2016

(2) 4% of unencumbered PUC 99313 Allocation is allocated to WPCTSA.

(3) Adjustment to reconcile payments due to shortfall of FY 2015/16 4th Quarter payment to adopted estimates, October 18, 2016.

(4) Table E-1: City/County Population Estimates January 1, 2015 to January 1, 2016, DOF, May 1, 2016.

PUC = Public Utilities Code

**FY 2016/2017 Jurisdiction PUC 99314.8 STA Final Fund Allocation**

Jurisdiction	PUC 99314.8 Fare Revenue Basis <sup>(5)</sup>	PUC 99314.8 Fare Revenue Percentage	PUC 99314.8 Fare Revenue Allocation	PUC 99314.8 Fare Revenue Adjustment <sup>(6)</sup>	PUC 99314.8 Fare Revenue Allocation	Total Jurisdiction Allocation
Placer County	\$3,817,667	77.9%	\$139,103.36	\$6,215.08	\$145,318.44	\$379,423
Auburn	\$30,773	0.6%	\$1,121.27	\$1.21	\$1,122.48	\$34,466
Colfax	\$0	0.0%	\$0.00	\$0.00	\$0.00	\$4,901
Lincoln	\$47,819	1.0%	\$1,742.37	\$50.41	\$1,792.78	\$113,980
Loomis	\$0	0.0%	\$0.00	\$0.00	\$0.00	\$15,859
Rocklin	\$0	0.0%	\$0.00	\$0.00	\$0.00	\$143,024
Roseville	\$1,003,328	20.5%	\$36,558.01	(\$6,005.71)	\$30,552.30	\$348,287
<b>TOTAL</b>	<b>\$4,899,587</b>	<b>100.0%</b>	<b>\$178,525.00</b>	<b>\$260.99</b>	<b>\$178,785.99</b>	<b>\$1,039,939.32</b>

Notes: (5) 2016/17 State Transit Assistance 99314.8 Fare Revenue Basis Detail, California State Controller Division of Accounting and Reporting, February 17, 2016.

(6) Adjustments to reconcile difference in FY 2015/16 PUC 99314.8 4th Quarter payment to adopted estimates, October 18, 2016.

January 1, 2016 DOF Population Estimates <sup>1</sup>		
TRPA Population <sup>2</sup>	10,419	2.7873%
PCTPA Population	363,377	97.2127%
<b>TOTAL</b>	<b>373,796</b>	<b>100.00%</b>

Sources:

1. Table E-1: City/County Population Estimates January 1, 2015 to January 1, 2016, DOF, May 1, 2016.
2. Western Slope and Tahoe Basin for Placer County as of January 1, 2016, DOF, May 2016.

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: March 23, 2016
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**

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; 12.94% - Placer County; 10% - Auburn)
  - 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, indicate which efficiency standard was met. In calculating the operating cost, operators may exclude costs that exceed prior year costs, as adjusted by the CPI. Notes: (1) Use the STA Qualifying Criteria worksheet contained in the TDA Claim workbook to determine eligible exclusions. (2) These items may also be excluded when computing the farebox recovery ratio. (3) You may refer to operating cost figures from TDA fiscal audits for the applicable fiscal year.*

Efficiency Standard #1:  Yes  No

Efficiency Standard #2:  Yes  No

If neither efficiency standard was met, list the percentage of STA Funding limited to:

Capital Expenditures: \_\_\_\_\_ %      Operating Expenditures: \_\_\_\_\_ %

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 2012/13 through FY 2014/15 triennial performance audit, which was completed in 2016 (attach additional pages as necessary).

**PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
TRANSPORTATION DEVELOPMENT ACT CLAIM WORKSHEET  
2016/2017**

CITY/COUNTY OF: Colfax

Part 1 of 4

**ESTIMATED PUBLIC TRANSIT REVENUES AND EXPENSES FOR FISCAL YEAR  
2015/16**

**I. FY 2015/16 AVAILABLE RESOURCES**

<b>A. Carryover from prior fiscal year</b> (Unexpended prior year transit cash receipts held in claimants treasury as of June 30, 2015. From TDA Financial Audit Report)	\$	-
<b>B. Interest Earnings through June 30, 2015.</b>	\$	-
<b>C. Federal Grants &amp; Reimbursements received in 2015/16:</b>		
1. FTA Planning Assistance	\$	-
2. FTA Operating Assistance	\$	-
3. FTA Capital Assistance	\$	-
4. Other (list) _____	\$	-
<b>D. State Grants (Source/Amount):</b>	\$	-
<b>E. Local Cash Grants:</b>		
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)	\$	5,242.00
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)	\$	7,135.00
10. Other (list) _____	\$	-
<b>F. Operating Revenues:</b>		
1. Passenger Fares	\$	-
2. Charters	\$	-
3. Other (list) _____	\$	-
<b>G. Other Revenues</b>	\$	-
<b>H. TOTAL FY 2015/16 AVAILABLE RESOURCES (A+B+C+D+E+F+G)</b>	\$	<b>12,377.00</b>

<b>II. FY 2015/16 PROJECTED EXPENSES &amp; USES</b>
---

<b>I. Personnel</b>	
1. Administrative Salaries and Wages	\$ -
2. Operating Salaries and Wages	\$ -
3. Other Salaries and Wages	\$ -
4. Fringe Benefits	\$ -
<b>J. Services and Supplies</b>	
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	\$ -
<b>K. Capital Assets (Itemize)</b>	
1.	\$ -
2.	\$ -
3.	\$ -
4.	\$ -
5.	\$ -
<b>L. Other Uses:</b>	
Capital Outlay Reserve Contribution (CCR 6648)	\$ -
<b>M. TOTAL FY 2015/16 EXPENSES &amp; USES (I+J+K+L)</b>	<b>\$ 12,377.00</b>
<b>N. Estimated Deferred Revenue as of June 30, 2016 (H-M)</b>	<b>\$ -</b>

Part 2 of 4

**BUDGETED PUBLIC TRANSIT REVENUES & EXPENSES FOR FISCAL YEAR  
2016/17**
**I. FY 2016/17 NON-TDA BUDGETED RESOURCES & DEFERRED REVENUE**

<b>A. Carryover from prior fiscal year</b> (Unexpended prior year transit cash receipts held in claimants treasury as of June 30, 2016-- From Part 1, line N)	\$	-
<b>B. Interest earnings through June 30, 2016</b>	\$	-
<b>C. Federal Grants &amp; Reimbursements</b>		
1. FTA Planning Assistance	\$	-
2. FTA Operating Assistance	\$	-
3. FTA Capital Assistance	\$	-
4. Other (list) _____	\$	-
<b>D. State Grants (Source/Amount):</b>		
1.	\$	-
2.	\$	-
<b>E. Local Non-TDA Cash Grants:</b>		
1.	\$	-
2.	\$	-
3.	\$	-
<b>F. Operating Revenues:</b>		
1. Passenger Fares	\$	-
2. Charters	\$	-
3. Other (list) _____	\$	-
<b>G. Other Revenues</b>		
1.	\$	-
<b>H. TOTAL FY 2016/17 CARRYOVER &amp; NON-TDA BUDGETED RESOURCES (A+B+C+D+E+F+G)</b>	\$	-

<b>I. TOTAL FY 2016/17 CARRYOVER &amp; NON-TDA BUDGETED RESOURCES (From Line H)</b>	\$	-
<b>II. FY 2016/17 PROJECTED EXPENSES &amp; USES</b>		
<b>J. Personnel:</b>		
1. Administrative Salaries and Wages	\$	-
2. Operating Salaries and Wages	\$	-
3. Other Salaries and Wages	\$	-
4. Fringe Benefits	\$	-
<b>K. Services and Supplies:</b>		
1. Professional Services	\$	-
2. Maintenance Services	\$	-
3. Other Services	\$	-
4. Vehicle Materials & Supplies	\$	-
5. Utilities	\$	-
6. Insurance	\$	-
7. Purchased Transit Services	\$	12,989.00
8. Miscellaneous	\$	-
9. Interest	\$	-
10. Leases & Rentals	\$	-
<b>L. Capital Assets (Itemize):</b>		
1.	\$	-
2.	\$	-
3.	\$	-
4.	\$	-
5.	\$	-
<b>M. Other Uses:</b>		
1. Capital Outlay Reserve Contribution.(CCR 6648)	\$	-
2.	\$	-
<b>N. TOTAL FY 2016/17 EXPENSES &amp; USES (J+K+L+M)</b>	\$	<b>12,989.00</b>
<b>O. Unfunded Balance (I - N)</b>	\$	<b>(12,989.00)</b>

<b>O. Unfunded Balance (I - N)</b>	\$ (12,989.00)
<b>III. FY 2016/17 TDA TRANSIT CLAIMS</b>	
<b>P. FY 2016/17 LTF TRANSIT CLAIMS:</b>	
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)	\$ 8,088.00
4. LTF-Capital Reserve Contribution (CCR 6648)	\$ -
5. LTF-Capital for contracted transit service (PUC 99400e; Article 8e)	\$ -
<b>6. TOTAL LTF CLAIM (P1+P2+P3+P4+P5)</b>	<b>\$ 8,088.00</b>
<b>Q. FY 2016/17 STAF CLAIMS:</b>	
1. STAF-Operations (CCR 6730a)	\$ -
2. STAF-Capital (CCR 6730b)	\$ -
3. STAF-Community Transit Services (CCR 6730d) / CTSA	\$ -
4. STAF-Contracted Service (CCR 6731b)	\$ 4,901.00
<b>5. TOTAL STF CLAIM (Q1+Q2+Q3+Q4)</b>	<b>\$ 4,901.00</b>
<b>R. TOTAL 2016/17 TRANSIT CLAIMS (P6 + Q5) *</b>	<b>\$ 12,989.00</b>

Part 3 of 4

**ESTIMATED STREETS AND ROADS TDA EXPENDITURES FOR FISCAL YEAR  
2015/16**

<b>I. FY 2015/16 AVAILABLE TDA STREET AND ROAD RESOURCES</b>	
<b>A. Carryover from prior fiscal year</b> (Actual Unexpended Prior Year TDA Streets And Roads Cash Receipts Held in Claimant's Treasury as of June 30, 2015. From TDA Fiscal Audits)	\$ -
<b>B. FY 2015/16 TDA Cash Receipts from LTF trust fund for streets and roads purposes</b> (PUC 99400a).	\$ 110,079.00
<b>C. Interest Earned on claimant TDA streets and roads cash balances through June 30, 2016.</b>	\$ -
<b>D. Total FY 2015/16 Available TDA Street and Road Resources. (A+B+C)</b>	\$ 110,079.00
<b>II. FY 2015/16 TDA STREET AND ROAD EXPENDITURES</b>	
<b>E. Administration and Engineering</b>	\$ 25,327.68
<b>F. Maintenance</b>	\$ 73,765.43
<b>G. Construction</b>	\$ -
<b>H. Equipment</b>	\$ 10,985.89
<b>I. Other</b>	\$ -
<b>J. TOTAL FY 2015/16 EXPENDITURES (E+F+G+H+I)</b>	\$ 110,079.00
<b>K. Estimated Carryover of TDA Street and Road Revenues at JUNE 30, 2016 (D-J)</b>	\$ 0.00

Part 4 of 4

**STREETS AND ROADS TDA BUDGET FOR FISCAL YEAR 2016/17**

<b>I. FY 2016/17 AVAILABLE TDA STREET AND ROAD RESOURCES</b>	
<b>A. Carryover as of June 30, 2016 (From Part 3, Line K.)</b>	<b>\$ 0.00</b>
<b>B. 2016/17 TDA Funds Available For Streets And Roads</b>	
1. FY 2016/17 LTF Total Apportionment (From PCTPA)	\$ 115,249.00
2. FY 2016/17 LTF Transit Claim (From Part 2, Line P6)	\$ 8,088.00
3. Balance of 2016/17 LTF Apportionment (B1-B2)	\$ 107,161.00
4. FY 2016/17 LTF Apportionment To be Claimed for Streets and Roads Purposes Pursuant to PUC 99400a. (Can Not Exceed Line B3)	\$ 107,161.00
<b>C. FY 2016/17 Estimated Interest Earned on TDA Cash Balances through June 30, 2017.</b>	<b>\$ -</b>
<b>D. Total Estimated FY 2016/17 Available TDA Resources. (A+B4+C)</b>	<b>\$ 107,161.00</b>

<b>II. FY 2016/17 ESTIMATED EXPENDITURES</b>	
<b>H. Administration and Engineering</b>	<b>\$ 25,000.00</b>
<b>I. Maintenance</b>	<b>\$ 72,161.00</b>
<b>J. Construction</b>	<b>\$ -</b>
<b>K. Equipment</b>	<b>\$ 10,000.00</b>
<b>L. Other</b>	<b>\$ -</b>
<b>M. Other</b>	<b>\$ -</b>
<b>N. Total FY 2016/17 Estimated Expenditures (H+I+J+K+L+M)</b>	<b>\$ 107,161.00</b>
<b>O. Estimated Carryover as of June 30, 2017 (D-N)</b>	<b>\$ 0.00</b>

Part 4 of 4

**STREETS AND ROADS TDA BUDGET FOR FISCAL YEAR 2016/17**

<b>I. FY 2016/17 AVAILABLE TDA STREET AND ROAD RESOURCES</b>	
<b>A. Carryover as of June 30, 2016 (From Part 3, Line K.)</b>	<b>\$ 0.00</b>
<b>B. 2016/17 TDA Funds Available For Streets And Roads</b>	
1. FY 2016/17 LTF Total Apportionment (From PCTPA)	\$ 115,249.00
2. FY 2016/17 LTF Transit Claim (From Part 2, Line P6)	\$ 8,088.00
3. Balance of 2016/17 LTF Apportionment (B1-B2)	\$ 107,161.00
4. FY 2016/17 LTF Apportionment To be Claimed for Streets and Roads Purposes Pursuant to PUC 99400a. (Can Not Exceed Line B3)	\$ -
<b>C. FY 2016/17 Estimated Interest Earned on TDA Cash Balances through June 30, 2017.</b>	<b>\$ -</b>
<b>D. Total Estimated FY 2016/17 Available TDA Resources. (A+B4+C)</b>	<b>\$ 107,161.00</b>

<b>II. FY 2016/17 ESTIMATED EXPENDITURES</b>	
<b>H. Administration and Engineering</b>	<b>\$ 25,000.00</b>
<b>I. Maintenance</b>	<b>\$ 72,161.00</b>
<b>J. Construction</b>	<b>\$ -</b>
<b>K. Equipment</b>	<b>\$ 10,000.00</b>
<b>L. Other</b>	<b>\$ -</b>
<b>M. Other</b>	<b>\$ -</b>
<b>N. Total FY 2016/17 Estimated Expenditures (H+I+J+K+L+M)</b>	<b>\$ 107,161.00</b>
<b>O. Estimated Carryover as of June 30, 2017 (D-N)</b>	<b>\$ 0.00</b>

**CLAIM FOR STATE TRANSIT ASSISTANCE FUNDS**

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: 530-345-2313 Email: laurie.van Groningen@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 State Transit Assistance be approved in the amount of \$ 4,901 for Fiscal Year 2016/2017, in the following amounts for the following purposes to be drawn from the State Transit Assistance fund deposited with the Placer County Treasurer.

Transit Operations (6730a): \$ \_\_\_\_\_  
Transit Capital (6730a): \$ \_\_\_\_\_  
Contracted Transit Services (6731b): \$ 4,901  
Community Transit Services Provided by WPCTSA (6731.1): \$ \_\_\_\_\_

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.

**APPROVED:**

PLACER COUNTY  
TRANSPORTATION PLANNING AGENCY  
BOARD OF DIRECTORS

APPLICANT

BY: \_\_\_\_\_  
(signature)

BY: \_\_\_\_\_  
(signature)

TITLE: \_\_\_\_\_

TITLE: City Manager

DATE: \_\_\_\_\_

DATE: February 23, 2017

**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 Groningn

Phone: 530-346-2313 Email: laurie.vangroningen@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 2016/2017, 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: \$ 8,088
- 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: February 23, 2017

**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. Auburn Street  
Colfax, CA 95713  
CONTACT PERSON: Laurie Van Groningen  
Phone: 530-346-2313 Email: laurie.vangroningen@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 2016/2017, for street and road purposes (P.U.C. 99400a) in the amount of \$ 107,161 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: February 23, 2017

**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: \_\_\_\_\_ 2016/2017 \_\_\_\_\_

<b><u>Brief Project Description</u></b>	<b><u>Project Cost</u></b>	<b><u>Source of Funding &amp; Amount</u></b>
Public Transit with Placer County	\$12,989 Placer County Transit Services  1/2 of contract - Placer County gets FTA3511	STA \$4,901 LTF Transit \$8,088  Total \$12,989
TDA Streets and Roads - Roadway maintenance, construction and related equipment	Streets and Roads \$222,063  Adopted Budget for fiscal year 2016-2017	LTF \$107,161 Gas Taxes \$65,135 Fund Transfer \$49,767  Total \$222,063



November 21, 2016

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

**RE: TRANSIT SERVICE AGREEMENT WITH THE CITY OF COLFAX, CONTRACT  
#12368 – 16/17 EXHIBITS**

Dear Ms. Van Groningen,

As agreed in Contract #12368, which will automatically renew on July 1, 2016, please find updated Exhibits A –D for your review. These exhibits list transit service schedules and cost details for fiscal year 2016/17. This is being sent to satisfy Section II C of our agreement. The total estimated cost for FY 2016/17 is \$12,989.

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

Sincerely,

  
Will Garner  
Public Works Manager

Attachments: Exhibits A -D

**Exhibit A  
Intercity Route Service Schedule**

<b>Colfax / Alta</b>		
<b>This service is available on weekdays only.</b>		
<i>Reservations required for Alta destinations.</i>		
<b>Eastbound</b>	<b>A.M.</b>	<b>P.M.</b>
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
<b>This service is available on weekdays only.</b>		
<i>Reservations required for Alta destinations.</i>		
<b>Westbound</b>	<b>A.M.</b>	<b>P.M.</b>
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](mailto: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)								Saturday times appear shaded							
	A.M.							P.M.							
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](mailto: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				Evening Departures - PM				
	Bus 1	Bus 2	Bus 3	Bus 4	Bus 1	Bus 2	Bus 3	Bus 4	
Colfax Depot - Main St	5:20	5:40	6:23	****	J St. & 4th St.	4:17	4:22	4:32	5:15
Clipper Gap Park 'n' Ride	5:32	5:52	6:35	****	J St. & 8th St.	4:19	4:24	4:34	5:17
Auburn Station - Nevada St	5:43	6:03	****	6:37	J St. & 11 St.	4:21	4:26	4:36	5:19
Penryn Park 'n' Ride	5:55	6:15	6:50	****	15th St. & K St.	4:24	4:29	4:39	5:22
Loomis Station - Taylor/Horseshoe Bar	5:59	6:19	****	6:53	15th St. & N St.	4:25	4:30	4:40	5:23
Rocklin Station - Pacific St/Rocklin Rd	6:06	6:26	****	7:00	P St. & 13th St.	4:27	4:32	4:42	5:25
Roseville - Taylor Rd Park 'n' Ride next to Sunsplash	6:15	6:35	7:00	****	P St. & 9th St.	4:30	4:35	4:45	5:28
					P St. & 5th St.	4:32	4:37	4:47	5:30

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

	Morning Arrivals - AM				Evening Arrivals - PM				
	6:50	7:10	7:40	7:40	5:12	****	5:27	6:10	
J St. & 4th St.	6:50	7:10	7:40	7:40	Roseville - Taylor Rd Park 'n' Ride next to Sunsplash	5:12	****	5:27	6:10
J St. & 8th St.	6:51	7:11	7:41	7:41	Rocklin Station - Pacific St/Rocklin Rd	****	5:17	5:35	6:18
J St. & 11 St.	6:52	7:12	7:42	7:42	Loomis Station - Taylor/Horseshoe Bar	****	5:24	5:42	6:25
15th St. & K St.	6:55	7:15	7:45	7:45	Penryn Park 'n' Ride	5:24	****	5:49	6:32
15th St. & N St.	6:56	7:16	7:46	7:46	Auburn Station - Nevada St	****	5:40	6:00	6:43
P St. & 13th St.	6:57	7:17	7:47	7:47	Clipper Gap Park 'n' Ride	5:39	****	6:12	6:55
P St. & 9th St.	6:58	7:18	7:48	7:48	Colfax Depot - Main St	5:51	****	6:24	7:07
P St. & 5th St.	7:00	7:20	7:50	7:50					

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

## Exhibit D FY 2016/17 Calculation of Transit Service Charges

### Intercity Route Service (Auburn/Colfax/Alta)

Total cost per vsh =	\$107.16
<u>Estimated fare per vsh =</u>	<u>- \$3.63</u>
= Charge per vsh	\$103.53

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 = \$103.53 x 210 vsh = \$21,742**

### Regional Fixed Route Service (Auburn – Light Rail)

Fuel cost per service mile =	\$.35
<u>Maintenance cost per service mile =</u>	<u>\$.52</u>
Mileage cost per unit =	\$.87

Total cost per vsh =	\$107.16
<u>Estimated fare per vsh = -</u>	<u>\$13.86</u>
= Charge per vsh	\$93.30

Total Placer County west slope population = 358,397  
 Percentage of population in COLFAX = 1,994 / 358,397 = .56%  
 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 .56% = 365.29  
 Added service hours allocated to COLFAX = 608 x .56% = 3.41

**TOTAL REGIONAL FIXED ROUTE SERVICE CHARGE = (365.29 x \$.87) + (3.41 x \$93.30) = \$317.80 + \$318.15 = \$635.95 = \$636**

**Exhibit D continued  
FY 2016/17 Calculation of Transit Service Charges**

**Commuter Bus Service (Placer Commuter Express)**

Commuter Bus Contract for FY 2016/17 = \$586,879

Revenue from Fares = (\$399,800)

Net Program Cost for FY 2016/17 = \$187,079

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

**TOTAL COMMUTER SERVICE CHARGE = \$187,079 x 2.8% = 5,238.21 = \$5,238**

**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
Cost per bus (after grants)	\$ 95,398.64
Lifetime bus miles	500,000
Cost per lifetime bus mile	\$ 0.1908
Colfax Service Miles	8,617
Reimbursement for FY 2016/17	\$ -
<b>Total Annual Charge</b>	<b>\$ -</b>

Allocation of Service Miles

Local Service	8,230
LRT Extension	387
<b>Total</b>	<b>8,617</b>

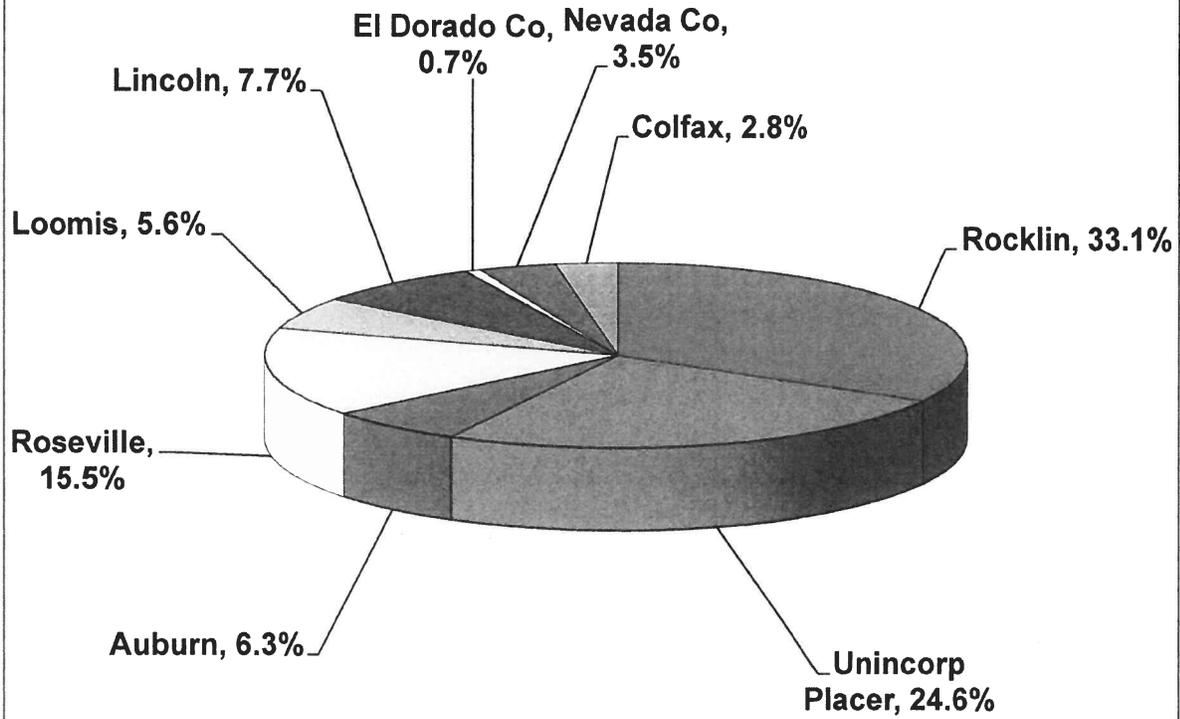
**FTA 5311 Operating Assistance**

As described in Section IIB.

Credit for FY 16/17 = -14,627

**Total Charges for FY 2016/17**  
\$21,742 + \$636 + \$5,238 + \$0 - \$14,627 = **\$12,989**

### 2013 PCE Commuter Survey Where Commuters Live



# 2017 Committee Assignment List

Committee	Colfax Representative	Meeting Information	Reimbursement/ Stipend
<b>Placer County Economic Development Board (PCEDB)</b> Various Meeting Locations	Kim Douglass Alt: Tony Hesch	3 <sup>rd</sup> Thursday 4X/year	Submit to City/ No Stipend
<b>Weimar, Applegate, Colfax/Municipal Advisory Council (WAC/MAC)</b> City of Colfax, Council Chambers	Will Stockwin Alt: Tony Hesch	6:00 pm 3 <sup>rd</sup> Wednesday	Submit to City No Stipend
<b>Sierra Economic Development Corporation (SEDCorp)</b> 560 Wall Street, Suite F, Auburn	Kim Douglass Alt: Marnie Mendoza	1:00 pm 1 <sup>st</sup> Wednesday	Submit to City No Stipend
<b>Sacramento Area Council of Governments (SACOG)</b> 1415 L. St. Sacramento	Kim Douglass Alt: Will Stockwin	9:30 am 3 <sup>rd</sup> Thursday	Submit to SACOG \$100 Stipend
<b>Placer County Air Pollution Control District (PCAPCD)</b> BOS Chambers 175 Fulweiler Ave. Auburn	Tony Hesch Alt: Steve Harvey	2:30 pm 2 <sup>nd</sup> Thursday 6X/year	Submit to PCAPCD \$100 Stipend
<b>Placer Mosquito &amp; Vector Control District (PMVCD)</b> 2021 Opportunity Dr. Roseville	Will Stockwin No Alternate	4:30 pm 3 <sup>rd</sup> Monday	Submit to City \$100 Stipend
<b>Project Go</b> 801 Vernon St, Roseville	Kim Douglass Alt: Tony Hesch	5:30 pm 3 <sup>rd</sup> Thursday	Submit to Project Go No Stipend
<b>Placer County Transportation Planning Agency (PCTPA)</b> BOS Chambers 175 Fulweiler Ave. Auburn	Tony Hesch Alt: Steve Harvey	9:00 am 4 <sup>th</sup> Wednesday	Submit to PCTPA \$100 Stipend
<b>Local Agency Formation Commission (LAFCO)</b> BOS Chambers 175 Fulweiler Ave. Auburn	Colfax is rotated out	4:00 pm 2 <sup>nd</sup> Wednesday	Submit to City \$100 Stipend
<b>Solid Waste Task Force</b> Auburn Veterans Hall 100 East St Auburn	Wes Heathcock	9:00am 1 <sup>st</sup> Thursday 4x/yr	Submit to City No Stipend
<b>Placer Sierra Fire Safe Council</b> City of Colfax Council Chambers	Will Stockwin Alt. Marnie Mendoza	6:00 pm 4 <sup>th</sup> Thursday	Submit to City No Stipend
<b>Placer County Selection Committee</b>	Mayor	Yearly	Submit to City No Stipend
<b>League of California Cities Sacramento Valley Division Liaison</b>	Marnie Mendoza Alt: Steve Harvey	4X/year	Submit to City No Stipend
<b>Bianchini Advisory Board</b>	Tony Hesch		No Stipend
<b>Sierra Vista Liaison</b>	Kim Douglass		No Stipend
<b>Colfax Schools Liaison</b>	Kim Douglass		No Stipend

# 2017 Committee Assignment List

Council Committees	
<b>Grants Oversight</b> (approves change orders over \$5,000)	Steve Harvey Kim Douglass
<b>Land Use</b>	Steve Harvey Tony Hesch
<b>Risk Assessment</b>	Steve Harvey Marnie Mendoza
<b>General Plan/Circulation Element Update</b>	Steve Harvey Tony Hesch
<b>Landfill Discussion Representative</b>	Kim Douglass
<b>Animal Control Alternatives</b>	Kim Douglass Will Stockwin
<b>Employee Handbook</b>	Will Stockwin Kim Douglass
<b>NID</b>	Steve Harvey Tony Hesch
<b>CDBG</b>	Steve Harvey Tony Hesch



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE FEBRUARY 22, 2017 COUNCIL MEETING

**FROM:** John Schempf, City Manager

**PREPARED By:** John Brownlee, Building Official

**DATE:** February 14, 2017

**SUBJECT:** Building Department Year End Report for 2016

<input checked="" type="checkbox"/> X	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: \$	FROM FUND:
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**RECOMMENDED ACTION:** No action required, information only

**ISSUE STATEMENT AND DISCUSSION:**

This past year, 2016, the Building Department issued 86 building permits. This was a 14% increase over the 75 issued in 2015. Of these permits, 63 were residential and 23 were for commercial buildings. The total valuation of the permits issued was \$558,185.22. No new commercial or residential buildings were constructed.

The total revenue for permits and plan reviews was \$22,134.56. In addition to building permits, 16 sewer lateral inspection permits were issued, which is two more than issued last year.

Twenty five (25) written complaints were received and acted upon.



Some highlights from our review:

- General Fund revenues are expected to be 4% higher than the Adopted budget due to an increase in Sales tax revenue projections. This is a conservative forecast as Sales Tax revenues are very difficult to project – but, year to date actuals indicate a favorable upward trend.
- General Fund expenditures are expected to be within 1% of budget.
- The health benefit and staffing changes that were approved earlier in the year do not have a major impact on our projections.
  - A higher percentage of employees elected the lower cost option (waiver stipend) for health benefits than estimated in our cost analysis which resulted in minimal increase overall in health benefit costs.
  - The impact of staffing changes is minimal this year. The new positions are being filled so late in the year and any increases are offset by the Working Supervisor position which had been budgeted to be filled at the beginning of the year.
- Special revenue/Capital project Funds show a projected increase of \$15,000 in expenditures. A shade structure for the playground equipment at the City Park has been added to the project list.
- Other capital projects that have been added for the fiscal year include: Guardrail improvements, a street patch and paving project, and the purchase of a new SCADA system for the Wastewater Treatment Plant. All of these projects are included in the expense projections reflected in the analysis. No expenditures will be made until capital projects are brought forward to Council for approval.
- Enterprise Funds (Sewer) revenues are projected to be right on the budgeted amounts.
- Enterprise Funds (Sewer) expenses are expected to be 4% lower than budgeted primarily due to unexpended contingency funds for legal expenses and lower than anticipated sludge removal costs.
- An analysis of the unfunded pension liability for the City indicates that our reserve of \$45,000 is adequate based on current data. The City participates in a cost sharing (Risk Pool) plan with CalPERS. CalPERS annually produces an Actuarial Valuation report which sets the employer contribution rates each fiscal year. The City has been making the contributions to the plan as required by this valuation report. In addition, as part of our year-end accounting, we are required to complete a complex calculation based on our membership in the Pool using a GASB 68 actuarial valuation report, which is different from the report used to determine the contributions, to properly reflect our Net pension liability on our audited financial statements. The calculation for June 30, 2016 reported \$46,000 liability. There is no indication that the City liability needs to be adjusted at this time. CalPERS has announced that they will be making a change to their discount rate in the coming year, which will change the unfunded liability the City currently has recorded. Staff will continue to closely monitor this unfunded liability.

### **STAFF RECOMMENDATION**

We recommend a review of the Adopted Budget for fiscal year 2017-2018 be completed by June 1<sup>st</sup>.

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#### **Attachments**

1. Fiscal Year 2016-2017 Mid-Year Budget Review – Fund Summary
2. Fiscal Year 2016-2017 Mid-Year Budget Review – Proposed Capital Expenditures

**City of Colfax - FY2016-2017  
Mid Year Budget Review - Proposed Capital Expenditures  
Revision Date: February 15, 2017**

Fund	Funding Source Description	Description	Estimated Actuals	Adopted Budget	Comments
100-000	Gen Fund - Capital Reserve	General Fund Capital Project and Equipment Reserve	\$ 50,000	\$ 50,000	Reserve allocation only
100-100	Gen Fund - Central Services	New Phone system, computer replacements, records retention	\$ 15,000	\$ 15,000	Purchased
100-200	Gen Fund - Fire Department	Hydrant Testing Equipment	\$ 5,000	\$ 5,000	
100-500	Gen Fund - Bldg/Grounds	3/4 Ton 4WD Vehicles - 2 in FY2016-2017, 1 in FY2017-2018	\$ 88,000	\$ 80,000	Purchase pending
100-500	Gen Fund - Bldg/Grounds	City Hall - 1st Floor conference room/workstation	\$ 10,000	\$ 10,000	Project Pending
100-500	Gen Fund - Bldg/Grounds	Debt Service - Winner Chevrolet Property	\$ 150,000	\$ 150,000	Ongoing
100-500	Gen Fund - Bldg/Grounds	Electric Vehicle Charging Station Grant - 12.5% match (17,500)	\$ -	\$ 145,000	Project Cancelled
210-000	Mitigation Fees - Roads	Preliminary Study I80 Interchange	\$ 40,000	\$ 40,000	In Process
213-000	Mitigation Fees - Parks	Shade structure for playground equipment	\$ 15,000	\$ -	Community to fund additional \$5,000
250-000	Restricted - Steets & Roads	Sewer camera system 25% - Balance in Fund 561	\$ 4,000	\$ 4,000	Purchased
250-000	Restricted - Steets & Roads	Hydrovac Vacuum Trailer 25% - Balance in Fund 561	\$ 11,250	\$ 11,250	Purchase may delay to next year
250-000	Restricted - Steets & Roads	Street and Road Repairs	\$ 32,000	\$ 5,000	Added Patch Paving project
250-000	Restricted - Steets & Roads	Guardrail Improvements	\$ 19,000		
292-000	Restricted - Fire Capital	Down pmt/lease payments on Rescue vehicle.	\$ 56,000	\$ 56,000	Financing in Negotiation
560-000	Sewer - WWTP Maint & Ops	Vehicle - Carryall	\$ 16,000	\$ 16,000	Purchased
560-000	Sewer - WWTP Maint & Ops	Plumbing project - Council approved	\$ 17,000	\$ 17,000	Completed
560-000	Sewer - WWTP Maint & Ops	SCADA System	\$ 25,000	\$ -	
561-000	Collections Systems/Lift Stations	Sewer camera system 75% - Balance in Fund 250	\$ 8,000	\$ 8,000	Purchased
561-000	Collections Systems/Lift Stations	Hydrovac Vacuum Trailer 75% - Balance in Fund 250	\$ 33,750	\$ 33,750	Purchase may delay to next year
561-000	Collections Systems/Lift Stations	Sewer Line repairs	\$ 8,000	\$ 8,000	Smoke Testing to be completed
561-000	Collections Systems/Lift Stations	Short Term Asset Reserve - Required by USDA grant	\$ 37,500	\$ 37,500	Reserve allocation only
Project	North Main Street Bike Route	Grant Funded - City Match \$29,000	\$ 249,000	\$ 249,000	
Project	Ball Park Bleachers/Shade Struct	Funded by Beverage Recycling Grants	\$ 33,052	\$ 33,052	
Project	Corp Yard Security/Recycling Improv	Funded by AB939 Funds	\$ 30,767	\$ 30,767	
<b>TOTAL</b>			<b>\$ 953,319</b>	<b>\$ 1,004,319</b>	

City of Colfax - FY2016-2017  
Mid Year Budget Review - Fund Summary

Revision Date: February 15, 2017

Fund	Dept	Revenues			Expenses			Transfers In/(Out)			Net Change in Fund Balance (Revenues - Expenses +/- Transfers)				
		Estimated Actuals	Adopted Budget	Difference	Estimated Actuals	Adopted Budget	Difference	Estimated Actuals	Adopted Budget	Difference	Estimated Actuals	Adopted Budget	Difference		
<b>General Fund - Unrestricted</b>															
100	000	1,710,000	1,641,450	68,550				(102,302)	(102,302)				1,607,698	1,539,148	68,550
100	100	-	-	-	119,279	119,279	-	-	-	-	-	-	(119,279)	(119,279)	-
100	110	-	-	-	21,000	23,150	(2,150)	-	-	-	-	-	(21,000)	(23,150)	2,150
100	120	-	-	-	183,000	174,105	8,895	-	-	-	-	-	(183,000)	(174,105)	(8,895)
100	160	-	-	-	48,000	60,000	(12,000)	-	-	-	-	-	(48,000)	(60,000)	12,000
100	200	-	-	-	57,000	63,500	(6,500)	-	-	-	-	-	(57,000)	(63,500)	6,500
100	300	-	-	-	528,300	528,300	-	-	-	-	-	-	(528,300)	(528,300)	-
100	400	-	-	-	70,000	72,900	(2,900)	-	-	-	-	-	(70,000)	(72,900)	2,900
100	425	-	-	-	16,000	20,000	(4,000)	-	-	-	-	-	(16,000)	(20,000)	4,000
100	450	-	-	-	52,000	57,600	(5,600)	-	-	-	-	-	(52,000)	(57,600)	5,600
100	500	-	-	-	424,019	424,019	-	-	-	-	-	-	(424,019)	(424,019)	-
100	530	-	-	-	77,333	77,333	-	-	-	-	-	-	(77,333)	(77,333)	-
100	570	-	-	-	20,650	20,650	-	-	-	-	-	-	(20,650)	(20,650)	-
	<b>Total General Fund - Unrestricted</b>	<b>1,710,000</b>	<b>1,641,450</b>	<b>68,550</b>	<b>1,616,581</b>	<b>1,640,836</b>	<b>(24,255)</b>	<b>(102,302)</b>	<b>(102,302)</b>				<b>(8,883)</b>	<b>(101,688)</b>	<b>92,805</b>
<b>General Fund - Restricted</b>															
571	A8939 Landfill Diversion	-	-	-	-	-	-	(30,767)	(30,767)	-	-	-	(30,767)	(30,767)	-
572	Landfill - Postclosure Maint	80,000	80,000	-	78,825	78,825	-	-	-	-	-	-	1,175	1,175	-
	<b>Total General Fund - Restricted</b>	<b>80,000</b>	<b>80,000</b>	<b>-</b>	<b>78,825</b>	<b>78,825</b>	<b>-</b>	<b>(30,767)</b>	<b>(30,767)</b>				<b>(29,592)</b>	<b>(29,592)</b>	<b>-</b>
<b>Special Revenues</b>															
210-17	Mitigation Funds	825	825	-	15,000	-	15,000	(40,000)	(40,000)	-	-	-	(54,175)	(39,175)	(15,000)
218	Support Law Enforcement	100,000	100,000	-	100,000	100,000	-	-	-	-	-	-	-	-	-
241-44	CD8G Program Income	1,500	1,500	-	6,000	6,000	-	-	-	-	-	-	(4,500)	(4,500)	-
250	Streets-Roads/Transportation	110,288	110,288	-	253,563	236,063	17,500	143,275	125,775	17,500	-	-	(27,330)	(27,330)	-
253	Gas Taxes	56,906	56,906	-	19,101	19,101	-	(65,135)	(65,135)	-	-	-	(33,052)	(33,052)	-
270	Beverage Recycling	-	-	-	-	-	-	(33,052)	(33,052)	-	-	-	(2,924)	(2,924)	-
280	Used Oil Grant	-	-	-	2,924	2,924	-	-	-	-	-	-	(2,924)	(2,924)	-
286	Community Projects	-	-	-	5,246	5,246	-	-	-	-	-	-	(5,246)	(5,246)	-
292	Fire Capital Fund	12,000	12,000	-	56,000	56,000	-	(4,838)	(4,838)	-	-	-	(48,838)	(48,838)	-
	<b>Total Special Revenues</b>	<b>281,519</b>	<b>281,519</b>	<b>-</b>	<b>457,834</b>	<b>425,334</b>	<b>32,500</b>	<b>250</b>	<b>(17,250)</b>	<b>17,500</b>			<b>(176,065)</b>	<b>(161,065)</b>	<b>(15,000)</b>
<b>Capital Projects</b>															
370	North Main St Bike Route	220,000	220,000	-	249,000	249,000	-	29,000	29,000	-	-	-	-	-	-
3XX	Ballpark/Bleachers/Shade	-	-	-	33,052	33,052	-	33,052	33,052	-	-	-	-	-	-
3XX	Corp Yard Security/Recycle Imp	-	-	-	30,767	30,767	-	30,767	30,767	-	-	-	-	-	-
3XX	EV Charging Station	-	127,500	(127,500)	-	145,000	(145,000)	40,000	17,500	(17,500)	-	-	-	-	-
350	180 Interchange - Prelim study	-	-	-	40,000	40,000	-	40,000	40,000	-	-	-	-	-	-
	<b>Total Capital Projects</b>	<b>220,000</b>	<b>347,500</b>	<b>(127,500)</b>	<b>352,819</b>	<b>497,819</b>	<b>(145,000)</b>	<b>132,819</b>	<b>150,319</b>	<b>(17,500)</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>Enterprise Funds</b>															
560	Sewer WWTP Maint and Ops	1,071,588	1,071,588	-	1,125,000	1,171,864	(46,864)	-	-	-	-	-	(53,412)	(100,276)	46,864
561	Sewer Collections Systems	184,500	184,500	-	186,575	207,306	(20,731)	-	-	-	-	-	(2,075)	(22,806)	20,731
563	WWTP/Debt Service	475,860	475,860	-	438,974	438,974	-	85,100	85,100	-	-	-	121,986	121,986	-
565	G.O. Bonds	185	185	-	7,750	7,750	-	-	-	-	-	-	(7,565)	(7,565)	-
567	Inflows and Infiltration	85,100	85,100	-	-	-	-	(85,100)	(85,100)	-	-	-	-	-	-
	<b>Total Special Revenues</b>	<b>1,817,233</b>	<b>1,817,233</b>	<b>-</b>	<b>1,758,299</b>	<b>1,825,894</b>	<b>(67,595)</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>58,934</b>	<b>(8,661)</b>	<b>67,595</b>
	<b>TOTAL ALL FUNDS</b>	<b>4,108,752</b>	<b>4,167,702</b>	<b>(58,950)</b>	<b>4,264,358</b>	<b>4,468,708</b>	<b>(204,350)</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>(155,606)</b>	<b>(301,006)</b>	<b>145,400</b>



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE FEBRUARY 22, 2017 COUNCIL MEETING

**FROM:** John Schempf, City Manager  
**PREPARED BY:** Alfred "Mick" Cabral, City Attorney  
**DATE:** 2/22/2017  
**SUBJECT:** Ordinance 532 Adopting Provisions and Procedures for Administrative Fines.

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Introduce the proposed ordinance by title only, waive the first reading and schedule a public hearing, second reading and adoption at the March 8, 2017 regularly scheduled Council meeting, to be effective 30 days thereafter.

### BACKGROUND AND SUMMARY:

Colfax Municipal Code (the "Code") Chapter 1.24 establishes and provides that Code violations can be prosecuted as misdemeanors or infractions and associates ranges of fines and possible imprisonment depending on the level of violation. Under the Code, misdemeanor violations can carry fines of up to \$500 and imprisonment in the county jail for a period not more than six months. Individuals convicted of infractions are subject to a \$50 fine for the first conviction, \$100 for a second conviction within one year and \$250 for a third conviction within one year. Each day a violation exists is counted as a separate violation. Pursuing misdemeanors and infractions are criminal prosecutions.

The Code also allows the City to pursue various civil remedies, generally related to converting criminal fines to civil judgments and seeking injunctive and other non-monetary relief. Conspicuously absent from the Code is a process whereby the City can issue administrative orders requiring citizens to come into Code compliance, and imposing fines if they do not. The purpose of the proposed ordinance is to adopt provisions and procedures allowing the City to administratively issue citations for Code violations and to administratively impose fines on individuals who fail to comply.

The proposed ordinance adds Chapter 1.25 to the Code and establishes circumstances under which fines can be imposed, a process for imposing them, and amounts of fines for Code violations. Fines on non-residential properties are proposed to be \$100 per day for each first Code violation, \$200 per day for each second Code violation within one year and \$500 per day for each subsequent Code violation within one year. Residential fines are proposed to be \$10 per day for each first Code violation, \$25 per day for each second Code violation within one year and \$100 per day for all subsequent Code violations within one year. Residences for purposes of this ordinance include single family residences and multi-family residences containing four or fewer permitted residential structures.

The process begins with a notice of violation to owners of property on which violations exist. No fines will be imposed unless a property owner first fails to comply with a written notice of violation. With the exception of violations that create an immediate health and safety issue, the notice will allow at least 30 days to cure violations before fines are imposed. Failure to comply with a written notice of violation within the time allowed will subject a property owner to an administrative citation and an administratively-imposed fine.

The law requires the City to allow property owners cited for Code violations to contest the citations. Property owners will have the right to request an administrative hearing to contest the existence of a violation and the amount of any fine. The hearing will be conducted by the City Manager or an individual designated by the City Manager. The hearing officer cannot have a financial interest in the amount of any fines. Although the draft ordinance requires individuals who request a hearing to deposit the amount of the proposed fine prior to the hearing, financial hardship waivers are available to eligible property owners upon request. Property owners not satisfied with the results of any hearing have the right to seek judicial review.

In staff's opinion, the proposed ordinance will provide an essential, efficient and effective tool for the City to use in compelling Code compliance by allowing the City to address them administratively while allowing individuals and entities cited for violations a right to contest them. The draft ordinance, however, requires policy guidance from the Council. The fundamental policy questions are (1) whether the Council wants to adopt processes and procedures that will allow Code enforcement and associated fines to be imposed administratively, and, if so, (2) the amount of fines that can be imposed, especially on residential properties. Although some level of administrative fine on residential properties is desirable to ensure Code compliance, daily accrual of fines can cause a substantial, perhaps unsustainable burden on property owners. Staff can incorporate any changes Council requests before the ordinance is adopted.

Ordinances can only be adopted at regular meetings and cannot be adopted within five days of their introduction. Therefore, staff recommends introducing this ordinance by title only, waiving the first reading, and scheduling it for second reading and adoption on March 8. Staff is available to answer any questions.

**FISCAL IMPACT:** There is no immediate fiscal impact but it is anticipated that collection of administratively-imposed fines will increase City general fund revenues.

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ATTACHMENTS:

1. Proposed ordinance.

# City of Colfax

## City Council

### Ordinance No 532

#### **AN ORDINANCE OF THE CITY OF COLFAX ADDING CHAPTER 1.25 TO THE COLFAX MUNICIPAL CODE ADOPTING PROVISIONS AND PROCEDURES FOR ADMINISTRATIVE CITATIONS AND FINES**

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The City Council of The City of Colfax does ordain as follows:

##### **Section 1. Purpose and Authority.**

The purpose of this Ordinance is to adopt administrative fines as allowed by California Government Code Section 53069.4 and related provisions of California law. All changes to the Colfax Municipal Code adopted by this Ordinance, and all subsequent amendments, shall apply and be incorporated into all forms and documents to which they relate.

##### **Section 2. Adoption Of Provisions And Procedures For Administrative Citations, Fines And Penalties.**

Chapter 1.25 as hereafter provided, and all provisions thereof, are added to the Colfax Municipal Code as follows.

#### **Chapter 1.25 ADMINISTRATIVE CITATIONS**

Sections:

- 1.25.010 Applicability.
- 1.25.020 Enforcement officer—Defined.
- 1.25.030 Fines.
- 1.25.040 Notice of violation.
- 1.25.050 Service of notices.
- 1.25.060 Administrative citation.
- 1.25.070 Hearing request.
- 1.25.080 Advance deposit hardship waiver.
- 1.25.090 Dismissal of citation.
- 1.25.100 Hearing officer.
- 1.25.110 Waiver/failure to exhaust administrative remedies.
- 1.25.120 Hearing procedures.
- 1.25.130 Hearing officer's decision.
- 1.25.140 Late payment charges.
- 1.25.150 Recovery of administrative citation fines and costs.
- 1.25.160 Right to judicial review.

### 1.25.010 Applicability.

This Chapter provides for administrative citations, fines and penalties, as allowed by Government Code Section 53069.4, which are in addition to all other civil or criminal remedies which the City may pursue to address any violation of this Code. Use of this Chapter shall be at the sole discretion of the City, and shall not limit the discretion of the City to pursue any other remedies.

### 1.25.020 Enforcement Officer—Defined.

For the purposes of this Chapter, “enforcement officer” shall mean any City employee or agent of the City with the authority to enforce any provision of this Code and includes, without limitation, the City Manager or his/her designee, the City Attorney, the Community Services Director, the Chief Building Official and any other City officer or employee or agent authorized to serve as enforcement officer.

### 1.25.030 Fines.

A. Amount of Fine—General. Any responsible person shall be subject to an administrative fine in the amounts set forth below. Responsible person shall mean any of the following:

1. A person who causes a code violation to occur;
2. A person who maintains or allows a code violation to continue, by his or her action or failure to act;
3. A person whose agent, employee, or independent contractor causes a code violation by its action or failure to act;
4. A person who is the owner of, lessee or sublessee with a current right of possession of real property where a property related code violation occurs;
5. A person who is the on-site manager of a business who normally works daily at the site when the business is open and is responsible for the activities at such premises;
6. A person who is the beneficiary under a deed of trust for the property where a property related violation exists and that person has not corrected the violation within thirty days after being notified by the City in writing of the violation;
7. A person who has received a permit, license, or any type of land use approval (e.g., building permits, tentative maps, subdivision maps, conditional use permits, variances), who has failed to comply with all conditions imposed upon the permit, license or other approval.
8. A person who fails to timely comply with any nuisance abatement order issued by any City enforcement officer or City official.

For purposes of this subdivision, “person” means and includes a natural person, corporation, limited liability company, limited liability partnership or other legal entity, and the owners, corporate officers, trustees, and general partners of a legal entity. There shall be a rebuttable presumption that the record owner of a parcel as listed on the most recent equalized property tax assessment rolls and a lessee or sublessee of a parcel has notice of any code violation existing on the premises. For purposes of this Chapter, there may be more than one responsible person for a violation.

B. Amount of Fine: Specific Properties.

1. Single and Multi-Family Residences. For first-time violations of a Chapter or Section of this Code on single and multi-family residences, the administrative fine shall be ten dollars per violation for each and every calendar day that the violation is not abated following the deadlines set forth in the notice of violation. For a second violation of a Chapter or Section of this Code on single and multi-family residences within one year of the first, the administrative fine shall be twenty-five dollars per violation for each and every calendar day that the violation is not abated or recurs following the deadlines set forth in the notice of violation. For each additional violation of a Chapter or Section of this Code on single and multi-family residences within one year, the administrative fine shall be one hundred dollars per violation for each and every calendar day that the violation is not abated or recurs following the deadlines set forth in the notice of violation. The maximum

amount of the administrative fine set forth above may be increased or decreased by resolution of the City Council. For purposes of this Section, “multi-family residences” includes residential structures described in Section 17.64.080 of this Code that contain four or fewer duly permitted residential units and excludes all other use type classifications described in Chapter 17.64 of this Code.

2. **Commercial, Industrial and All Other Properties.** For first-time violations of a Chapter or Section of this Code on commercial, industrial and all other properties that are not single or multi-family residences, the administrative fine shall be one-hundred dollars per violation for each and every calendar day that the violation is not abated following the deadlines set forth in the notice of violation. For a second violation of a Chapter or Section of this Code on commercial, industrial and all other properties that are not single or multi-family residences, the administrative fine shall be two-hundred dollars per violation for each and every calendar day that the violation is not abated or recurs following the deadlines set forth in the notice of violation. For each additional violation of a Chapter or Section of this Code on commercial, industrial and all other properties that are not single or multi-family residences within one year, the administrative fine shall be five-hundred dollars per violation for each and every calendar day that the violation is not abated or recurs following the deadlines set forth in the notice of violation. The maximum amount of the administrative fine set forth above may be increased or decreased by resolution of the City Council.

C. For violations of Chapters of this Code which are specifically declared to be misdemeanors, the administrative fine shall be not less than two hundred fifty dollars nor more than one thousand dollars for each and every calendar day that the violation is not abated or recurs following the deadlines set forth in the notice of violation.

D. For violations of this Code which by their nature cannot be remedied or abated, including, but not limited to, unlawful discharges to the sewage or storm drain system, an administrative citation pursuant to Section 1.25.060 may immediately be issued without the necessity of a notice of violation first being served.

E. Payment of a fine under this Chapter shall not excuse or discharge any continuation or repeated occurrence of the Code violation that is the subject of the administrative citation.

#### **1.25.040 Notice of Violation.**

A. Whenever an enforcement officer determines that a violation has occurred, the enforcement officer shall have the authority to issue a notice of violation to any person responsible for the violation. Service of the notice shall be made as set forth in Section 1.25.050.

B. Each notice of violation shall contain at least the following information:

1. The date of the violation;
2. The address or a reasonably accurate description of the location where the violation occurred or is occurring;
3. The section of this Code violated and a description of the violation;
4. An order prohibiting the continuation or repeated occurrence of the violation described in the administrative citation following a specified date. When the violation concerns building, plumbing, electrical or other similar structural or zoning issues that do not create an immediate danger to health or safety and/or threat to the environment, the order shall provide for at least thirty days to correct or otherwise remedy the violation prior to imposition of the fine;
5. Notice that if the violation is not abated by the expiration of the specified time, or recurs after the expiration of such time period, the owner will be subject to an administrative fine under this Chapter for each and every day following expiration of the deadline that violations recur or that violations are not corrected, and the amount of such daily fine;
6. The name and signature of the citing enforcement officer.

### **1.25.050 Service of Notices.**

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The notice of violation, administrative citation and any and all other notices required to be given by this Chapter shall be served either by personal delivery to the person to be notified or by deposit in the United States mail, in a sealed envelope postage prepaid for first-class delivery, addressed to such person at the person's last known business or residence address as it appears in the public records or other records pertaining to the matter to which such notice is directed. Service shall be deemed complete at the time notice is personally served or deposited in the mail. The address of owners shown on the most recent equalized assessment roll shall be conclusively deemed to be the proper mailing address for such notice. Failure of any person to receive notice shall not affect the validity of any proceedings taken hereunder.

### **1.25.060 Administrative Citation.**

A. Upon expiration of any deadline(s) set forth in the notice of violation, the enforcement officer shall inspect the premises and determine if the violation(s) has been corrected. If the responsible person does not consent to such inspection, the enforcement officer shall apply to the Placer County Superior Court for issuance of an inspection warrant pursuant to California Code of Civil Procedure Part 3, Title 13, as amended or replaced from time-to-time. If upon inspection the enforcement officer determines that the violation(s) has not been corrected or has recurred, the enforcement officer shall serve upon the responsible parties an administrative citation imposing the fines set forth in this Chapter.

B. The administrative citation shall contain:

1. The date(s) of re-inspection or the date of violation;
2. The address or a reasonably accurate description of the location where the violation occurred;
3. The section of this Code violated and a description of the violation;
4. The amount of the fine, or the minimum and maximum amount of the fine for violations pursuant to Section 1.25.030C.
5. A description of the fine payment process, including a description of the time within which and the place to which the fine shall be paid;
6. A description of the administrative citation review process, including the time within which the administrative citation may be contested, and the place from which to obtain a request for hearing and/or an advance deposit waiver request form;
7. The date of the citation, and the name and signature of the citing enforcement officer.

C. An administrative citation may be immediately issued, without prior service of a notice of violation, for violations which by their nature cannot be remedied or abated, including but not limited to unlawful discharges to the sewer or storm drain system.

### **1.25.070 Hearing Request.**

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A. Any recipient of an administrative citation may contest the existence a violation of this Code or that he, she or it is the responsible party by completing a request for hearing form and returning it to the enforcement officer within ten days from the date of service of the administrative citation, together with an advance deposit of the fine or a request for an advance deposit hardship waiver pursuant to Section 1.25.080 of this Chapter. Where the fine is imposed pursuant to Section 1.25.030(C) of this Chapter, only the minimum range of the fine is subject to the advance deposit requirement. If a request for hearing is not filed in a timely fashion, the maximum fine shall be imposed and recovered pursuant to the procedures set forth in Section 1.25.150 of this Code.

B. The person requesting the hearing shall be notified of the time and place set for the hearing at least seven days prior to the date of the hearing.

### **1.25.080 Advance Deposit Hardship Waiver.**

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- A. Any person who intends to request a hearing to contest the existence of a violation of the Code or that he or she is the responsible party, and who is financially unable to make the advance deposit of the fine, may file a request for an advance deposit hardship waiver.
- B. The request shall be filed with the enforcement officer on an advance deposit hardship waiver application form, available from the City, within ten days after service of the administrative citation.
- C. The requirement of depositing the full amount of the fine as described in Section 1.25.070 shall be stayed unless or until the enforcement officer makes a determination not to issue the advance deposit hardship waiver.
- D. The enforcement officer may waive the requirement for advance deposit only if the cited party submits to the enforcement officer a declaration under penalty of perjury, supported by documentary evidence, that demonstrates to the enforcement officer's satisfaction that the person is financially unable to deposit the full amount of the fine in advance of the hearing.
- E. If the enforcement officer determines not to issue an advance deposit hardship waiver, the cited party shall remit the advance deposit to the City within seven days after the date of that decision or fourteen days after the date of the administrative citation, whichever is later.
- F. The enforcement officer shall list his/her reasons for granting or not granting an advance deposit hardship waiver in writing and serve it on the cited party. The enforcement officer's decision is final.

### **1.25.090 Dismissal of Citation.**

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At any time before the hearing, if the enforcement officer determines that there was no violation as charged in the administrative citation or that the citation should be dismissed in the interest of justice, the enforcement officer may dismiss the administrative citation, cancel the hearing, and refund any administrative citation fine paid or advance deposit made.

### **1.25.100 Hearing Officer.**

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The City manager shall designate the hearing officer for the administrative citation hearing. The employment, performance evaluation, compensation and benefits of the hearing officer shall not be directly or indirectly conditioned upon the amount of the administrative citation fines upheld by the hearing officer.

### **1.25.110 Waiver/failure To Exhaust Administrative Remedies.**

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No hearing to contest an administrative citation shall be held unless the fine has been deposited in advance, pursuant to Section 1.25.070, or an advance deposit hardship waiver has been issued pursuant to Section 1.25.080. Failure to pay the fine in advance or obtain the waiver within the time periods set forth in this Chapter shall constitute a waiver of the right to a hearing and a failure to exhaust administrative remedies. Failure of any recipient of an administrative citation to appear at the administrative citation hearing shall constitute a forfeiture of any fine already paid, and a failure to exhaust administrative remedies.

### **1.25.120 Hearing Procedures.**

- A. A hearing before the hearing officer shall be set for a date that is not less than fifteen days and not more than sixty days from the date that the request for hearing is filed in accordance with the provisions of this Chapter.
- B. At the hearing, the party contesting the administrative citation shall be given the opportunity to testify and to present evidence concerning the administrative citation. The hearing shall be conducted informally and the legal rules of evidence need not be followed.

C. The administrative citation and any additional report submitted by the enforcement officer shall constitute prima facie evidence of the respective facts contained in those documents. Any additional reports shall be served on the party who has requested the hearing in advance of the hearing. If such reports are not provided to such party until the hearing, the party shall be given a reasonable opportunity to review such documentation.

D. The hearing officer may continue the hearing and request additional information from the enforcement officer or the recipient of the administrative citation prior to issuing a written decision.

#### **1.25.130 Hearing Officer's Decision.**

A. After considering all of the testimony and evidence submitted at the hearing, the hearing officer shall issue a written decision to uphold, cancel or reduce the administrative citation and shall list the reasons for that decision. The hearing officer may establish the amount of the fine based on the facts and circumstances of the violation, including, but not limited to, the length of time the violation existed; the culpability of the owner and willfulness of the violation; the frequency, recurrence and number of violations, related or unrelated, by the same violator; the good faith attempts of the violator to come into compliance; the economic impact of the penalty on the violator; the amount of City staff time which was expended in investigating or addressing the violation, and the amount of administrative fines which have been imposed in similar situations; the extent of the violation and its effect on the public, the environment or neighboring properties; the credibility of the appellant or any witnesses; and any other information relevant to a determination of the fine. The decision of the hearing officer shall be final.

B. The recipient of the administrative citation shall be served with a copy of the hearing officer's written decision. The decision shall contain a statement that the decision is final and that any responsible party may seek judicial review of the order imposing the penalty pursuant to Government Code Section 53069.4.

#### **1.25.140 Late Payment Charges.**

Any person who fails to pay the City any fine imposed pursuant to the provisions of this Chapter shall be liable for the payment of late payment charges in the amount of fifteen percent of the fine, plus interest accrued at a rate of one and one-half percent per month until paid. Interest and late charges shall accrue commencing the twentieth day after service of the hearing officer's decision or order. If a hearing has not been requested, or an advance deposit waiver has not been granted, interest and late charges shall accrue commencing on the thirtieth day following issuance of the administrative citation.

#### **1.25.150 Recovery of Administrative Citation Fines and Costs.**

The City may collect any past due administrative citation fines and/or late payment charges by use of all available legal means.

A. The amount of any unpaid final administrative fine, plus interest, plus any other costs as provided in the Chapter, may be declared a lien on such real property as follows:

1. Notice shall be given to the owner before recordation of the lien, and shall be served in accordance with Section 1.25.050 of this Chapter;
2. The lien shall attach when the City records it with the county recorder's office. The lien shall specify the amount of the lien, the date(s) of the code violations, the date of the final decision, the street address, legal description, and assessor's parcel number of the parcel on which the lien is imposed, and the name and address of the record owner of the parcel; and
3. The lien shall be collected at the same time and in the same manner as City taxes are collected.

B. The City may withhold issuance of licenses, permits and other entitlements to a responsible party on any project, property, or application of any kind whenever an administrative penalty remains unpaid.

D. In the event a civil action is commenced to collect the administrative penalty, the City shall be entitled to recover all costs associated with the collection of the penalty. Costs include, without limitation, attorney's fees, court costs, staff time incurred in the collection of the penalty and those other costs set forth in Code of Civil Procedure § 1033.5.

E. The City may take such other actions as are allowed for enforcement of a civil judgment as provided for pursuant to the Enforcement of Judgment Law, California Code of Civil Procedure § 680.010 et seq.

**1.25.160 Right to Judicial Review.**

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Any person aggrieved by an administrative decision of a hearing officer on an administrative citation may obtain review of the administrative decision by filing a petition for review with the superior court in Placer county in accordance with the time lines and provisions set forth in California Government Code Section 53069.4.