

**ALL CELL PHONES AND ELECTRONIC DEVICES MUST BE
TURNED OFF IN THE COUNCIL CHAMBERS**

**A G E N D A
REEDLEY CITY COUNCIL MEETING**

7:00 P.M.

TUESDAY, JANUARY 23, 2024

**Meeting Held in the Council Chambers
845 "G" Street, Reedley, California**

www.reedley.ca.gov

The Council Chambers are accessible to the physically disabled. Requests for additional accommodations for the disabled, including auxiliary aids or to request translation services, should be made 48 hours prior to the meeting by contacting the City Clerk at 637-4200 ext. 212.

Any document that is a public record and provided to a majority of the City Council regarding an open session item on the agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such documents may be posted on the City's website.

Unless otherwise required by law to be accepted by the City at or prior to a Council meeting or hearing, no documents shall be accepted for Council review unless they are first submitted to the City Clerk by the close of business one day prior to said Council meeting/hearing at which the Council will consider the item to which the documents relate, pursuant to the adopted City Council Protocols.

**The meeting will be held in person and may be observed remotely via Zoom or at:
<http://www.reedley.com/livestream.php>**

Public comment may be made in person or submitted in writing. Members of the public who wish to provide written comments are encouraged to submit their comments to the City Clerk at ruthie.greenwood@reedley.ca.gov by the close of business one day prior to the start of the meeting to ensure that the comments will be available to the City Council. Please indicate the agenda item number to which the comment pertains. Written comments that do not specify a particular agenda item will be marked for the general public comment portion of the meeting. A copy of any written comment will be provided to the City Council at the meeting. Please note that written comments received will not be read aloud during the meeting, but will be included with the meeting minutes.

Anita Betancourt, Mayor

Matthew Tuttle, Mayor Pro Tem
Mary Fast, Council Member

Suzanne Byers, Council Member
Scott Friesen, Council Member

MEETING CALLED TO ORDER

INVOCATION- Pastor Mike Schellenberg, Reedley Mennonite Brethren Church

PLEDGE OF ALLEGIANCE

ROLL CALL

AGENDA APPROVAL – ADDITIONS AND/OR DELETIONS

PUBLIC COMMENT – Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council's jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu. Concerns or complaints will be referred to the City Manager's office. Speakers should limit their comments to not more than three (3) minutes. No more than ten (10) minutes per issue will be allowed. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the Council as each item is brought up for discussion.

NOTICE TO PUBLIC

CONSENT AGENDA items are considered routine and a recommended action for each item is included, and will be voted upon as one item. If a Councilmember has questions, requests additional information, or wishes to comment on an item, the vote should not be taken until after questions have been addressed or comments made, and the public has had an opportunity to comment on the **Consent Agenda** items. If a Councilmember wishes to have an item considered individually or change the recommended action, then the item should be removed and acted upon as a separate item. A Councilmember's vote in favor of the **Consent Agenda** is considered and recorded as a separate affirmative vote in favor of each action listed. For adoption of ordinances, only those that have received a unanimous vote upon introduction are considered **Consent** items.

CONSENT AGENDA (Item 1-6)

1. APPROVAL OF MINUTES OF THE REGULAR COUNCIL MEETING OF JANUARY 9, 2024 - (City Clerk)
Staff Recommendation: Approve
2. APPROVE MAYOR'S NOMINATION TO FILL TWO VACANCIES ON THE STREETScape MAINTENANCE COMMITTEE- (City Clerk)
3. SECOND READING AND ADOPTION OF ORDINANCE NO. 2023-007, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING REZONE APPLICATION NO. 2021-07 AND AUTHORIZING THE AMENDMENT OF THE OFFICIAL ZONING MAP OF THE CITY OF REEDLEY-(APNS: 365-220-80, AND 365-220-81)- (Community Development)
Staff Recommendation: Approve
4. ADOPT RESOLUTION 2024-003 OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING THE ANNUAL CITY STATEMENT OF INVESTMENT POLICY-(Administrative Services)
Staff Recommendation: Approve
5. CONSIDER THE FOLLOWING ITEMS (A) AND (B) FOR THE CDBG PROJECT NO. 21571 E STREET RECONSTRUCTION PROJECT
 - A. ADOPT RESOLUTION NO. 2024-006, WHICH REPLACES RESOLUTION 2023-065 RATIFYING THE CONSTRUCTION CONTRACT TO \$383,521 FOR EMMETT VALLEY CONSTRUCTION FOR CDBG PROJECT NO. 21571 E STREET RECONSTRUCTION PROJECT

B. ADOPT BUDGET RESOLUTION NO. 2024-007 AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO APPROPRIATE AVAILABLE FUNDS IN THE AMOUNT OF \$68,227 FOR CDBG PROJECT NO. 21571 E STREET RECONSTRUCTION PROJECT

Staff Recommendation: Approve

6. ADOPT RESOLUTION NO. 2024-008, ACCEPTING THE CONSTRUCTION IMPROVEMENTS FOR CDBG PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET, AND AUTHORIZE THE CITY ENGINEER TO FILE A NOTICE OF COMPLETION WITH THE COUNTY OF FRESNO RECORDER'S OFFICE

Staff Recommendation: Approve

PUBLIC HEARING

7. INTRODUCTION AND FIRST READING OF ORDINANCE 2023-010 REPEALING AND REPLACING CHAPTER 1 OF TITLE 4 OF THE REEDLEY MUNICIPAL CODE PERTAINING TO SOLID WASTE REGULATIONS-Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. – (Public Works)

Staff Recommendation: Approve

RECEIVE INFORMATION & REPORTS

These items are formal transmittals of information to the Reedley City Council. They are not voted upon by the Reedley City Council. Members of the public who have questions on these items are suggested to call City staff members during regular business hours.

8. REEDLEY'S RIVER CITY THEATRE COMPANY, PROFIT & LOSS STATEMENT FOR THE PERIOD OF SEPTEMBER 2023 – DECEMBER 2023– Community Services
9. REEDLEY TRAFFIC SAFETY COMMISSION MINUTES OF REGULAR MEETING OF AUGUST 31, 2023 – Engineering
10. REEDLEY AIRPORT COMMISSION MINUTES OF REGULAR MEETING OF SEPTEMBER 21, 2023 – Community Services
11. RECEIVE REVIEW, AND FILE THE QUARTERLY INVESTMENT REPORT FOR 2ND QUARTER ENDING DECEMBER 31, 2023 FOR FISCAL YEAR 2023-24-Administrative Services
12. QUARTERLY EXPENSE & TRAVEL REPORT FOR ELECTED & APPOINTED OFFICIALS-OCTOBER 1, 2023 THROUGH DECEMBER 31, 2023-Administrative Services
13. RECEIVE, REVIEW, AND FILE 2022-23 AUDITED CITY FINANCIAL STATEMENTS-Administrative Services

COUNCIL REPORTS

14. BRIEF REPORT BY COUNCIL MEMBERS ON CITY RELATED ACTIVITIES AS AUTHORIZED BY THE BROWN ACT AND REQUESTS FOR FUTURE AGENDA ITEMS.

STAFF REPORTS

15. UPDATES AND/OR REPORTS BY CITY MANAGER AND/OR STAFF MEMBERS

CLOSED SESSION

16. GOVERNMENT CODE SECTION 54957.6

Conference with Labor Negotiators

Agency Representatives: City Manager & Assistant City Manager

Employee Organization: Reedley Public Safety Employees Association & General Services Unit.

17. Government Code Section 54956.8

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 1710 Ninth St. Reedley, CA 93654

Agency Negotiator: City Manager and Assistant City Manager

Negotiating Parties: Central CA Commercial Advisory & Brokerage Services

Under Negotiation: Price, Terms and Conditions

18. Government Code Section 54956.8

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 936 G St. Reedley, CA 93654

Agency Negotiator: City Manager and Assistant City Manager

Negotiating Parties: PI Properties NO 140 LLC

Under Negotiation: Price, Terms and Conditions

RECONVENE TO OPEN SESSION

ADJOURNMENT

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing revised agenda was posted in accordance with the applicable legal requirements. Dated this 18th day of January 2024.



Ruthie Greenwood, City Clerk

Dates to Remember:

February 13, 2024-Regular Meeting

February 27, 2024-Regular Meeting

REEDLEY CITY COUNCIL MEETING –January 9, 2024

A complete audio record of the minutes is available at www.reedley.ca.gov

The meeting of Reedley City Council called to order by Mayor Betancourt at 7:00 p.m. on Tuesday, January 9, 2024 in the City Hall Council Chambers, 845 “G” Street, Reedley, California.

INVOCATION – Pastor Virgil Miller, Christ Lutheran Church

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Fast.

ROLL CALL

Council Members

Present: Suzanne Byers, Mary Fast, Scott Friesen, Matthew Tuttle, Anita Betancourt

Absent: None.

AGENDA APPROVAL – ADDITIONS AND/OR DELETIONS

City Manager Nicole Zieba stated due to the most recent events that happened in our community which it was important to note it happened after the agenda was posted for the council meeting. City Manager Zieba requested that City Manager’s Report be moved immediately following agenda approval. By doing this, it would allow people in the audience to hear the latest update on behalf of the City.

Council Member Byers motioned, Council Member Friesen seconded to accept and approve agenda.

Motion unanimously **carried**.

UPDATES AND/OR REPORTS BY CITY MANAGER

City Manager Nicole Zieba explained in light of the recent multiple homicide incident that happened in the community she wanted to provide an in-depth update for community members who are in the audience.

PRESENTATION

1. INTRODUCTION OF NEW POLICE OFFICER

Police Chief Garza introduced the new Police Officer.

2. NATIONAL HUMAN TRAFFICKING PREVENTION MONTH

January is National Human Trafficking Prevention Month and representatives from Fresno County Economic Development Corporation, Breaking the Chains and others shared ways to prevent human trafficking in Reedley.

3. SMITH’S FERRY HISTORICAL LANDMARK PRESENTATION

Kenneth Zech discussed the historical significance of Smith’s Ferry Park and the importance of the historical landmark.

PUBLIC COMMENT

None.

CONSENT AGENDA (Item 4-7)

Council Member Byers asked that item 6 be discussed prior to the vote. Assistant City Manager, Paul Melikian answered the questions regarding the item.

Council Member Fast moved, Council Member Byers seconded to accept, approve and adopt all items listed under the **CONSENT AGENDA**.

4. APPROVAL OF MINUTES OF THE REGULAR COUNCIL MEETING OF DECEMBER 12, 2023 - *Approved*

REEDLEY CITY COUNCIL MEETING –January 9, 2024

5. APPROVAL OF EXPENSE REIMBURSEMENT FOR COUNCIL MEMBER FAST – *Approved*
6. APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AN INVESTMENT FIDUCIARY & RETIREMENT PLAN CONSULTING AGREEMENT WITH BURNHAM GIBSON WEALTH ADVISORS, LLC FOR ONGOING ADMINISTRATION SERVICES OF THE CITY’S DEFERRED COMPENSATION PLANS-*Approved*
7. APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A FIVE-YEAR SOFTWARE SERVICES AGREEMENT WITH IWORQ SYSTEMS, INC. FOR ONGOING AUTOMATED SOLAR PERMITTING AND RELATED PAYMENT PROCESSING SERVICES – *Approved*

WORKSHOP

8. UPDATE FROM REEDLEY LITTLE LEAGUE

Community Services Director, Sarah Reid shared the history of the partnership with Little League and the City of Reedley. Mrs. Reid shared her excitement that the City of Reedley was awarded a grant for Camacho Park and shared the project timeline.

Mr. Garcia, the President of Reedley Little League, discussed the previous baseball season and plans for the future.

PUBLIC HEARING

9. CONDUCT A PUBLIC HEARING AND CONSIDER THE FOLLOWING ITEMS ASSOCIATED WITH THE PROPOSED FUTURE DEVELOPMENT OF SIX TWO-STORY TOWNHOME DUPLEXES SITUATED NORTHWEST OF THE INTERSECTION OF SOUTH FRANKWOOD AVENUE AND WEST LILAC AVENUE (APNs 365-220-80 & 365-220-81)
 - A. ADOPT RESOLUTION NO. 2023-055, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING ENVIRONMENTAL ASSESSMENT NO. 2023-16, PERTAINING TO THE ADOPTION OF A MITIGATED NEGATIVE DECLARATION, DATED SEPTEMBER 26, 2023, PREPARED FOR GENERAL PLAN AMENDMENT APPLICATION NO. 2021-04, REZONE APPLICATION NO. 2021-07, AND CONDITIONAL USE PERMIT APPLICATION NO. 2021-07
 - B. ADOPT RESOLUTION NO. 2023-056, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING GENERAL PLAN AMENDMENT APPLICATION NO. 2021-04
 - C. HOLD A PUBLIC HEARING ON THE INTRODUCTION AND FIRST READING OF ORDINANCE NO. 2023-007, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING REZONE APPLICATION NO. 2021-07 AND AUTHORIZING THE AMENDMENT OF THE OFFICIAL ZONING MAP OF THE CITY OF REEDLEY
 - D. ADOPT RESOLUTION NO. 2023-057, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING CONDITIONAL USE PERMIT APPLICATION NO. 2021-07

Community Development Director, Rodney Horton stated this item pertains to environmental assessment, general plan amendment, rezone application and a conditional use permit that pertains to the construction of six two-story townhome duplexes developed as a planned unit development that will consist of twelve dwelling units on a .90-acre site. The townhomes will consist of 3 bedrooms and 2 bathrooms with the proposed parking of 28 spaces. There will be a new driveway approach located on Frankwood Avenue and Cyrier Avenue.

Public Hearing Opened: 8:03 p.m.

Maria Velasquez asked questions about the project and inquired when it would be starting.

Public Hearing Closed: 8:05 p.m.

REEDLEY CITY COUNCIL MEETING –January 9, 2024

Council Member Fast motioned and Council Member Byers seconded to accept and CONDUCT A PUBLIC HEARING AND CONSIDER THE FOLLOWING ITEMS ASSOCIATED WITH THE PROPOSED FUTURE DEVELOPMENT OF SIX TWO-STORY TOWNHOME DUPLEXES SITUATED NORTHWEST OF THE INTERSECTION OF SOUTH FRANKWOOD AVENUE AND WEST LILAC AVENUE (APNs 365-220-80 & 365-220-81)

- A. ADOPT RESOLUTION NO. 2023-055, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING ENVIRONMENTAL ASSESSMENT NO. 2023-16, PERTAINING TO THE ADOPTION OF A MITIGATED NEGATIVE DECLARATION, DATED SEPTEMBER 26, 2023, PREPARED FOR GENERAL PLAN AMENDMENT APPLICATION NO. 2021-04, REZONE APPLICATION NO. 2021-07, AND CONDITIONAL USE PERMIT APPLICATION NO. 2021-07
- B. ADOPT RESOLUTION NO. 2023-056, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING GENERAL PLAN AMENDMENT APPLICATION NO. 2021-04
- C. HOLD A PUBLIC HEARING ON THE INTRODUCTION AND FIRST READING OF ORDINANCE NO. 2023-007, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING REZONE APPLICATION NO. 2021-07 AND AUTHORIZING THE AMENDMENT OF THE OFFICIAL ZONING MAP OF THE CITY OF REEDLEY
- D. ADOPT RESOLUTION NO. 2023-057, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING CONDITIONAL USE PERMIT APPLICATION NO. 2021-07

Motion unanimously **carried**.

10. CONSIDER ACTION RELATED TO ANNEXATION OF TERRITORY (ANNEXATION NO. 21) TO THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT 2005-1 (PUBLIC SERVICES) WHICH INCLUDE THE FOLLOWING:

- A. RESOLUTION 2024-001, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ANNEXING OF TERRITORY TO A COMMUNITY FACILITIES DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX, AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS, CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) ANNEXATION NO. 21
- B. RESOLUTION 2024-002, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DECLARING RESULTS OF A SPECIAL ANNEXATION ELECTION DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN, CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) ANNEXATION NO. 21

Assistant City Manager Paul Melikian stated that a condition to annex into the Community Facilities District was imposed on new developments being processed by the City in 2005 when the district was established. Since that time, all properties must petition to be annexed to the existing district when development is proposed.

Public Hearing Opened: 8:09 p.m.

City Clerk announced that 6 ballots with total of 69 votes were mailed out and 5 ballots with 68 votes were returned.

Public Hearing Closed: 8:10 p.m.

Council Member Tuttle motioned and Council Member Friesen seconded to accept

- A. RESOLUTION 2024-001, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ANNEXING OF TERRITORY TO A COMMUNITY FACILITIES DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX, AND SUBMITTING LEVY OF TAX TO QUALIFIED ELECTORS, CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) ANNEXATION NO. 21

Motion unanimously **carried**.

REEDLEY CITY COUNCIL MEETING –January 9, 2024

Ballots were opened by City Clerk and she reported the following votes in favor:

Yes Votes

- Otani Properties-45 votes
- Allison Otani Hosoda-15 votes
- Cipriano Yanez-1 vote
- Surf Thru-2 votes
- D&L Lowe, LP-5 votes

No Votes

None

Summary

Votes Cast	Qualified Land Owner Yes Votes	Qualified Land Owner No Votes
68	68	0

City Clerk announced that the 45 “Yes” votes were required in order to proceed with the adoption of Resolution 2024-002 and 68 had been received, therefore Council could proceed.

Council Member Fast motioned and Council Member Tuttle seconded to accept

- B. RESOLUTION 2024-002, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DECLARING RESULTS OF A SPECIAL ANNEXATION ELECTION DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN, CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) ANNEXATION NO. 21

COUNCIL REPORTS

- 11. BRIEF REPORT BY COUNCIL MEMBERS ON CITY RELATED ACTIVITIES AS AUTHORIZED BY THE BROWN ACT AND REQUESTS FOR FUTURE AGENDA ITEMS.

Council Member Tuttle:

- Shared about the ribbon cutting ceremony he attended for Tradewinds Pub

STAFF REPORTS

- 12. UPDATES AND/OR REPORTS BY CITY MANAGER AND/OR STAFF MEMBERS.

City Manager Nicole Zieba:

- Discussed the Human Trafficking Awareness month and steps staff will be doing to assist in prevention and education

City Engineer Marilu Morales:

- Provided an update on projects including E Street, 11th Street, and Olson Sewer project

ADJOURNMENT

Mayor Betancourt adjourned the regular meeting at 8:24 p.m.

Mayor Anita Betancourt

ATTEST:

Ruthie Greenwood, City Clerk



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 2

DATE: January 23, 2024

TITLE: APPROVE MAYOR'S NOMINATION TO FILL TWO VACANCIES ON THE STREETScape MAINTENANCE COMMITTEE

SUBMITTED: Ruthie Greenwood 
City Clerk

APPROVED: Nicole R. Zieba 
City Manager

RECOMMENDATION

Staff is recommending that the Reedley City Council approve Mayor Betancourt's nomination to fill two vacancies on the Streetscape Maintenance Committee. After review of the applications by Mayor Betancourt, she is recommending appointments to the commission.

BACKGROUND

The positions are available on the Streetscape Maintenance Committee due to one vacancy and also the resignation of Mike Franks. Mayor Betancourt has reviewed the applications and is recommending that Todd Barsoom be appointed to complete the rest of Mike Frank's term on the Streetscape Maintenance Committee. Mark Luzania is recommended to be appointed as the alternate on the Streetscape Maintenance Committee.

Streetscape Maintenance Committee terms are three (3) year terms. Due to Todd Barsoom is completing the remainder of a term, his term expiration will be August 2026. The alternate position which will be filled by Mark Luzania has a term expiration of August 2024.

FISCAL IMPACT

No Fiscal Impact

ATTACHMENTS

Two (2) applications

NOV 23 2023
CITY OF REEDLEY
RECEIVED

**CITY OF REEDLEY
COMMISSION/COMMITTEE APPLICATION FORM**

I hereby request that I be considered for appointment to the following Commission or Committee:

PLEASE TYPE OR PRINT IN BLACK INK
CHECK ONE ONLY— USE SEPARATE APPLICATION FOR EACH COMMISSION

- Airport Commission
- Community Services Commission
(Must reside within City limits)
- Planning Commission
(Must reside within City limits)
- Traffic Safety Commission
(Must reside within City limits)
- Streetscape Maintenance Committee
(Must be a business owner within downtown streetscape maintenance district)

NAME: Todd Barsoom

HOME ADDRESS: [REDACTED]

MAILING ADDRESS (if different from above):
[REDACTED] Reedley, CA 93654

HOME PHONE: _____ DAY PHONE: [REDACTED]

EMAIL ADDRESS (if applicable): [REDACTED]

RESIDENT OF REEDLEY FOR 63 YEARS.

EMPLOYED BY: Barsoom Farms Inc.

DATE: 11/30/23 SIGNATURE: [Signature]

CITY OF REEDLEY
COMMISSION/COMMITTEE APPLICATION FORM

DEC 4 '23 2:56PM
CITY OF REEDLEY
RECEIVED

I hereby request that I be considered for appointment to the following Commission or Committee:

PLEASE TYPE OR PRINT IN BLACK INK
CHECK ONE ONLY— USE SEPARATE APPLICATION FOR EACH COMMISSION

- Airport Commission
- Community Services Commission
(Must reside within City limits, provided that up to 2 commissioners may reside outside city limits but within city's sphere of influence)
- Planning Commission
(Must reside within City limits)
- Traffic Safety Commission
(Must reside within City limits)
- Streetscape Maintenance Committee
(Must be a business owner within downtown streetscape maintenance district)

NAME: Mark Lozania

HOME ADDRESS: [REDACTED]
[REDACTED]

MAILING ADDRESS (if different from above):
[REDACTED] Reedley

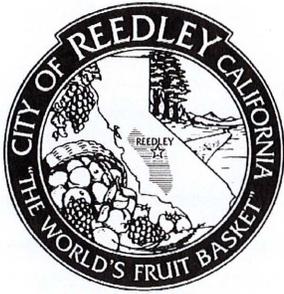
HOME PHONE: [REDACTED] BUSINESS DAY PHONE: [REDACTED]

EMAIL ADDRESS (if applicable): [REDACTED]

RESIDENT OF REEDLEY FOR _____ YEARS.

EMPLOYED BY: self

DATE: 11/30/23 SIGNATURE: [Signature]



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 3

DATE: January 23, 2024

TITLE:

SECOND READING AND ADOPTION OF ORDINANCE NO. 2023-007, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING REZONE APPLICATION NO. 2021-07 AND AUTHORIZING THE AMENDMENT OF THE OFFICIAL ZONING MAP OF THE CITY OF REEDLEY - (APNS: 365-220-80, AND 365-220-81)

FROM: Rodney Horton, Director 
Community Development Department

APPROVED: Nicole R. Zieba
City Manager 

RECOMMENDATIONS

Staff recommends that the City Council hold the second reading and adopt Ordinance No. 2023-007, an Ordinance of the City Council of the City of Reedley approving Rezone Application No. 2021-07 and authorizing the amendment of the Official Zoning Map of the City of Reedley – (APNs: 365-220-80, and 365-220-81).

EXECUTIVE SUMMARY

Ordinance No. 2023-007 (Rezone Application No. 2021-07) pertains to the reclassification of two contiguous undeveloped parcels of land located northwest of the intersection of South Frankwood Avenue and West Lilac Avenue (APNs 365-220-80 and 365-220-81). The parcels current zone district designation is R-1(SP) (Single-Unit Residential) and the applicant is proposing to reclassify the two abovementioned parcels to the RM-3 (Multi-Unit Residential) zone district designation. The RM-3 (Multi-Unit Residential) zone district designation would be consistent with the proposed General Plan Planned Land Use designation of Medium Density Residential. A twelve-unit townhome duplex is a by-right use in the RM-3 (Multi-Unit Residential) zone district.

On January 9, 2024, the introduction of Ordinance No. 2023-007 was presented to the City Council and a public hearing was opened. After the public hearing was closed, the City Council unanimously voted in favor of introduction and first reading of the proposed ordinance.

PROJECT DESCRIPTION/BACKGROUND

The applicant is proposing to construct six two-story townhome duplexes developed as a Planned Unit Development that will consist of twelve dwelling units on a .90-acre site. The proposed residential project location is on two contiguous undeveloped parcels situated northwest of the intersection of South Frankwood Avenue and West Lilac Avenue (APNs 365-220-80 and 365-220-81). Each unit will be approximately 1,483 sq. ft. in size, and will consist of 3-bedrooms and 2-bathrooms with the proposed off-street parking consisting of 28 total spaces. A new driveway approach will be located on Frankwood Avenue and Cyrier Avenue.

The proposed rezone application is seeking to reclassify the subject parcels to the RM-3 (Multi-Unit Residential) zone district designation from the R-1(SP) (Single-Unit Residential) zone district designation. This proposal is consistent with the proposed General Plan amendment application that is seeking to reclassify the subject parcels from the General Plan Planned Land Use designation of Low Density Residential to Medium Density Residential. Exhibit A attached to Ordinance No. 2023-007 shows what the proposed Rezone Application would look like on the City of Reedley Zoning Map.

Since General Plan Amendment Application No. 2021-04 was approved by the City Council at their regular meeting held on January 9, 2024, staff has determined the proposed rezone for the property described above is consistent with the GPU Planned Land Use and Zoning District Consistency Matrix (GPU, Table 2-4, Page 30).

COMMITTEE/COMMISSION REVIEW/ACTIONS

On December 7, 2023, the City of Reedley Planning Commission, using their independent judgment, recommended approval of Rezone Application No. 2021-07 (Ordinance No. 2023-007).

FINANCIAL IMPACT

The project applicant has paid all applicable entitlement application fees.

ATTACHMENTS

1. Ordinance No. 2023-007, an Ordinance of the City Council of the City of Reedley approving Rezone Application No. 2021-07 and authorizing the amendment of the official zoning map of the City of Reedley

ORDINANCE NO. 2023-007

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY
APPROVING REZONE APPLICATION NO. 2021-07 AND
AUTHORIZING THE AMENDMENT OF THE OFFICIAL ZONING MAP
OF THE CITY OF REEDLEY**

WHEREAS, Rezone Application No. 2021-07 has been filed pertaining to re-designating two contiguous undeveloped parcels situated northwest of the intersection of South Frankwood Avenue and West Lilac Avenue (APNs 365-220-80 and 365-220-81) from the R-1(SP) (Single-Unit Residential) zone district designation to the RM-3 (Multi-Unit Residential) zone district designation; and

WHEREAS, the Reedley General Plan Update 2030 currently designates the subject properties as Low Density Residential, however the applicant is proposing to also re-designate the parcels as Medium Density Residential through General Plan Amendment Application No. 2021-04 ; and

WHEREAS, Rezone Application No. 2021-07 will be consistent with the proposed General Plan Planned Land Use designation of Medium Density Residential, the overall guiding land use principles described in the General Plan Update 2030, Land Use Element, and specific Land Use Element goals and policies, which when applied, further support the zone district reclassification; and

WHEREAS, the proposed zoning designation identified in Rezone Application No. 2021-07, RM-3 (*Multi-Unit Residential*), is consistent with the GPU Planned Land Use and Zoning District Consistency Matrix; and

WHEREAS, Rezone Application No. 2021-07 is consistent with the Reedley Municipal Code, Title 10, Zoning Regulations, Chapter 3 (Zoning District and Map) and Chapter 22 (Amendments); and

WHEREAS, the project, in totality of General Plan Amendment Application No. 2021-04, Rezone Application No. 2021-07, and Conditional Use Permit Application No. 2021-07, was evaluated and environmentally assessed in accordance with provisions of the California Environmental Quality Act as determined through a Mitigated Negative Declaration, dated September 26, 2023, prepared for the project; and

WHEREAS, the City of Reedley Planning Commission, at the regular meeting on December 7, 2023, held a public hearing, received a written staff report, invited public comment, independently deliberated, and recommended that the City Council of the City of Reedley approve Rezone Application No. 2021-07 by adopting Ordinance No. 2023-007; and

WHEREAS, the City Council of the City of Reedley, at the regular meeting on January 9, 2024, held a public hearing, received a written staff report, invited public comment, and independently deliberated.

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

Section 1. The above recitals are true and correct; and

Section 2. The City Council FINDS that Rezone Application No. 2021-07 is consistent with the Reedley General Plan Update 2030; and

Section 3. The City Council FINDS that Rezone Application No. 2021-07 is consistent with the Reedley Municipal Code, Title 10, Zoning Regulations, Chapter 3 (Zoning District and Map) and

Chapter 22 (Amendments); and

Section 4. The City Council hereby APPROVES Rezone Application No. 2021-07 and incorporates the changes reflected therein into the zoning law and map of the City of Reedley, as reflected on Exhibit A; and

Section 5. The City Council hereby APPROVES the amendment to the Official Zoning Map and ADOPTS said updated map as the City's Official Zoning Map; and

Section 6. The City Clerk is hereby directed to cause a summary of this ordinance to be published by one insertion in a newspaper of general circulation in the community at least five (5) days prior to adoption and again within fifteen (15) days after its adoption.

Section 7. This Ordinance does not need to be codified because there is no text in the Municipal Code that needs to be revised; and

Section 8. This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption, as certified by the City Clerk.

ATTEST:

I hereby certify that the foregoing Ordinance No. 2023-007 was introduced and given first reading by title only at a regular meeting of the City Council of the City of Reedley held on January 9, 2024, and was thereafter duly adopted at a regular meeting of said City Council held on January 23, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Anita Betancourt, Mayor
City of Reedley

ATTEST:

Ruthie Greenwood, City Clerk
City of Reedley

Attachment:

Exhibit A: Map of affected parcels related to Rezone Application No. 2021-07

City of Reedley
 Ordinance No. 2023-007
 Rezone Application No. 2021-07
 Exhibit A

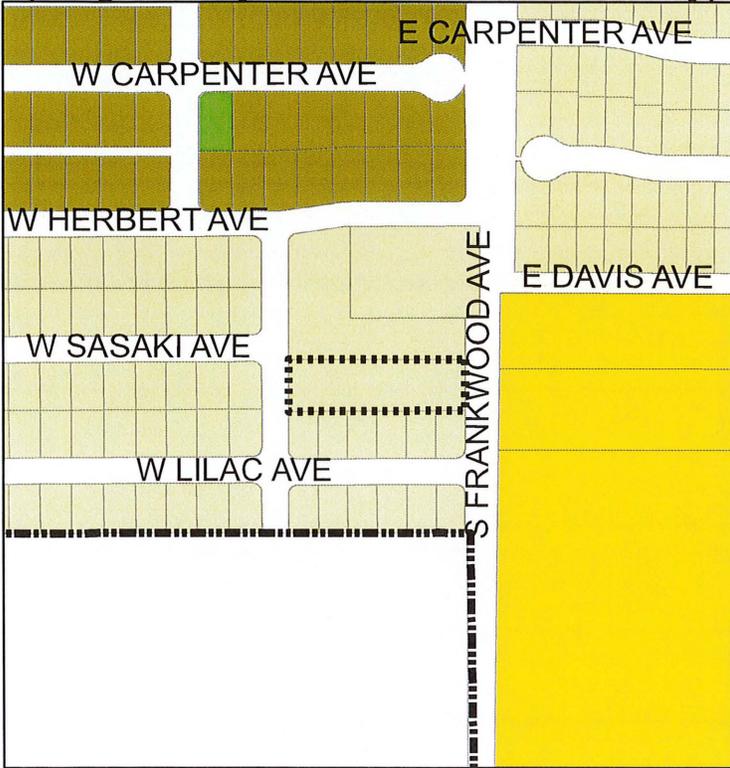
Project Information

APN(s): 365-220-80 and 365-220-81

Acres: 0.90 acres

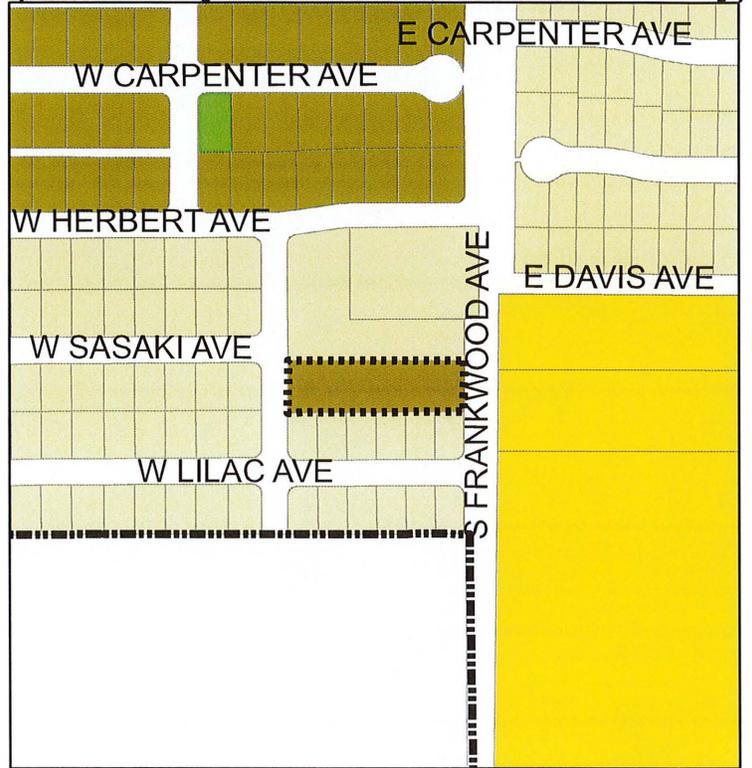
**Existing Zoning Designation:
 R-1(SP)**

(Singlefamily Residential, Low Density)

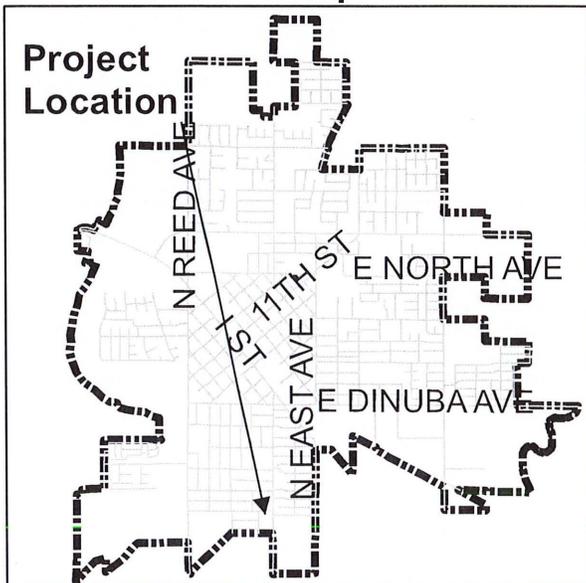


**Proposed Zoning Designation:
 RM-3**

(Multifamily Residential, Medium Density)



Location Map



Legend

- Subject Properties
- Reedley City Limits

Zoning Designations

- R-1(SP) (One Family Residential)
- R-1-6 (One Family Residential)
- R-1-9 (One Family Residential)
- RCO (Resource Conservation & Open Space)
- RM-3 (Multifamily Residential, Medium Density)



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 4

DATE: January 23, 2024

TITLE: ADOPT RESOLUTION 2024-003 OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING THE ANNUAL CITY STATEMENT OF INVESTMENT POLICY

SUBMITTED: Paul A. Melikian, Assistant City Manager *PM*

APPROVED: Nicole R. Zieba, City Manager *NZ*

RECOMMENDATION

That the City Council Adopt Resolution No. 2024-003 approving the annual Statement of Investment Policy, last reviewed and adopted by the City Council on January 10, 2023.

BACKGROUND

Government Code Section 53646(a) requires that a public entity's investment policy be reviewed annually by the governing body or an investment committee. The City's present Investment Policy, Attachment "A", was last reviewed in 2023. An investment policy should identify the parameters of the investment function with the primary objectives being safety, liquidity and yield, in that order. These features are satisfied by the City's present policy, including a section on periodic reporting of portfolio performance. After reviewing the existing policy, staff has no recommended changes. Last year, the City Council permitted a recommended change to add "Shares of beneficial interest issued by a Joint Powers Authority" and the California Asset Management Program (CAMP) as permissible investment options for idle City funds. One year later, CAMP is proving to be a successful investment vehicle.

Portfolio Monitoring & Compliance

The Government Finance Officers Association (GFOA) recommends that an agency's investment policy explicitly require periodic reporting. Consistent with GFOA best practices, the Administrative Services Department will continue to prepare quarterly summary investment reports within 45 days after the close of each quarter, with an Annual Investment Report prepared and filed within 60 days of year end. Quarterly and annual reports have been, and will continue to be, presented to City Council as a 'Receive, Review and File' item. The City's Assistant City Manager position is identified in the attached resolution as authorized to invest funds and otherwise do all things necessary to implement the Statement of Investment Policy.

All financial investment instruments are constantly monitored and assessed for safety, liquidity and yield. The City's idle funds have historically been in principal safe investments that protect its pooled cash, such as money market accounts, rolling Certificates of Deposit through Multi-Bank Securities in various FDIC insured accounts, and the California Asset Management Program. Adoption of this annual policy will allow staff to continue to ensure continued compliance, safety of principal, sufficient portfolio liquidity, and an acceptable yield for the City's idle cash balances.

ATTACHMENTS

Resolution 2024-003; Exhibit "A" - Statement of Investment Policy

RESOLUTION NO 2024-003

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY
ADOPTING THE ANNUAL CITY OF REEDLEY STATEMENT OF
INVESTMENT POLICY**

WHEREAS, the authority governing investments for California local agencies is set forth in the California Government Code, Sections 53601 et. seq.

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

1. Pursuant to Government Code Sections 53601 et. seq., the City of Reedley City Council hereby authorizes and directs the City Treasurer/Finance Officer (Assistant City Manager) to invest funds not required for the immediate necessities of the City in accordance with the attached Statement of Investment Policy which is hereby adopted and incorporated by reference as Exhibit "A".

2. The City Treasurer/Finance Officer (Assistant City Manager) is hereby directed and authorized to do all things necessary to implement said Statement of Investment Policy.

This foregoing resolution was duly passed, approved and adopted by the City Council of the City of Reedley this 23rd day of January, 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Anita Betancourt, Mayor

ATTEST:

Ruthie Greenwood, City Clerk

Attachment

1. Exhibit A - City of Reedley Statement of Investment Policy

Exhibit A

CITY OF REEDLEY STATEMENT OF INVESTMENT POLICY

PURPOSE

This Statement is intended to provide guidelines for the prudent investment of the City's temporary idle cash, and outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

OBJECTIVE

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as the investments meet the criteria established for safety and liquidity.

POLICY

The City of Reedley operates its temporary pooled idle cash investments under the Uniform Prudent Investor Act (Act) as generally described in California Probate Code section 16045, et. seq. The Act states, in essence, that "in investing ... property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs ...". This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California. Government Code (Section 53601) restricts the City from purchasing investment securities with a maturity length greater than five years unless prior legislative approval is given.

Investments may be made in the following media and as specifically outlined under Government Code Section 53601:

- U.S. Treasury issues
- Federal Agency issues
- Supranational Securities as identified & defined by AB 1933 (effective January 1, 2015)
- Bonds, Notes
- Commercial Paper
- Bankers Acceptances
- Certificates of Deposits
- Repurchase Agreements and Reverse Repurchase Agreements
- Local Agency Invest Fund Demand Deposits (State Pool)
- Passbook Savings Account Demand Deposits
- Central San Joaquin Valley Risk Management Pooled Investment Fund
- Shares of beneficial interest issued by a Joint Powers Authority
- California Asset Management Program

Criteria for selecting investments and the order of priority are:

1. Safety. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.
2. Liquidity. This refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.

3. Yield. Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

Safekeeping. Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the local agency's bank or other designated third-party trust, in local agency's name and control, whenever possible.

Investment Objective. The cash management system of the City of Reedley is designed to accurately monitor and forecast expenditures and revenues, thus insuring the investment of monies to the fullest extent possible. Attempts to obtain highest interest yields possible as long as investments meet the criteria required for safety and liquidity. The City strives to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the City Treasurer/Finance Officer (Assistant City Manager).

Prudence. As it pertains to its pooled cash investments, the City adheres to the guidance provided by the "prudent investor standard," as set forth in Government Code section 53600.3, which specifically addresses public investing, as follows:

"Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law".

The basic premise underlying the City's investment philosophy is, and will continue to be, to insure that money is always safe and available when needed.

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 program shall be designed and managed with a degree of professionalism that is worthy of the public trust. 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 investment return, provided that adequate diversification has been implemented.

Ethics and Conflicts of Interest. Employees and officials involved in the investment process shall refrain from personal business activities that create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or impairs their ability to make impartial investment decisions.

Reporting. Consistent with industry best practices, the City Treasurer/Finance Officer (Assistant City Manager) will prepare quarterly summary investment reports within 45 days after the close of each quarter, with an Annual Investment Report prepared and filed within 60 days of year end. Quarterly and annual reports will be presented to City Council as a Receive, Review and File item.



REEDLEY CITY COUNCIL

- Consent Calendar
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 5

DATE: January 23, 2024

TITLE: CONSIDER THE FOLLOWING ITEMS (A) AND (B) FOR THE CDBG PROJECT NO. 21571 E STREET RECONSTRUCTION PROJECT

- (A) ADOPT RESOLUTION NO. 2024-006, WHICH REPLACES RESOLUTION 2023-065 RATIFYING THE CONSTRUCTION CONTRACT TO \$383,521 FOR EMMETT VALLEY CONSTRUCTION FOR CDBG PROJECT NO. 21571 E STREET RECONSTRUCTION
- (B) ADOPT BUDGET RESOLUTION NO. 2024-007 AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO APPROPRIATE AVAILABLE FUNDS IN THE AMOUNT OF \$68,227 FOR CDBG PROJECT NO. 21571 E STREET RECONSTRUCTION

PREPARED: Linda Xiong *LX*
Assistant Engineer

SUBMITTED: Marilu Morales *mm*
City Engineer

APPROVED: Nicole Zieba *NZ*
City Manager

RECOMMENDATION

Staff recommends that the City Council take the following actions:

- (A) Adopt Resolution No. 2024-006, which replaces Resolution 2023-065 ratifying the construction contract to \$383,521 for Emmett Valley Construction for CDBG Project No. 21571 E Street Reconstruction
- (B) Adopt Budget Resolution No. 2024-007 amending the fiscal year 2023-2024 budget to appropriate available funds in the amount of \$68,227 for CDBG Project No. 21571 E Street Reconstruction

EXECUTIVE SUMMARY

After the construction was completed on the project, it was found that the slope coming down 11th Street into the intersection of E Street and 11th Street was steeper than originally designed

and posed a safety risk to vehicles. To rectify this, the roadway was redesigned to reduce the slope along 11th Street. In order to improve the safety risk as soon as possible and to minimize incurring additional costs, a contract change order for \$63,810.00 was approved. This amount is higher than the originally approved contingency amount; therefore, staff is presenting Resolution No. 2024-006 to replace the previous resolution, replacing the lesser amount (\$319,711) with the higher amount (\$383,521).

In conjunction with the revised construction contract Staff is requesting that Council adopt resolution No. 2024-007 amending the fiscal year 2023-2024 budget appropriating available funds in the amount of \$68,227 for the CDBG Project No. 21571 E Street Reconstruction Project.

Staff is requesting that a contingency of 10% of the new contract amount or \$38,352.10 be authorized to cover bid quantity adjustments and other incidentals encountered during construction.

PROJECT DESCRIPTION/BACKGROUND

On September 12, 2023, Council adopted Resolution No. 2023-065, awarding a construction contract in the amount of \$319,711.00 to Emmett Valley Construction, for the CDBG Project No. 21571 E Street Reconstruction Project. Upon completion of the project, it was found that the slope coming down 11th Street into the intersection of E Street and 11th Street was steeper than originally designed and posed a safety risk to vehicles. To rectify this, the roadway was redesigned to reduce the slope along 11th Street. In order to improve the safety risk as soon as possible and to minimize incurring additional costs, a contract change order for \$63,810.00 was approved by Fresno County on January 10, 2024. The work was originally part of a future 11th Street Project, however, was added to this contract to minimize the safety risk. Staff is requesting that Resolution No. 2024-006 be approved to replace Resolution No. 2023-065.

Staff is also requesting that Council adopt resolution No. 2024-007 amending the fiscal year 2023-2024 budget appropriating available funds in the amount of \$68,227 for the CDBG 21571 E Street Reconstruction Project. There are ample funds in the original CDBG contract to cover the additional costs. Staff is requesting that a contingency of 10% of the new contract amount or \$38,352.10 be authorized to cover bid quantity adjustments and other incidentals encountered during construction.

PRIOR COUNCIL ACTIONS

Resolution No. 2023-065 awarded a construction contract for the Project to the lowest responsive, responsible bidder, Emmett Valley Construction, in the amount of \$319,711.00 plus a 10% contingency of the total bid or \$31,971.10 for a total of \$351,682.10.

FISCAL IMPACT

The additional project costs will be funded through the City's Community Development Block Grant fund.

ATTACHMENTS

1. Resolution No. 2024-006
2. Resolution No. 2024-007
3. September 12, 2023 Council Staff Report and Attachments

RESOLUTION NO. 2024-006

A RESOLUTION TO THE CITY COUNCIL OF THE CITY OF REEDLEY AWARDING A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$ 418,269 TO EMMETT VALLEY CONSTRUCTION FOR CDBG PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET

WHEREAS, the City of Reedley issued a Notice to Bidders for CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street Project; and

WHEREAS, the City received, opened, and read aloud five (5) bids which the total Base Bid ranged from \$319,711.00 to \$509,532.00; and

WHEREAS, the lowest, most responsive and responsible bid was submitted by Emmett Valley Construction; and

WHEREAS, after project completion it was found that the slope coming down 11th Street into the intersection of E Street and 11th Street was steeper than originally designed and posed a safety risk to vehicles resulting in a contract change order in the amount of \$63,810 being authorized in order to rectify the issue as soon as possible; and

WHEREAS, the City Council, using their independent judgment desires to award a construction contract for the lowest responsible responsive bid for total Base Bid plus Contract Change Order Number 4 in the amount of \$383,521.00.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reedley, using their independent judgment, hereby approves Resolution No. 2024-006 based on the following:

1. The above recitals are true and correct; and
2. That the contract for the CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street Project is awarded to Emmett's Excavation, Inc. for the unit and lump sum prices as bid, the total amount of the contract being \$383,521.00.
3. That the City Manager is authorized and directed to promptly execute the contract for the subject work with Emmett Valley Construction subject to the submittal of the necessary bonds, insurance certificates and other necessary documents required by the specifications and special provisions for this project, all for the approval by and to the satisfaction of the City Engineer and the City Attorney.
4. The City Manager or her designee, is hereby authorized to execute contract change orders to the contract for this project and shall not exceed 10% of the Base Bid or \$38,352.10 without prior approval of this City Council.
5. The construction budget for this project, which includes the construction contract and contingency costs, shall not exceed approximately \$421,873.10.

6. This resolution is effective immediately upon adoption.

This forgoing resolution is hereby approved at a regular meeting of the City Council of the City of Reedley held on the 23rd day of January 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Anita Betancourt, Mayor

ATTEST:

Ruthie Greenwood, City Clerk

BUDGET AMENDMENT RESOLUTION 2024-007

The City Council of the City of Reedley does hereby amend the 2023-24 Budget as follows:

SECTION I - ADDITIONS

Account Number	Account Description	Amount
024-4460.6252	CDBG 21571 E Street Reconstruction	\$ 68,227

Total		\$ 68,227
--------------	--	------------------

Purpose: Construction costs for additional improvements on 11th Street for CDBG Project No. 21571 E Street Reconstruction

SECTION II - SOURCE OF FUNDING

Account Number	Account Description	Amount
024-3875	CDBG 21571	\$ 68,227

Total		\$ 68,227
--------------	--	------------------

Impact: Sufficient funds in CDBG account for the construction improvements of CDBG Project No. 21571 E Street Reconstruction

REVIEWED:

RECOMMENDED:

Assistant City Manager

City Manager

The foregoing resolution was approved by the City Council of the City of Reedley on this 23rd day of January 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Anita Betancourt, Mayor

ATTEST:

Ruthie Greenwood, City Clerk



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

FILE COPY

ITEM NO: 7

DATE: September 12, 2023

TITLE: CONSIDER THE FOLLOWING ITEMS (A) AND (B) FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET:

(A) ADOPT BUDGET RESOLUTION NO. 2023-064 AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO APPROPRIATE AVAILABLE FUNDS IN THE AMOUNT OF \$422,348 FOR CDBG PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET

(B) ADOPT RESOLUTION NO. 2023-065 AWARDDING A CONSTRUCTION CONTRACT TO EMMETT VALLEY CONSTRUCTION FOR CDBG PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET

PREPARED: Linda Xiong *LX*
Assistant Engineer

SUBMITTED: Marilu S. Morales, P.E. *mm*
City Engineer

APPROVED: Nicole Zieba *NZ*
City Manager

RECOMMENDATION

Staff recommends that the City Council take the following actions:

(A) Adopt Budget Resolution No. 2023-064 amending the fiscal year 2023-2024 budget to appropriate available funds in the amount of \$422,348 for CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street.

(B) Adopt Resolution No. 2023-065, awarding a construction contract to Emmett Valley Construction for CDBG project no. 21571, E Street reconstruction from Tenth Street to Twelfth Street.

EXECUTIVE SUMMARY

Staff is requesting that the City Council adopt Budget Resolution No. 2023-064 in the amount of \$422,348 to fully fund construction, construction management, and contingencies to complete the Community Development Block Grant (CDBG) Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street (Project). The Project will be fully funded by CDBG funds and if any additional

funds are required for this project, Measure C Street Maintenance funds will be allocated towards the Project.

The Project is located on E Street from Tenth Street and Twelfth Street and includes the following major construction items: roadway reconstruction, installation of ADA compliant driveway approaches, ramps and sidewalks, pavement delineation and minor storm drain items.

In conjunction with the requested budget amendment, Staff is requesting that Council adopt Resolution No. 2023-065 awarding the Project to Emmett Valley Construction in the amount of \$319,711.00 and authorize the City Manager to execute the Public Improvement Agreement for the Project. Execution of the Agreement is subject to the submittal of the necessary bonds, insurance certificates and other necessary documents as required by the specifications, special provisions for this project and State law.

Staff is also requesting that a contingency of 10% of the base bid, or \$31,971.10 be included in the Council action to cover any unforeseen incidentals.

PROJECT DESCRIPTION/BACKGROUND

The City of Reedley and County of Fresno entered into Agreement 23-432 for the Project on August 22, 2023. The scope of work for the Project includes, in general, roadway reconstruction, installation of ADA compliant driveway approaches, ramps and sidewalks, pavement delineation and minor storm drain items.

On April 6, 2023, a Notice to Bidders for the Project was advertised in Mid-Valley Times, the City website, and on local builders exchanges for a period of approximately three (3) weeks. During the bidding period, six (6) contractors requested bid documents from the City for this project. Two (2) addenda were issued during the project bidding period for the mandatory 10-day federal wage check as required for Davis-Bacon Act prevailing wage compliance and to provide the geotechnical report to contractors.

On April 25, 2023, City staff conducted the bid opening for this project where five (5) bids were received, opened, and read aloud. The bids received for the total Base Bid ranged from \$319,711.00 to \$509,532.00 as shown in the attached Bid Tabulation. The engineer's estimate of probable cost for the Base Bid was \$586,208.00.

The Project's construction award was postponed because the County's environmental clearance took longer than expected. The County was unable to finalize Agreement 23-432 without obtaining environmental clearance, and the City could not award the contract until the Agreement was executed.

PRIOR COUNCIL ACTIONS

Resolution No. 2023-023 authorizing the execution of the City-County Agreement for Community Development Block Grant Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street.

FISCAL IMPACT

The total authorization request for the construction contract is \$319,711.00 with an additional contingency amount of \$31,971.10 for a total of \$351,682.10. There is no impact to the General Fund as the project is funded with CDBG. The total budget for the Project is \$422,348.00 which includes the cost of construction, staff time for construction management and inspections, construction staking, and construction testing.

ATTACHMENTS

1. Budget Resolution No. 2023-064
2. Resolution No. 2023-065
3. Bid Tabulation

BUDGET AMENDMENT RESOLUTION 2023-064

The City Council of the City of Reedley does hereby amend the 2023-24 Budget as follows:

SECTION I - ADDITIONS

Account Number	Account Description	Amount
024-4460.6252	CDBG 21571 E Street Reconstruction	\$ 422,348
Total		\$ 422,348

Purpose: Construction improvements and construction management costs for CDBG Project No. 21571 E Street Reconstruction from 10th Street to 12th Street

SECTION II - SOURCE OF FUNDING

Account Number	Account Description	Amount
024-3875	CDBG 21571	\$ 422,348
Total		\$ 422,348

Impact: Sufficient funds in CDBG account for the construction improvements and construction management of CDBG Project No. 21571 E Street Reconstruction from 10th Street to 12th Street

REVIEWED:


Assistant City Manager

RECOMMENDED:


City Manager

The foregoing resolution was approved by the City Council of the City of Reedley on this 12th day of September 2023, by the following vote:

AYES: Tuttle, Byers, Faust, Frisen, Betancourt.
NOES: None.
ABSENT: None.
ABSTAIN: None.

APPROVED:


Anita Betancourt, Mayor

ATTEST:


Ruthie Greenwood, City Clerk



RESOLUTION NO. 2023-065

**A RESOLUTION TO THE CITY COUNCIL OF THE CITY OF REEDLEY
AWARDING A CONSTRUCTION CONTRACT TO EMMETT VALLEY
CONSTRUCTION FOR CDBG PROJECT NO. 21571, E STREET
RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET**

WHEREAS, the City of Reedley issued a Notice to Bidders for CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street Project; and

WHEREAS, the City received, opened, and read aloud five (5) bids which the total Base Bid ranged from \$319,711.00 to \$509,532.00; and

WHEREAS, the lowest, most responsive and responsible bid was submitted by Emmett Valley Construction; and

WHEREAS, the City Council, using their independent judgment desires to award a construction contract for the lowest responsible responsive bid for total Base Bid in the amount of \$319,711.00.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reedley, using their independent judgment, hereby approves Resolution No. 2023-065 based on the following:

1. The above recitals are true and correct; and
2. That the contract for the CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street Project is awarded to Emmett's Excavation, Inc. for the unit and lump sum prices as bid, the total amount of the contract being \$319,711.00.
3. That the City Manager is authorized and directed to promptly execute the contract for the subject work with Emmett Valley Construction subject to the submittal of the necessary bonds, insurance certificates and other necessary documents required by the specifications and special provisions for this project, all for the approval by and to the satisfaction of the City Engineer and the City Attorney.
4. The City Manager or her designee, is hereby authorized to execute contract change orders to the contract for this project and shall not exceed 10% of the Base Bid or \$31,971.10 without prior approval of this City Council.
5. The construction budget for this project, which includes the construction contract and contingency costs, shall not exceed approximately \$351,682.10.
6. This resolution is effective immediately upon adoption.

This forgoing resolution is hereby approved at a regular meeting of the City Council of the City of Reedley held on the 12th day of September 2023, by the following vote:

AYES: Tuttle, Byers, Fast, Friesen, Betancourt.

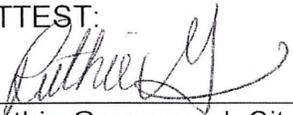
NOES: None.

ABSTAIN: None.

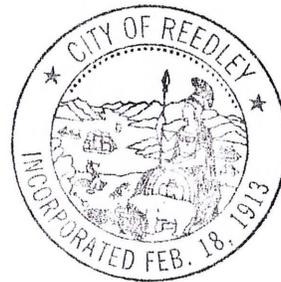
ABSENT: None.



Anita Bentancourt, Mayor

ATTEST:


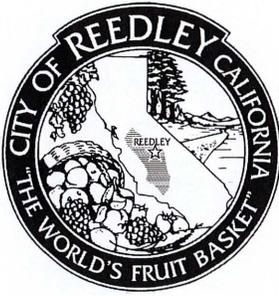
Ruthie Greenwood, City Clerk



E Street Reconstruction CBDG 21571 Bid Tabulation				Emmel Valley Construction		Terra West Construction, Inc.		RJ Berry Jr, Inc.		Agee Construction		Dave Christian Construction	
Item No.	Description	Quantity	Units	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
BASE BID													
1	Mobilization	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 29,000.00	\$ 29,000.00	\$ 34,000.00	\$ 34,000.00	\$ 45,000.00	\$ 45,000.00	\$ 9,000.00	\$ 9,000.00
2	Insurance and Bonds	1	LS	\$ 2,000.00	\$ 2,000.00	\$ 9,000.00	\$ 9,000.00	\$ 4,100.00	\$ 4,100.00	\$ 600.00	\$ 600.00	\$ 6,000.00	\$ 6,000.00
3	Provide and Maintain Traffic Control	1	LS	\$ 6,800.00	\$ 6,800.00	\$ 12,000.00	\$ 12,000.00	\$ 10,000.00	\$ 10,000.00	\$ 32,000.00	\$ 32,000.00	\$ 25,000.00	\$ 25,000.00
4	Dust Control and BMP Compliance	1	LS	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	\$ 4,800.00	\$ 4,800.00
5	Roadway Excavation and Grading (F)	3,040	CY	\$ 10.00	\$ 30,400.00	\$ 17.00	\$ 51,680.00	\$ 20.00	\$ 60,800.00	\$ 25.00	\$ 76,000.00	\$ 14.35	\$ 43,624.00
6	Hot Mix Asphalt Concrete, Type A	750	TN	\$ 106.00	\$ 79,500.00	\$ 120.00	\$ 90,000.00	\$ 110.00	\$ 82,500.00	\$ 133.00	\$ 99,750.00	\$ 122.00	\$ 91,500.00
7	Aggregate Base, Class 2	1,750	TN	\$ 37.00	\$ 64,750.00	\$ 35.00	\$ 61,250.00	\$ 40.00	\$ 70,000.00	\$ 45.00	\$ 78,750.00	\$ 33.00	\$ 57,750.00
8	Saw-cutting	724	LF	\$ 3.00	\$ 2,172.00	\$ 2.00	\$ 1,448.00	\$ 2.00	\$ 1,448.00	\$ 5.00	\$ 3,620.00	\$ 4.00	\$ 2,896.00
9	Concrete Removal and Disposal (F)	95	CY	\$ 137.00	\$ 13,015.00	\$ 220.00	\$ 20,900.00	\$ 160.00	\$ 15,200.00	\$ 268.00	\$ 25,460.00	\$ 130.00	\$ 12,350.00
10	12' Radius Curb Return	4	EA	\$ 2,450.00	\$ 9,800.00	\$ 2,700.00	\$ 10,800.00	\$ 2,800.00	\$ 11,200.00	\$ 3,800.00	\$ 15,200.00	\$ 2,200.00	\$ 8,800.00
11	ADA Ramp	1	EA	\$ 2,400.00	\$ 2,400.00	\$ 2,600.00	\$ 2,600.00	\$ 3,800.00	\$ 3,800.00	\$ 3,800.00	\$ 3,800.00	\$ 3,900.00	\$ 3,900.00
12	Curb and Gutter	451	LF	\$ 44.00	\$ 19,844.00	\$ 43.00	\$ 19,393.00	\$ 48.00	\$ 21,648.00	\$ 47.00	\$ 21,197.00	\$ 37.00	\$ 16,687.00
13	Concrete Sidewalk	1,690	SF	\$ 7.00	\$ 11,830.00	\$ 9.50	\$ 16,055.00	\$ 11.00	\$ 18,590.00	\$ 9.50	\$ 16,055.00	\$ 8.00	\$ 13,520.00
14	Commercial Driveway Approach	6	EA	\$ 4,000.00	\$ 24,000.00	\$ 5,700.00	\$ 34,200.00	\$ 5,500.00	\$ 33,000.00	\$ 4,500.00	\$ 27,000.00	\$ 4,900.00	\$ 29,400.00
15	Residential Driveway Approach	3	EA	\$ 2,000.00	\$ 6,000.00	\$ 1,800.00	\$ 5,400.00	\$ 2,600.00	\$ 7,800.00	\$ 3,000.00	\$ 9,000.00	\$ 2,500.00	\$ 7,500.00
16	Pavement Delineation and Signage	1	LS	\$ 10,200.00	\$ 10,200.00	\$ 9,000.00	\$ 9,000.00	\$ 10,000.00	\$ 10,000.00	\$ 14,000.00	\$ 14,000.00	\$ 11,000.00	\$ 11,000.00
17	Storm Drain Catch Basin, Piping, and Appurtenances	1	LS	\$ 17,000.00	\$ 17,000.00	\$ 9,000.00	\$ 9,000.00	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 8,500.00	\$ 8,500.00
18	Sidewalk Drain	1	EA	\$ 1,500.00	\$ 1,500.00	\$ 600.00	\$ 600.00	\$ 1,000.00	\$ 1,000.00	\$ 3,300.00	\$ 3,300.00	\$ 1,650.00	\$ 1,650.00
19	Adjust Manhole Frame and Cover to Grade	2	EA	\$ 1,500.00	\$ 3,000.00	\$ 1,700.00	\$ 3,400.00	\$ 1,500.00	\$ 3,000.00	\$ 2,400.00	\$ 4,800.00	\$ 1,600.00	\$ 3,200.00
20	Miscellaneous Facilities and Operations	1	LS	\$ 8,500.00	\$ 8,500.00	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00	\$ 5,000.00	\$ 24,000.00	\$ 24,000.00	\$ 2,500.00	\$ 2,500.00
Total for BASE BID:					\$ 319,711.00		\$ 393,726.00		\$ 409,086.00		\$ 509,532.00		\$ 359,577.00

Subcontractors	Concrete	Madera Concrete	Madera Concrete	Fresno Concrete Cont. Inc	Madera Concrete	Fresno Concrete Construction, Inc.
	Traffic Control	Safety Network	KRC Safety Company Inc.			
	Striping	Fresno Seal & Stripe	Fresno Seal & Stripe	Safety Striping Service Inc	Chrip Company	Safety Striping Service Inc

Note: 1 Mathematical Error



REEDLEY CITY COUNCIL

- Consent Calendar
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 6

DATE: January 23, 2024

TITLE: ADOPT RESOLUTION NO. 2024-008, ACCEPTING THE CONSTRUCTION IMPROVEMENTS FOR CDBG PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET, AND AUTHORIZE THE CITY ENGINEER TO FILE A NOTICE OF COMPLETION WITH THE COUNTY OF FRESNO RECORDER'S OFFICE

PREPARED: Linda Xiong *Lx*
Assistant Engineer

SUBMITTED: Marilu Morales *mm*
City Engineer

APPROVED: Nicole Zieba *NZ*
City Manager

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2024-008, accepting the construction improvements for CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street, and authorize the City Engineer to file a Notice of Completion with the County of Fresno Recorder's Office.

EXECUTIVE SUMMARY

On April 25, 2023, City staff conducted the bid opening for the CDBG Project No. 21571 E Street Reconstruction Project (Project). Due to delays in receiving environmental clearance, the project award was delayed approximately five months. A "Notice of Award" was issued to the lowest responsible bidder, Emmett Valley Construction on September 13, 2023. The first working day on this contract was November 6, 2023. The time of completion for the Project was 35 working days and the Project was completed within the timeframe.

There were five (5) change orders requested and issued on the Project for changing the structural section of 11th Street, unforeseen field conditions encountered during construction, including dig out of wet subgrade and concrete slab, modified signage and striping to accommodate ADA ramp improvements, correct steep grades coming into the intersection of E and 11th Street, and bid quantity adjustments. The total for all change orders equaled \$98,557.64 or a 30.8% increase from the original contract amount. On January 23, 2024, the City Council received Resolution 2024-006

requesting to ratify an increase to the original contract due to steep slopes on 11th Street that resulted in a change order request exceeding the original 10% contingency authorized by City Council. The contract change orders were approved by the City Manager and paid for with Community Development Block Grant funds. The final construction contract for the Project with the change orders totaled \$418,268.64. The contractor has completed all contract items to the satisfaction of the City Engineer.

PRIOR COUNCIL ACTIONS

Resolution No. 2023-065 awarded a construction contract for the Project to the lowest responsive, responsible bidder, Emmett Valley Construction, in the amount of \$319,711.00 plus a 10% contingency of the total bid or \$31,971.10 for a total of \$351,682.10.

Resolution 2024-006 replaced Resolution No. 2023-065 and increased the construction amount to \$383,521. Steep slopes on 11th Street resulted in a change order request exceeding the original contract amount therefore, Resolution No. 2024-007 was taken to City Council to amend the 2023-2024 fiscal year's budget and appropriate available funds to the Project in the amount of \$68,227 utilizing CDBG funding.

FISCAL IMPACT

There is no fiscal impact with regard to the recordation of a Notice of Completion for the Project.

ATTACHMENTS

1. Resolution No. 2024-008
2. Notice of Completion

RESOLUTION NO. 2024-008

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ACCEPTING THE CONSTRUCTION IMPROVEMENTS FOR CDBG PROJECT NO. 21571, E STREET RECONSTRUCTION FROM TENTH STREET TO TWELFTH STREET, AND AUTHORIZE THE CITY ENGINEER TO FILE A NOTICE OF COMPLETION WITH THE COUNTY OF FRESNO RECORDER'S OFFICE

WHEREAS, the CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street Project has been completed per the plans and specifications; and

WHEREAS, there are no outstanding matters with the contractor regarding construction items; and

WHEREAS, on January 23rd, 2024 the City held a public meeting at the City of Reedley Council Chamber, at 845 "G" Street to consider acceptance of the construction improvements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Reedley using their independent judgment hereby resolves as follows:

1. The above recitals are true and correct and incorporated herein by reference.
2. The City Council using their independent judgment, hereby accepts the subject improvements.
3. The City Council hereby accepts the subject project for maintenance in accordance with the provisions of the contract and applicable ordinances and policies.
4. The City Council approves the Notice of Completion for the construction improvements for the CDBG Project No. 21571, E Street Reconstruction from Tenth Street to Twelfth Street Project, and hereby authorizes the City Engineer to transmit the attached Notice of Completion to the Fresno County Recorder's Office.
5. This resolution is effective upon adoption.

This foregoing resolution is hereby approved and adopted by the City Council of the City of Reedley on this 23rd day of January 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Anita Betancourt, Mayor

ATTEST:

Ruthie Greenwood, City Clerk

**RECORDING REQUESTED BY:
AND FOR THE BENEFIT OF,**

City of Reedley
No Fee-Gov/t. Code Sections
6103 and 27383

WHEN RECORDED, MAIL TO:

City of Reedley
Engineering Department
1733 9th Street
Reedley, CA 93654

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is: **City of Reedley**
3. The full address of the owner is: **845 "G" Street, Reedley, CA 93654**
4. The nature of the interest or estate of the owner is: **City of Reedley Right-of-Way**
5. A work of improvement on the property hereinafter described was completed on: **January 23, 2024**. The work done was: **E Street Reconstruction, Community Development Block Grant No. 21571**
6. The name of the contractor, if any, for such work of improvement was: **Emmett Valley Construction**
7. The property on which said work of improvement was completed is in the **City of Reedley**, County of Fresno, State of California, and is described as follows: **Public right-of-way within the City of Reedley along E Street between 10th Street and 12th Street**
8. The street address of said property is: **N/A**
9. Resolution No. 2024-008, Attached Hereto and Made a Part Hereof.

City of Reedley

Dated: _____

Marilu S. Morales, P.E., City Engineer

VERIFICATION

I, the undersigned, say: I am the **City Engineer for the City of Reedley**, the declarant of the foregoing notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

-Marilu S. Morales

(PERSONAL SIGNATURE OF THE INDIVIDUAL WHO IS SWEARING THAT THE CONTENTS OF THE NOTICE OF COMPLETION ARE TRUE.)

Executed on _____, 2024, at Reedley, California.
(DATE) (CITY) (STATE)



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 7

DATE: January 23, 2024

TITLE: INTRODUCTION AND FIRST READING OF ORDINANCE 2023-010
REPEALING AND REPLACING CHAPTER 1 OF TITLE 4 OF THE
REEDLEY MUNICIPAL CODE PERTAINING TO SOLID WASTE
REGULATIONS

SUBMITTED: Heather Kredit, Senior Management Analyst 

REVIEWED: Russ Robertson, Public Works Director

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

Staff recommends that the City Council hold a Public Hearing on the introduction and first reading of Ordinance No. 2023-010, pertaining to Chapter 1 of Title 4 of the Reedley Municipal Code concerning solid waste regulations.

EXECUTIVE SUMMARY

Title 4, Chapter 1 Section 2, of the Reedley Municipal Code pertaining to Solid Waste was last updated in July of 2021. In 2021, the City entered into an exclusive franchise agreement with Mid Valley Disposal for the collection of solid waste. With that franchise agreement, the City allowed solid waste disposal businesses who held a current City business license to continue to provide temporary roll-off service within the City limits for a period of five (5) years.

In the subsequent period since the agreement was executed several companies have been operating illegally within the city limits. The majority of these companies have ignored repeated notifications and warnings from City staff that they are not eligible to operate within the City limits. Staff now feels it is necessary to strengthen enforcement language within the Ordinance to address the issue. Staff will continue to provide proper notifications and warnings to illegal service providers, however should those warnings be ignored the City will have the legal right to impound the illegal roll-off container. All costs associated with the impound of the container will be the responsibility of the owner of the illegal container.

In Section 4-1-1, the definition of a “Solid Waste Container” has been added for clarification.

In Section 4-1-14, Item F has been added to allow for impounding prohibited solid waste containers.

PUBLIC NOTICING

A Notice of Public Hearing was published in the Mid-Valley Times on December 21, 2023.

FISCAL IMPACT

None

ATTACHMENTS

1. Ordinance No. 2023-010, An Ordinance of the City Council of the City of Reedley Repealing and Replacing Chapter 1 of Title 4 of the Reedley Municipal Code pertaining to Solid Waste regulations.

ORDINANCE NO. 2023-010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY
AMENDING SECTIONS 4-1-1 AND 4-1-14 OF CHAPTER 1 OF TITLE 4 OF THE
REEDLEY MUNICIPAL CODE CONCERNING SOLID WASTE**

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

SECTION 1. Section 4-1-1 (“Definitions”) of Chapter 1 (“Solid Waste”) of Title 4 (“Health and Sanitation”) of the Reedley Municipal Code is hereby amended to add the following definition:

SOLID WASTE CONTAINER: Any container used for the disposal, collection, or storage of garbage, trash, or recyclables, including, but not limited to, roll-off containers and their equivalents.

SECTION 2. Section 4-1-14 (“Enforcement”) of Chapter 1 (“Solid Waste”) of Title 4 (“Health and Sanitation”) of the Reedley Municipal Code is hereby amended to read as follows:

4-1-14: ENFORCEMENT

A. Violation of any provision of this chapter shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by the City Public Works Director, City Code Enforcement Officer, or representative. Enforcement Actions under this chapter include but are not limited to issuance of a civil citation and assessment of a fine pursuant to Title 1 Chapter 4 of the Reedley Municipal Code. Any violation of this chapter may also be enforced pursuant to any other remedy at law or in equity.

1. Responsible Entity for Enforcement:

- a. Enforcement pursuant to this ordinance may be undertaken by the City Public Works Director, City Code Enforcement Officer, or a County Agency Public Official, if so designated.
- b. City Public Works Director will interpret ordinance; determine the applicability of waivers, if violation(s) have occurred; implement Enforcement Actions; and, determine if compliance standards are met.
- c. City Public Works Director may issue Notices of Violation(s).

B. Process for Enforcement.

1. City Public Works Director and/or Designee will monitor compliance with the ordinance randomly and through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program (that may include Remote Monitoring). Section 4-1-13 establishes City’s right to conduct Inspections and investigations.

2. City may issue an official notification to notify regulated entities of its obligations under the ordinance.
 3. City may issue a Notice of Violation requiring compliance within sixty (60) days of issuance of the notice.
 4. Absent compliance by the respondent within the deadline set forth in the Notice of Violation, City may commence an action to impose penalties, via a Civil citation and fine as set forth herein.
 - a. Civil Penalty Amounts for Types of Violations. The amount of civil penalties for each violation shall be as adopted by resolution of the City Council that is consistent with the applicable requirements prescribed in Government Code Sections 53069.4, 25132, and 36900.
- C. Education Period for Non-Compliance. Beginning January 1, 2022, and through December 31, 2023, City will conduct Inspections, Remote Monitoring, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine compliance, and if the City determines that Organic Waste Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this ordinance and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties starting on January 1, 2024.
- D. Civil Penalties for Non-Compliance. Beginning January 1, 2024, if the Jurisdiction determines that an Organic Waste Generator, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this ordinance, it shall document the noncompliance or violation, issue a Notice of Violation, and if necessary, take Enforcement Action consistent with violations of the City of Reedley Municipal Code. At the discretion of the Public Works Director, the City may also use the other remedies available within the Reedley Municipal Code.
- E. Compliance Deadline Extension Considerations. The Jurisdiction may extend the compliance deadlines set forth in this chapter if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:
1. Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
 2. Delays in obtaining discretionary permits or other government agency approvals;
or,

3. Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the Jurisdiction is under a corrective action plan with CalRecycle pursuant to Cal. Code Regs., tit. 14, section 18996.2 due to those deficiencies.

F. Impounding Solid Waste Containers.

1. Solid Waste Containers Subject to Impound. Any solid waste container within the City that is not provided by the appropriate solid waste franchisee may be impounded in accordance with this section.
2. Notice. The Public Works Director, City Code Enforcement Officer, or representative, shall cause a notice to remove to be posted on the solid waste container in violation of the provisions of this chapter. The notice to remove shall specify that the solid waste container must be removed from the premises within three (3) calendar days from the date the notice is posted on the container, or it will be removed and stored by the City and the contents may be disposed of at the expense of the owner of the container. The notice shall indicate: (a) the date and time that the notice was posted; (b) the name and telephone number of a person designated by the City to hear any appeal or challenge to the requirement that the container be removed; (c) that any appeal of the order for removal must occur within three (3) calendar days of the posting of the notice; and (d) that failure to claim the removed solid waste container within forty-five (45) days shall constitute abandonment and subject the container to disposal (60 days if owner is unknown). Notice shall also be provided to the owner of the property upon which the solid waste container is located, or otherwise posted in a conspicuous place on the applicable business or residence. Notice shall also be mailed, by certified mail, to the owner of the solid waste container if the owner's mailing address or contact information is readily available and legible on the solid waste container or otherwise known to the Public Works Director, City Code Enforcement Officer, or representative.
3. Removal. If the solid waste container is not removed within three (3) calendar days of the notice to remove, the Public Works Director, City Code Enforcement Officer, or representative may direct the removal and storage of the solid waste container and the disposal of its contents. The City may employ the services of its solid waste franchisee(s) or any other contractor to remove said container(s). Any person whose duty it is to remove and store solid waste containers may enter upon private property with the consent of the owner or other person in charge of the premises, or by authority of a warrant, or without consent or a warrant if exigent circumstances exist.
4. Appeal. The owner of the solid waste container may request a hearing within five (5) business days of the removal of the solid waste container to appeal the City's determination that the container is an unauthorized container subject to removal. The hearing will be conducted pursuant to the requirements under section 1-12-7.

If the appeal is granted, any payments due to City shall be forgiven and any amounts paid reimbursed.

5. Storage. If no appeal is made, and after a solid waste container is removed and placed in storage, the Public Works Director, City Code Enforcement Officer, or representative, shall send by first class mail, postage prepaid, to the owner of the solid waste container, a notice to claim the stored container, if the identity of the owner of the solid waste container is known. The Public Works Director, City Code Enforcement Officer, or representative, shall make reasonable efforts to identify the owner of a stored solid waste container. If the solid waste container is not claimed within forty-five (45) days after mailing of the notice to the owner, or sixty (60) days after the container is removed, if the owner is not known, the solid waste container shall be deemed abandoned property and may be disposed of accordingly.
6. Release. No solid waste container shall be released to its owner unless the owner has paid the City for the actual costs of the removal, storage and disposal of contents, plus any administrative fees, fines or penalties established by resolution of the City Council. All amounts due to the City shall constitute a debt owed to the City by the owner of the solid waste container.

SECTION 3. This Ordinance shall take effect thirty (30) days after its adoption. This Ordinance is intended as a restatement and clarification of existing law regarding the City's and property owners' rights and obligations related to cost recovery and attorney's fees and is expressly made retroactive and shall apply to any currently pending code enforcement matters within the City.

SECTION 4. The City Clerk is directed to cause this ordinance or a summary of this ordinance to be published once in a newspaper of general circulation published and circulated within the City of Reedley, within fifteen (15) days after its adoption. If a summary of the ordinance is published, the City Clerk shall cause a certified copy of the full text of the proposed ordinance to be posted in the office of the City Clerk at least five (5) days prior to the Council meeting at which the ordinance is adopted and again after the meeting at which the ordinance is adopted. The summary shall be approved by the City Attorney.

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The foregoing ordinance was introduced at a regular meeting of the City Council held on January 23, 2024, and was adopted at a regular meeting of said Council held on February 13, 2024, by the following vote, to wit:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Anita Betancourt, Mayor

ATTEST:

Ruthie Greenwood, City Clerk

Reedley's River City Theatre Company

Report to the City of Reedley

Peter Allwine

January 9th 2024

- **September 2023**

- September 16th – Matilda the Musical, the Opera House's final show of the 2023 season holds auditions.
- September 29th – RCTC opens Murder at the Opera House, an original murder mystery play written by a local author. It is a dinner show that featured three dinner options and was a great success for the Opera House, so much so that dinners are added back to the 2024 season on Friday and Saturday nights.

- **October 2023**

- October 2nd – Matilda the Musical begins rehearsal at the Opera House.
- October 14th – Murder at the Opera House closes. Running for 3 weeks, the production had 469 people attend the 6 performances, the show only running on Friday and Saturday nights. Dinner was served and the show was a success.
- October 14th – RCTC holds the annual pancake breakfast on Fiesta weekend at the Opera House. It is not as well attended as the year prior, but plans are in place for better marketing to ensure it is better attended next year.
- October 15th - RCTC begins the process of renovating the Opera House chairs in partnership with the City of Reedley. The chairs are over 70 years old, and were taken and sanded down, re-stained, and given new cushioning and a new seat cover and seat back. They leave the Opera House 20 or so at a time and the turnaround time is about two weeks to get the chairs finished. The front doors are also removed to be re-stained as well.
- October 31st – The Opera House hosts a school tour of the Opera House, highlighting the history of the building to two KCUSD classes.

- **November 2023**

- November 10th – The front doors of the Opera House are returned and put back on. They are stained black to match the chairs, and patrons have commented how wonderful they look.
- November 11th – Jeremy "Elvis" Pearce hosts two nights of shows at the Opera House. Both shows are sold out. Dinner was served Saturday night and a dessert show was Sunday. Both were very successful for the Opera House and we look forward to his return in March.
- November 19th – The Opera House hosts an afternoon of bluegrass music with the Uncle Ephus Band, a fundraiser for the RCTC. It is sparsely attended, and will be looked at to possibly not continue next year.
- November 30th – RCTC hosts Washington Expanded Learning Program to the final dress rehearsal of Matilda the Musical. 75 school children attended the show, had dinner and dessert, and enjoyed the first act of the show. It was well attended, and the children had a wonderful time.

- **December 2023**

- December 2nd – Matilda the Musical opens at the Opera House.
- December 2nd – The last of the chairs to be refurbished come back to the Opera House. All chairs have been completely refurbished and are looking and feeling brand new.
- December 17th – Matilda the Musical closes at the Opera House. 965 people attended the production, which was a smash hit. 22 children were involved in the production, from local schools and the surrounding community, and the show had a very, very successful run.
- December 20th – The Opera House hosts the KCUSD Preschool Christmas Program. The Christmas program was very cute and well attended.

Reedley River City Theatre Company

Balance Sheet

As of October 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Box Office Till	-45.00
Checking RCTC	-3,926.28
RCTC Savings	6,912.22
Total Bank Accounts	\$2,940.94
Other Current Assets	
Undeposited Funds	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$2,940.94
Fixed Assets	
Furniture, fixtures, & equip	4,167.60
Total Fixed Assets	\$4,167.60
TOTAL ASSETS	\$7,108.54
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	0.00
Sales Tax Payable	-8,886.83
Total Other Current Liabilities	\$ -8,886.83
Total Current Liabilities	\$ -8,886.83
Total Liabilities	\$ -8,886.83
Equity	
Opening Bal Equity	0.00
Retained Earnings	15,518.49
Retained Earnings Adjustments	16,386.73
Net Income	-15,909.85
Total Equity	\$15,995.37
TOTAL LIABILITIES AND EQUITY	\$7,108.54

Reedley River City Theatre Company

Profit and Loss

November 2022 - October 2023

	TOTAL
Income	
Annual Membership Sponsors	296.35
Kids Camp	1,100.00
Pancake Breakfast Sales	602.00
Production Income	3,500.00
Bar Sales	3,334.85
Dessert Sales	11,047.00
Production Sponsor	10,000.00
Season Tickets	240.00
Ticket Sales	56,480.56
Total Production Income	84,602.41
Rental Income	1,875.00
Total Income	\$88,475.76
GROSS PROFIT	\$88,475.76
Expenses	
Advertising	1,401.47
Bank/Credit Card Fees	877.93
Food/Beverage	
Bar	207.22
Desserts	3,319.21
Dinners	9,787.00
Food/Beverage/Kitchen Supplies	1,989.69
Total Food/Beverage	15,303.12
Insurance	3,287.00
Liability Insurance	1,037.02
Worker's Comp Insurance	1,776.00
Total Insurance	6,100.02
Office	
Equipment	11.15
Phone/Internet Services	3,079.13
Printing	2,747.38
Supplies	470.32
Ticket Processing/Theatermania	1,942.75
Total Office	8,250.73
Pancake Breakfast Expenses	550.44
Payroll Expenses	2,372.97
Payroll Taxes Expense	1,335.34
Salaries Expenses	20,522.37
Wages Expense	8,294.49
Total Payroll Expenses	32,525.17

Reedley River City Theatre Company

Profit and Loss

November 2022 - October 2023

	TOTAL
Production Expenses	119.99
Audio/Video/Batteries	338.24
Choreography	350.00
Costumes	1,330.83
Crew	800.00
Direction	3,100.00
Music Production	982.00
Music Staff	150.00
Other Production	2,086.10
Props	2,328.21
Royalties/Rights	6,482.87
Sets	831.69
Total Production Expenses	18,899.93
Professional Fees	
Accounting	329.85
Consulting	952.50
Total Professional Fees	1,282.35
Rent Expense	
Opera House	12,600.00
Storage	1,003.74
Total Rent Expense	13,603.74
Repairs and Maintenance	1,452.42
Disposal	2,709.70
Supplies	1,077.01
Water	92.31
Total Repairs and Maintenance	5,331.44
Taxes,Licenses,Fees	4,487.14
CA Sales Tax	248.00
Total Taxes,Licenses,Fees	4,735.14
Unapplied Cash Bill Payment Expense	0.00
Total Expenses	\$108,861.48
NET OPERATING INCOME	\$ -20,385.72
Other Income	
Contributions	
50/50 Raffle	4,475.87
Total Contributions	4,475.87
Total Other Income	\$4,475.87
NET OTHER INCOME	\$4,475.87
NET INCOME	\$ -15,909.85

Reedley River City Theatre Company

Profit and Loss

November - December, 2023

	TOTAL
Income	
Annual Membership Sponsors	96.35
Production Income	
Bar Sales	924.35
Dessert Sales	-17.50
Dinner	562.50
Production Sponsor	7,500.00
Season Tickets	2,294.00
Ticket Sales	22,405.56
Total Production Income	33,668.91
Total Income	\$33,765.26
GROSS PROFIT	\$33,765.26
Expenses	
Advertising	605.68
Bank/Credit Card Fees	288.71
Event Entertainment	1,930.00
Food/Beverage	
Bar	903.32
Desserts	1,035.09
Dinners	8,577.50
Food/Beverage/Kitchen Supplies	216.17
Total Food/Beverage	10,732.08
Insurance	
Liability Insurance	174.00
Worker's Comp Insurance	436.00
Total Insurance	610.00
Office	
Equipment	7.25
Phone/Internet Services	187.89
Printing	459.04
Supplies	14.71
Ticket Processing/Theatermania	1,104.45
Total Office	1,773.34
Pancake Breakfast Expenses	76.45
Payroll Expenses	
Salaries Expenses	6,049.80
Wages Expense	3,093.84
Total Payroll Expenses	9,143.64

Reedley River City Theatre Company

Profit and Loss

November - December, 2023

	TOTAL
Production Expenses	
Audio/Video/Batteries	412.68
Choreography	250.00
Costumes	521.92
Crew	300.00
Direction	1,000.00
Music Production	225.00
Other Production	125.00
Props	1,039.00
Royalties/Rights	2,724.47
Sets	1,118.69
Total Production Expenses	7,716.76
Professional Fees	
Accounting	33.48
Legal Fees	103.49
Total Professional Fees	136.97
Rent Expense	
Opera House	2,100.00
Storage	359.19
Total Rent Expense	2,459.19
Repairs and Maintenance	350.00
Disposal	521.29
Supplies	276.07
Total Repairs and Maintenance	1,147.36
Taxes,Licenses,Fees	
CA Sales Tax	41.01
Total Taxes,Licenses,Fees	41.01
Unapplied Cash Bill Payment Expense	0.00
Total Expenses	\$36,661.19
NET OPERATING INCOME	\$ -2,895.93
Other Income	
Contributions	
50/50 Raffle	1,448.00
Production Donation	500.00
Total Contributions	1,948.00
Total Other Income	\$1,948.00
NET OTHER INCOME	\$1,948.00
NET INCOME	\$ -947.93

REEDLEY TRAFFIC SAFETY COMMISSION MEETING FOR August 31, 2023

The meeting of the Reedley Traffic Safety Commission was held Thursday, August 31, 2023 in the City of Reedley Council Chambers, 845 "G" Street, Reedley. Chairman, Dale Kennedy called the meeting to order at 5:32 p.m.

ROLL CALL

Commissioners Present: Dale Kennedy, Tim Jantzen, Todd Lowery, and Andrea Serrano.

Commissioners Excused: Esther Ramos

City Staff Present: Marilu Morales, City Engineer and Angelina Barajas, Administrative Assistant.

PUBLIC DISCUSSION:

None.

APPROVAL OF MINUTES

Commissioner Jantzen motioned, Commissioner Lowery seconded, to approve the minutes of the Meeting on August 31, 2023. Motion Carried by the following vote:

Ayes:	Lowery, Jantzen, Kennedy, and Serrano.
Noes:	None.
Abstain:	None.
Absent:	Ramos.

OLD BUSINESS

None.

NEW BUSINESS

2a. Sergeant Lowery motioned, Commissioner Jantzen seconded, to deny staff recommendation to install a two-way stop application on C Street at the intersection of 10th and C Street.

COMMISSION/ STAFF COMMENTS/ REPORTS

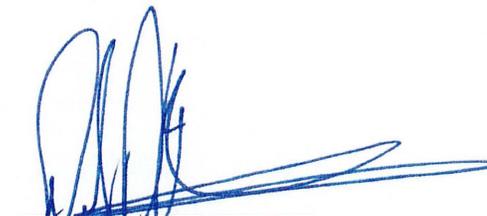
1. City Engineer, Marilu Morales mentioned upcoming projects- Manning Phase 3, E Street Reconstruction, 11th Street, Starbucks, North, Hollywood, and Acacia Avenues, Olson to WWTP, Traffic Signal light on Reed Avenue, Dinuba Avenue, Burger King, UHC, Car Wash (Surf Thru), Commercial lot on San Rio. She also mentioned a possible future item for no left turn during specific hours at Silas Bartsch School.

ADJOURNMENT

The meeting adjourned at 6:25 p.m.

ATTEST:


 Marilu S. Morales, Secretary


 Dale Kennedy, Chairman
 Reedley Traffic Safety Commission

MINUTES

REEDLEY AIRPORT COMMISSION MEETING

Thursday, September 21, 2023 at 4:00 p.m.

1. CALL TO ORDER
A meeting of the Reedley Airport Commission was held at the Reedley Community Center, 100 N. East Avenue, Reedley, California and called to order by Carl Smith at 4:03 p.m.
2. ROLL CALL AND INTRODUCTION OF GUESTS
 - A. Commissioners Present: Carl Smith, Chairperson; Butch Agrifoglio; Vice Chairperson; Matt Cochran, Anthony Jewell (arrived at 4:04pm)
 - B. Commissioners Absent: Joseph Oldham;
 - C. Staff Present: Sarah Reid, Airport Manager; Kayla Cheney, Administrative Assistant
 - D. Others Present: Joseph Woosley, Jaime Luque
3. AGENDA APPROVAL – ADDITIONS AND/OR DELETIONS
 - A. Motion by Commissioner Agrifoglio, seconded by Commissioner Cochran to approve the September 21 agenda. Motion carried.
4. APPROVAL OF MINUTES
 - A. Motion by Commissioner Agrifoglio, seconded by Commissioner Cochran to approve the June 15, 2023 and August 17, 2023 Airport Commission minutes. Motion carried.
5. PUBLIC DISCUSSION - None
6. UNFINISHED BUSINESS
 - A. **2023 Annual Airport BBQ**- Reid shared a site map of the airport to the Commission. The Commission shared their input, a sitemap will be completed for the BBQ outlining where everything will be placed. Reid asked for Cheney to contact John Johnson to move his plane out of the first two rows of tiedown spaces. Reid shared STEM activities for kids will have an area. Reedley College will have their jet and an airplane on display. Joseph Woosley confirmed he will be marshaling the event. Reid stated setup will begin at 7:30am. Reid shared at the registration table forms for airplane rides and the simulator will be available for participants to sign. Reid shared Robert Harris will emcee the event. Jaime Luque shared Reedley College students are available to help with the flight simulator, crowd control, and BBQing. 3-4 students will be able to BBQ from Reedley College. The Civil Air Patrol will be assisting with parking. Commissioner Jewell shared NJROTC will only be participating in the presentation of colors this year, arriving at 11:15a.m., Jewell will communicate this information. Commissioner Jewell shared pastor Sam would be ideal for the invocation. Commissioner Cochran will reach out to Pastor Sam to confirm he is available and aware to arrive at 11:15a.m. Cheney will arrange with Commissioner Jewell and Jess Hinojosa a day to pick 500 bottle waters up from Save Mart. Reid stated Michael Tomazin donated a 1-hour airplane ride that will be raffled off as an individual raffle for \$5 a ticket. Cheney will create a certificate which will be presented once this raffle is complete. Reid shared Reedley College will have one pilot for airplane rides, Joseph Oldham confirmed he has three planes and pilots. Commissioner Jewell shared it would be nice to have a long bench for loading until participants get on the plane. Reid will confirm with the Civil Air Patrol to see how many volunteers they will have, and connect with Jaime Luque to see if Reedley College needs to bring more student volunteers out.

MINUTES

REEDLEY AIRPORT COMMISSION MEETING

Thursday, September 21, 2023 at 4:00 p.m.

7. AIRPORT MANAGER REPORT

Reid shared there was an email received from an individual who has a power paraglider. Commissioner Smith stated this individual has to provide an insurance for liability which this individual can get through the paraglider group. The Commission confirmed this individual will not be checking out a gate key. Commissioner Smith shared this individual has to use a radio to notify others of his patterns on channel 1.22.700. Reid shared there is nothing in the City ordinance for paraglider. Commissioner Jewell stated there should be communication specific to calling in, specified in the City ordinance. Jaime Luque stated the paraglider needs to be communicating with air traffic.

Reid shared with the Commission the restroom is moving forward. Reid stated the company will be sending colors for the exterior of the building. The Commission did not have an opinion of the color for this building.

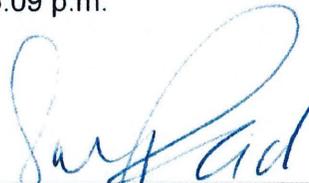
- A. Capital Improvements – The FAA okay the list of projects submitted. The City is now going to try and fast track the design of the above ground fuel farm project. Reid requested a meeting with the FAA.
- B. Weed Control – none
- C. Landscaping/Parking – none
- D. Public Relations/Airport Promotion – Staff will be working on a new newsletter after the annual airport BBQ
- E. BMX Track –
- F. Hangar Vacancies – none
- G. Electric Planes/Charging Station – none
- H. Reedley College – David Clark emailed Reid stating Reedley College will be scrapping, adding road base and spray a dust control agent on the area where the trailer and the student parking will be located. Clark would like to start next week. Commissioner Jewell asked what grade of road base this will be. Reid asked if Jess Hinojosa can speak with the company laying this material down to confirm the exact material.

8. ADJOURNMENT

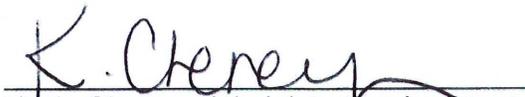
As there was no further business to discuss, it was moved by Commissioner Agrifoglio, seconded by Commissioner Cochran to adjourn at 5:09 p.m.



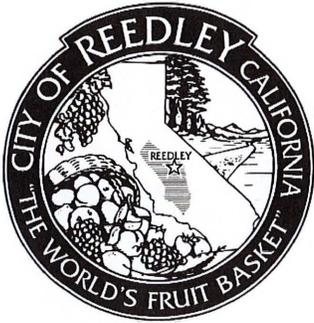
Carl Smith, Chairperson



Sarah Reid, Airport Manager



Kayla Cheney, Administrative Assistant



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 11

DATE: January 23, 2024

TITLE: RECEIVE, REVIEW, AND FILE THE QUARTERLY INVESTMENT REPORT FOR 2nd QUARTER ENDING DECEMBER 31, 2023 FOR FISCAL YEAR 2023-24

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

That the City Council receive, review, and file the Quarterly Investment Report for 2nd Quarter Fiscal Year 2023-24, ending December 31, 2023, as required by the City's Investment Policy last adopted on January 10, 2023. No action is required other than to receive, review, and file the report.

EXECUTIVE SUMMARY

Portfolio earnings, net of fees, for 2nd quarter ending December 31, 2023 total \$872,922. Prior 2nd quarter net portfolio earnings for the same 12-month period one year ago were (\$182,561) reflecting a sharp turnaround in earnings due to higher interest rates. This year's Adopted Budget assumes \$100,505 in interest earnings for the entire fiscal year; therefore, actual earnings for just the first quarter already exceed this estimate by \$772,417. This is due to higher interest rates being earned on investments and the City currently being in a favorable cash position, so interest earnings are expected to be strong in the interim; however, the City has a large number of capital projects in the pipeline, so as the projects get underway the treasury pool amount and corresponding interest earnings will be reduced.

The Federal Reserve is continuing to tighten monetary policy, with recent sustained interest rate hikes to curb rampant inflation. On term investments, such as certificates of deposit, the City will be able to re-invest at higher rates and anticipates better portfolio performance going forward. In addition, on January 10, 2023, the City Council approved an important amendment to the City's Investment Policy that allowed the California Asset Management Program (CAMP) as a permissible investment option for the City's idle funds. Staff have since invested a portion of the City's treasury pool in CAMP with a balance of \$15,586,146 as of December 31, 2023, and the current yield is 5.55%. The year end interest earnings are a bit understated because a portion of the amount invested with CAMP is in "term investments" (similar to a certificate of deposit) that do not formally report the interest earned until maturity later this fiscal year, which will further enhance earnings.

The attached investment/pooled cash report shows additional detail for cash balances by City fund. The 'treasury pool' for the City, representing the cumulative balance of all funds, totals \$29,152,120 as of December 31, 2023, which is \$273,882 lower than last quarter ending September 30, 2023. The treasury pool from the same 12-month period one year ago was \$26,201,804 as of December 31, 2022.

All financial investment instruments are constantly monitored and assessed for safety, liquidity and yield. It is important to note that the City's principal value of these investments are secure at all times, and the values that are being reported are the market values at a specific point in time. All investments in the portfolio are compliant with the City's current Investment Policy, and staff does not anticipate any issues

with regard to the City's ability to meet expenditure requirements for the next six months. (Government Code section 53646)

BACKGROUND

The cash balances in the funds are at a point in time only, and do not reflect pending receivable or payable amounts. All financial investment instruments are constantly monitored and assessed for safety, liquidity and yield. The City's idle funds are currently in principal safe investments that protect its pooled cash, such as a money market account at Five-Star Bank, rolling Certificates of Deposit through Multi-Bank Securities in various FDIC insured accounts, and the California Asset Management Program.

On January 10, 2023 the City Council approved the annual statement of investment policy. The policy includes a self-imposed, 'best practice' reporting requirement to implement a Government Finance Officers Association (GFOA) recommendation that an agency's investment policy explicitly require periodic reporting. The attached Pooled Cash Report for the end of 2nd quarter fiscal year 2023-24 shows cash balances/market value and interest earnings for every cash account and investment vehicle as of December 31, 2023. It is important to note that the pooled cash report also includes restricted funds such as American Rescue Plan Act funds, deposits in trust, funds held for groundwater treatment, and RDA Successor Agency funds. Full account statements for all accounts are on file with the Administrative Services Department and available for inspection at any time.

Cash balances are pooled for investment and banking purposes, as it is not practical to have separate investment accounts for each City fund. Interest earnings are apportioned to each City fund based upon the percentage that a particular fund balance makes up of the total. For instance, if the City's General Fund balance was 10% of the total cash balances of the City, it would be credited with 10% of the investment interest earnings for the period.

ATTACHMENTS

2nd Quarter Fiscal Year 2023-24 Investment/Pooled Cash Report

**POOLED CASH REPORT
December 2023**

	ACTUAL CASH BALANCE OR PORTFOLIO MARKET VALUE	2023-24 FYTD INTEREST EARNINGS
PETTY CASH / CASH REGISTERS	\$ 6,000	\$ -
MECHANICS BANK CHECKING ACCOUNTS (OPERATING & PAYROLL)	\$ 503,756	\$ -
CAMP - CALIFORNIA ASSET MANAGEMENT PROGRAM *	\$ 15,586,146	\$ 378,651
MBS - MULTI BANK SECURITIES PORTFOLIO	\$ 11,782,287	\$ 474,861
FIVE STAR BANK MONEY MARKET	\$ 1,272,931	\$ 23,374
FIVE STAR BANK PUBLIC DONATION CHECKING ACCOUNT	\$ 1,000	\$ -
ACTUAL FYTD TOTAL CASH ~ ALL FUNDS	\$ 29,152,120	\$ 876,886

**Does not reflect accrued interest for TERM instruments*

Current Fiscal Year

2023-24 ALL FUNDS COMBINED ACTUAL FYTD INTEREST EARNINGS	\$ 876,886
2023-24 ALL FUNDS COMBINED ACTUAL FYTD BANK FEES	\$ (3,964)
2023-24 ALL FUNDS COMBINED NET ACTUAL BANK INTEREST	\$ 872,922
2023-24 ALL FUNDS COMBINED BUDGETED INTEREST EARNINGS	\$ 100,505
2023-24 PERCENTAGE OF ACTUAL NET YTD INTEREST EARNINGS TO BUDGET	868.536%

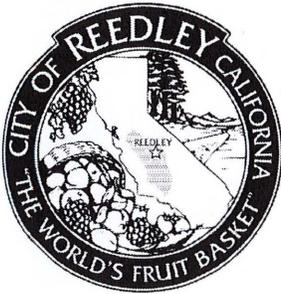
Prior Fiscal Year Comparison - Same Period

2022-23 ALL FUNDS COMBINED ACTUAL FYTD INTEREST EARNINGS	\$ (177,352)
2022-23 ALL FUNDS COMBINED ACTUAL FYTD BANK FEES	\$ (5,209)
2022-23 ALL FUNDS COMBINED NET ACTUAL BANK INTEREST	\$ (182,561)
2022-23 ALL FUNDS COMBINED BUDGETED INTEREST EARNINGS	\$ 47,225
2022-23 PERCENTAGE OF ACTUAL NET YTD INTEREST EARNINGS TO BUDGET	-386.577%

POOLED CASH REPORT

December 2023

FUND	FUND NAME	CASH BALANCE
001	General Fund	\$ (701,454)
002	General Fund Reserve Set Aside	\$ 3,802,805
003	Public Safety Sales Tax	\$ 1,237,909
005	Gas Tax	\$ (51,851)
006	General Fund Capital Set Aside	\$ 932,140
007	Street Projects Federal and State Funding	\$ (184,040)
010	LTF - Article 3 Sidewalks	\$ 67,846
011	LTF - Article 8 Streets	\$ 1,505,220
014	FCTA - Flexible Funding	\$ 797,406
015	FCTA - Americans with Disabilities Act (ADA)	\$ 15,639
016	FCTA - Street Maintenance	\$ 1,403,475
017	FCTA - Pedestrian and Trails	\$ 301,921
018	FCTA - Bike Facilities	\$ 77,759
022	SB2 Planning	\$ (16,174)
023	Road Repair Accountability Act	\$ 1,316,593
024	Community Development Block Grant (CDBG)	\$ 34,537
025	American Rescue Plan Act (ARPA)	\$ 1,578,443
027	Senior Nutrition FMAAA Program	\$ (13,804)
029	Public Education and Governmental Access (PEG)	\$ (11,788)
030	Landscape Lighting and Maintenance District	\$ 112,808
032	Community Facilities District	\$ (529,369)
034	Streetscape	\$ 18,788
038	Prop 68 Park Bonds	\$ -
041	Airport	\$ 467,162
047	Groundwater Treatment	\$ 1,160,943
048	Water Rate Stabilization	\$ -
049	Water Capital	\$ 923,441
050	Water	\$ 617,665
051	Sewer Capital	\$ 3,041,336
052	Sewer	\$ 2,047,094
053	Solid Waste	\$ 1,446,784
060	Equipment Shop ISF	\$ 77,298
065	Dental Benefit ISF	\$ 941
068	HR ISF	\$ 32,375
073	Deposits in Trust	\$ 502,883
075	COPS Program	\$ 114,868
078	CASp Certification	\$ 39,611
080	City Bond Funds	\$ 27,347
082	Blighted Properties	\$ (29,480)
100	DIF - Transportation	\$ 2,226,669
102	DIF - Law	\$ 50,108
103	DIF - Fire	\$ 341,090
104	DIF - Storm Drain	\$ 1,869,441
105	DIF - Wastewater Facilities	\$ 633,894
109	DIF - Parks & Recreation Facilities	\$ 816,692
110	DIF - General Government Facilities	\$ 43,034
111	DIF - Water Facilities	\$ 767,830
896	RDA Successor Low and Moderate Income Housing	\$ 77,379
897	RDA Successor Retirement	\$ 160,906
All Funds - Cash Total		\$ 29,152,120



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO: 12

DATE: January 23, 2024

TITLE: QUARTERLY EXPENSE & TRAVEL REPORT FOR ELECTED & APPOINTED OFFICIALS – OCTOBER 1, 2023 THROUGH DECEMBER 31, 2023

SUBMITTED: Paul A. Melikian, Assistant City Manager *Paul Melikian*

APPROVED: Nicole R. Zieba, City Manager *Nicole Zieba*

RECOMMENDATION

It is recommended that the City Council receive and review the quarterly expense & travel report for elected and appointed officials as required by Resolution No. 2018-091 that established an Expense Reimbursement and Travel/Conference Policy for Elected and Appointed Legislative Body Officials.

EXECUTIVE SUMMARY

The Expense Reimbursement and Travel/Conference Policy for Elected and Appointed Legislative Body Officials provides that, official travel and credit card expense reports shall be provided quarterly to the City Council as a receive & review item on the Council's agenda.

Attached is a breakdown of City-paid travel and/or other expenses incurred by Elected and Appointed Legislative Body Officials for the period of October 1 through December 31, 2023.

BACKGROUND

It is in the best interests of the City that elected and appointed officials remain informed and trained in activities, developments and professional trends affecting the affairs of the City, and that attendance at institutes, hearings, meetings, conferences, or other gatherings is of value to the City and its citizens. The Expense Reimbursement and Travel/Conference Policy applies to City Councilmembers and all appointed legislative body officials including Planning Commissioners, and other volunteer members of City boards, commissions, and committees.

The Policy is designed to provide guidance to elected and appointed legislative body officials on the use and expenditure of City resources, as well as the standards against which those expenditures will be measured, all in compliance with the requirements of AB 1234 (Government Code §§ 53232.2, 53233.3). After being sworn in, any elected or appointed legislative official of the City is required to sign a statement formally acknowledging receipt and acceptance of the policy.

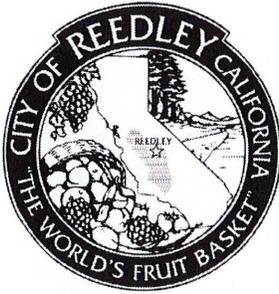
ATTACHMENTS

Quarterly Expense & Travel Report for Elected and Appointed Legislative Body Officials

City of Reedley
Quarterly Expense & Travel Report for Elected and Appointed
Legislative Body Officials

Reporting Period: October 1, 2023 – December 31, 2023

Name	Item Description	Amount
Mary Fast, Councilmember	Mileage Reimbursement for miles driven for official City Business	\$324.88
	Parking Fee Reimbursement	\$10.00
Tony Jewell, Airport Commissioner	Reimbursement of groceries and water purchased for Airport BBQ	\$123.69
	Total	\$458.57



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- ClosedSession
- Public Hearing
- Receive/Review

ITEM NO: 13

DATE: January 23, 2024

TITLE: RECEIVE, REVIEW, & FILE 2022-23 AUDITED CITY FINANCIAL STATEMENTS

SUBMITTED: Paul A. Melikian, Assistant City Manager *PM*
Lori Oken, Accounting Manager

APPROVED: Nicole R. Zieba, City Manager *NZ*

RECOMMENDATION

That the City Council receive, review and file the audited financial statements for the fiscal year ended June 30, 2023.

EXECUTIVE SUMMARY

The City has received an "Unmodified" audit report for its financial statements for fiscal year ending June 30, 2023, with no findings. An audit report is said to be unmodified when the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements. An Auditor gives a 'Clean' opinion or Unmodified Report when they do not have any significant reservation in respect of matters contained in the Financial Statements.

This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which in other words means that the entities' financial condition, position, and operations are fairly presented in the financial statements. It is the best type of report an auditee may receive from an external auditor.

An Unmodified Report indicates the following:

- The Financial Statements have been prepared using the Generally Accepted Accounting Principles which have been consistently applied;
- The Financial Statements comply with relevant statutory requirements and regulations;
- There is adequate disclosure of all material matters relevant to the proper presentation of the financial information subject to statutory requirements, where applicable;
- Any changes in the accounting principles or in the method of their application and the effects thereof have been properly determined and disclosed in the Financial Statements.

ATTACHMENTS

Auditor Management Report for Fiscal Year Ended June 30, 2023
Audited Financial Statements for Fiscal Year Ended June 30, 2023

CITY OF REEDLEY
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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To the Honorable Mayor and City Council
City of Reedley, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reedley for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, 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 October 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies have not changed during 2023. We noted no transactions entered into by 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 statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on an evaluation of collectability primarily focused on past due accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements as a whole.

- Management’s estimate of the net pension liability and related deferrals is based on actuarial valuations which include significant assumptions regarding discount rate, inflation, payroll growth, projected salary increases and investment rate of return. We evaluated the key factors and assumptions used to develop the liability and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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 the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 9, 2024.

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 City of Reedley’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Reedley'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 Budgetary Comparison Schedules, Schedule of Changes in the City's Net OPEB Liability and Related Ratios, Proportionate Share of Net Pension Liability, and Schedule of Contributions which are required supplementary information (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 supplementary information, as listed in the table of contents, 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 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 information and use of the City Council and management of City of Reedley and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be 'Reedley', written in a cursive style.

January 9, 2024

CITY OF REEDLEY

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Reedley, California

Report on the Audit of the Financial Statements

Opinions

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 Reedley (the "City"), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

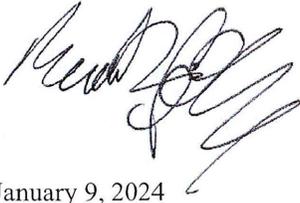
Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 52-54, the schedule of changes in the City's Net OPEB liability and related ratios on page 55, the schedule of the City's proportionate share of net pension liability on page 56, and the schedule of contributions on page 57, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, the schedule of revenue available for debt service, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be "Paul J. [unclear]", written in a cursive style.

January 9, 2024

CITY OF REEDLEY

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 25,699,949	\$ 6,444,533	\$ 32,144,482
Accounts receivable (net of allowance)	74,092	155,320	229,412
Due from other governments	3,721,340	107,384	3,828,724
Prepaid expense	-	6,000	6,000
Inventory	17,059	523,178	540,237
Restricted assets-cash	-	1,103,796	1,103,796
Capital assets, net of allowance for depreciation	57,564,084	47,565,999	105,130,083
Total assets	<u>87,076,524</u>	<u>55,906,210</u>	<u>142,982,734</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>7,671,477</u>	<u>856,759</u>	<u>8,528,236</u>
LIABILITIES			
Accounts payable	1,248,397	327,862	1,576,259
Interest payable	-	160,327	160,327
Retention payable	41,568	-	41,568
Deposits	-	400,851	400,851
Long-term liabilities:			
Due within one year			
Revenue bonds payable	-	1,518,000	1,518,000
Due in more than one year			
Revenue bonds payable	-	24,508,194	24,508,194
Compensated absences	588,372	159,600	747,972
Net pension liability	15,713,034	1,709,900	17,422,934
Net OPEB liability	5,412,067	1,162,358	6,574,425
Total liabilities	<u>23,003,438</u>	<u>29,947,092</u>	<u>52,950,530</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,121,196</u>	<u>377,487</u>	<u>2,498,683</u>
NET POSITION			
Net investment in capital assets	57,564,084	21,379,478	78,943,562
Restricted for:			
Public ways and facilities	5,579,726	-	5,579,726
Public safety programs	1,465,342	-	1,465,342
Community services	41,808	-	41,808
Capital projects and improvements	8,382,983	1,103,796	9,486,779
Unrestricted	(3,410,576)	3,955,116	544,540
Total net position	<u>\$ 69,623,367</u>	<u>\$ 26,438,390</u>	<u>\$ 96,061,757</u>

See accompanying notes.

CITY OF REEDLEY

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenue				Net Revenue/(Expense) and Changes in Net Position		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
Public safety	\$ 7,871,399	\$ 336,163	\$ 4,951,095	\$ -	\$ (2,584,141)	\$ -	\$ (2,584,141)
Public ways and facilities	5,366,067	639,927	3,650,411	2,453,207	1,377,478	-	1,377,478
Community services	2,979,643	336,503	1,711,710	-	(931,430)	-	(931,430)
Administrative and finance	3,369,193	-	-	-	(3,369,193)	-	(3,369,193)
Community development	893,336	568,954	82,399	675,269	433,286	-	433,286
Total governmental activities	20,479,638	1,881,547	10,395,615	3,128,476	(5,074,000)	-	(5,074,000)
Business-type activities							
Water	3,457,674	4,234,791	-	-	-	777,117	777,117
Sewer	5,167,257	5,971,750	-	-	-	804,493	804,493
Disposal	2,533,525	1,873,759	8,134	37,794	-	(613,838)	(613,838)
Airport	493,462	99,490	1,585,702	-	-	1,191,730	1,191,730
Total business-type activities	11,651,918	12,179,790	1,593,836	37,794	-	2,159,502	2,159,502
Total primary government	\$ 32,131,556	\$ 14,061,337	\$ 11,989,451	\$ 3,166,270	\$ (5,074,000)	\$ 2,159,502	\$ (2,914,498)
General Revenue							
Sales and use taxes					6,669,822	-	6,669,822
Property taxes					5,810,168	8,900	5,819,068
Franchise and other taxes					1,224,005	-	1,224,005
Business license					125,841	-	125,841
Insurance refunds and other					311,826	24,805	336,631
Rents					53,093	115,595	168,688
Gain/(loss) on disposal of assets					22,417	163	22,580
Unrestricted investment earnings/(unrealized losses)					158,982	22,169	181,151
Transfer in/(out), net					555,309	(555,309)	-
Total general revenue					14,931,463	(383,677)	14,547,786
Change in Net Position					9,857,463	1,775,825	11,633,288
Net Position							
Beginning of year					59,765,904	24,662,565	84,428,469
End of year					<u>\$ 69,623,367</u>	<u>\$ 26,438,390</u>	<u>\$ 96,061,757</u>

See accompanying notes.

CITY OF REEDLEY

**BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General</u>	<u>Special Revenue Fund</u> <u>American</u> <u>Rescue Plan</u> <u>Act</u>	<u>Capital Project Fund</u> <u>Development</u> <u>Impact</u> <u>Fees</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS					
Cash and investments	\$ 9,560,656	\$ 2,511,097	\$ 5,824,279	\$ 7,676,784	\$ 25,572,816
Accounts receivable	74,092	-	-	-	74,092
Due from other governments	2,393,811	-	-	1,327,529	3,721,340
Due from other funds	79,868	-	-	-	79,868
Total assets	<u>\$ 12,108,427</u>	<u>\$ 2,511,097</u>	<u>\$ 5,824,279</u>	<u>\$ 9,004,313</u>	<u>\$ 29,448,116</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable and accrued expense	725,089	38,500	1,414	375,942	1,140,945
Retention payable	-	-	-	41,568	41,568
Due to other funds	-	-	-	79,868	79,868
Total liabilities	<u>725,089</u>	<u>38,500</u>	<u>1,414</u>	<u>497,378</u>	<u>1,262,381</u>
Fund Balance					
Restricted					
Public ways and facilities	-	-	-	5,579,726	5,579,726
Public safety programs	-	-	-	1,465,342	1,465,342
Community services	-	-	-	41,808	41,808
Capital projects and improvements	-	2,472,597	5,822,865	87,521	8,382,983
Assigned	219,852	-	-	-	219,852
Unassigned	11,163,486	-	-	1,332,538	12,496,024
Total fund balance	<u>11,383,338</u>	<u>2,472,597</u>	<u>5,822,865</u>	<u>8,506,935</u>	<u>28,185,735</u>
Total liabilities and fund balance	<u>\$ 12,108,427</u>	<u>\$ 2,511,097</u>	<u>\$ 5,824,279</u>	<u>\$ 9,004,313</u>	<u>\$ 29,448,116</u>

See accompanying notes.

CITY OF REEDLEY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2023

Total governmental fund balance	\$ 28,185,735
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	57,165,082
Deferred outflows of resources related to net pension liability and OPEB, represent a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expenses) until that time	7,671,477
Compensated absences are not due and payable in the current period and therefore are not reported in the funds	(567,564)
Net pension liability applicable to governmental activities are not due and payable in the current period and accordingly is not reported in the governmental funds	(15,713,034)
Post-retirement health benefits are not due and payable in the current period and, therefore, are not reported in the governmental funds	(5,412,067)
Deferred inflows of resources related to net pension liability and OPEB, represent an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time	(2,121,196)
The internal service fund is used to charge the costs of automotive equipment activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	<u>414,934</u>
Net position of governmental activities	<u>\$ 69,623,367</u>

CITY OF REEDLEY

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Special Revenue Fund</u>		<u>Capital Project Fund</u>		<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>American Rescue Plan Act</u>	<u>Development Impact Fees</u>			
Revenue						
Intergovernmental	\$ 3,934,083	\$ 3,068,969	\$ -	\$ 2,898,254	\$ 9,901,306	
Taxes	10,602,278	-	-	5,181,038	15,783,316	
Charges for services	1,287,637	-	-	22,465	1,310,102	
License, permits and impact fees	697,286	-	1,543,464	-	2,240,750	
Other	297,111	-	-	16,564	313,675	
Investment, rent income, and unrealized losses	124,065	-	35,948	55,022	215,035	
Total revenue	<u>16,942,460</u>	<u>3,068,969</u>	<u>1,579,412</u>	<u>8,173,343</u>	<u>29,764,184</u>	
Expenditures						
Current						
General government	2,121,764	-	-	40,150	2,161,914	
Public ways and facilities	1,481,227	225,829	4,391	2,392,163	4,103,610	
Community services	2,858,308	-	-	-	2,858,308	
Public Safety	6,942,482	-	37	1,328,466	8,270,985	
Community development	1,089,826	-	-	189,048	1,278,874	
Capital Outlay	767,734	1,338,096	32,569	1,254,232	3,392,631	
Total expenditures	<u>15,261,341</u>	<u>1,563,925</u>	<u>36,997</u>	<u>5,204,059</u>	<u>22,066,322</u>	
Revenue over/(under) expenditures	1,681,119	1,505,044	1,542,415	2,969,284	7,697,862	
Other Financing Sources/(Uses)						
Proceeds from sale of assets	12,894	-	-	9,523	22,417	
Transfers in/(out), net	2,441,897	-	(25,002)	(3,432,373)	(1,015,478)	
Total other financing sources/(uses)	<u>2,454,791</u>	<u>-</u>	<u>(25,002)</u>	<u>(3,422,850)</u>	<u>(993,061)</u>	
Change in Fund Balance	4,135,910	1,505,044	1,517,413	(453,566)	6,704,801	
Fund Balance						
Beginning of year	7,247,428	967,553	4,305,452	8,960,501	21,480,934	
End of year	<u>\$ 11,383,338</u>	<u>\$ 2,472,597</u>	<u>\$ 5,822,865</u>	<u>\$ 8,506,935</u>	<u>\$ 28,185,735</u>	

See accompanying notes.

CITY OF REEDLEY

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

Net change in fund balance - total governmental funds \$ 6,704,801

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

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

Capital outlay expenditures are therefore added back to fund balances 3,392,632
Depreciation expense not reported in governmental funds (2,116,195)

1,276,437

Compensated absence costs in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds

(95,795)

Pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds

1,763,088

Post-retirement benefit costs in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds

299,100

Internal service funds are used by management to charge the costs of fleet maintenance to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities

(90,168)

Change in net position of governmental activities

\$ 9,857,463

CITY OF REEDLEY

STATEMENT OF NET POSITION – PROPRIETARY FUNDS JUNE 30, 2023

ASSETS	Business-Type Activities-Enterprise Funds				Total Business- Type Funds	Governmental Activities Internal Service
	Water	Sewer	Nonmajor Enterprise Funds			
			Disposal	Airport		
Current assets						
Cash and cash equivalents	\$ 1,876,835	\$ 4,521,368	\$ 46,330	\$ -	\$ 6,444,533	\$ 127,133
Accounts receivable	35,608	83,724	32,814	3,174	155,320	-
Due from other government	3,515	-	673	103,196	107,384	-
Due from other funds	28,990	-	-	-	28,990	-
Prepaid expense	6,000	-	-	-	6,000	-
Inventory	413,653	109,525	-	-	523,178	17,059
Total current assets	<u>2,364,601</u>	<u>4,714,617</u>	<u>79,817</u>	<u>106,370</u>	<u>7,265,405</u>	<u>144,192</u>
Other assets						
Restricted assets-cash	878,382	225,414	-	-	1,103,796	-
Property, plant and equipment, net	12,102,492	28,329,102	2,402,953	4,731,452	47,565,999	399,002
Total other assets	<u>12,980,874</u>	<u>28,554,516</u>	<u>2,402,953</u>	<u>4,731,452</u>	<u>48,669,795</u>	<u>399,002</u>
Total assets	<u>15,345,475</u>	<u>33,269,133</u>	<u>2,482,770</u>	<u>4,837,822</u>	<u>55,935,200</u>	<u>543,194</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>346,483</u>	<u>510,276</u>	<u>-</u>	<u>-</u>	<u>856,759</u>	<u>-</u>
LIABILITIES						
Current Liabilities						
Accounts payable and accrued expense	164,447	139,993	15,117	8,305	327,862	107,452
Interest payable	124,894	35,433	-	-	160,327	-
Deposits	377,459	-	-	23,392	400,851	-
Current portion of noncurrent liabilities	500,000	1,018,000	-	-	1,518,000	-
Due to other funds	-	-	-	28,990	28,990	-
Total current liabilities	<u>1,166,800</u>	<u>1,193,426</u>	<u>15,117</u>	<u>60,687</u>	<u>2,436,030</u>	<u>107,452</u>
Noncurrent liabilities						
Revenue bonds payable	9,734,107	14,774,087	-	-	24,508,194	-
Compensated absences	59,526	95,238	-	4,836	159,600	20,808
Net pension liability	691,504	1,018,396	-	-	1,709,900	-
Net OPEB liability	470,071	692,287	-	-	1,162,358	-
Total noncurrent liabilities	<u>10,955,208</u>	<u>16,580,008</u>	<u>-</u>	<u>4,836</u>	<u>27,540,052</u>	<u>20,808</u>
Total liabilities	<u>12,122,008</u>	<u>17,773,434</u>	<u>15,117</u>	<u>65,523</u>	<u>29,976,082</u>	<u>128,260</u>
DEFERRED INFLOWS OF RESOURCES	<u>152,660</u>	<u>224,827</u>	<u>-</u>	<u>-</u>	<u>377,487</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	1,743,491	12,501,582	2,402,953	4,731,452	21,379,478	399,002
Restricted						
Debt service	878,382	225,414	-	-	1,103,796	-
Unrestricted (deficit)	<u>795,417</u>	<u>3,054,152</u>	<u>64,700</u>	<u>40,847</u>	<u>3,955,116</u>	<u>15,932</u>
Total net position	<u>\$ 3,417,290</u>	<u>\$ 15,781,148</u>	<u>\$ 2,467,653</u>	<u>\$ 4,772,299</u>	<u>\$ 26,438,390</u>	<u>\$ 414,934</u>

See accompanying notes.

CITY OF REEDLEY

STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities-Enterprise Funds				Total Business- Type Funds	Governmental Activities Internal Service
	Water	Sewer	Nonmajor Enterprise Funds			
			Disposal	Airport		
Operating Revenue						
Charges for services						
User fees	\$ 4,068,694	\$ 5,913,302	\$ 1,873,759	\$ 98,948	\$ 11,954,703	\$ 1,570,787
Rents	39,351	4,050	-	105,244	148,645	-
Other income	126,746	54,398	368	542	182,054	674
Total operating revenue	<u>4,234,791</u>	<u>5,971,750</u>	<u>1,874,127</u>	<u>204,734</u>	<u>12,285,402</u>	<u>1,571,461</u>
Operating expense						
Personnel	1,378,486	1,763,422	450,892	72,476	3,665,276	943,486
Supplies, materials, utilities and other	1,065,827	1,201,844	113,864	110,921	2,492,456	601,155
Contractual	105,242	437,990	1,882,992	181,781	2,608,005	27,537
Depreciation and amortization	549,237	1,326,479	85,777	128,284	2,089,777	83,964
Total operating expense	<u>3,098,792</u>	<u>4,729,735</u>	<u>2,533,525</u>	<u>493,462</u>	<u>10,855,514</u>	<u>1,656,142</u>
Operating income/(loss)	<u>1,135,999</u>	<u>1,242,015</u>	<u>(659,398)</u>	<u>(288,728)</u>	<u>1,429,888</u>	<u>(84,681)</u>
Nonoperating revenue/(expense)						
Gain/(loss) on disposal of assets	-	163	-	-	163	-
Intergovernmental	-	-	45,928	1,585,699	1,631,627	-
Miscellaneous	20,019	1,940	2,482	-	24,441	-
Interest income/(unrealized losses)	12,044	31,899	(4,118)	(7,306)	32,519	(5,487)
Property taxes	-	-	-	8,900	8,900	-
Interest expense	(358,882)	(437,522)	-	-	(796,404)	-
Total nonoperating revenue/(expense)	<u>(326,819)</u>	<u>(403,520)</u>	<u>44,292</u>	<u>1,587,293</u>	<u>901,246</u>	<u>(5,487)</u>
Net revenue over/(under) expense	809,180	838,495	(615,106)	1,298,565	2,331,134	(90,168)
Other financing sources/(uses)						
Operating transfers in/(out)-net	(302,996)	(359,517)	(18,782)	125,986	(555,309)	-
Change in net position	506,184	478,978	(633,888)	1,424,551	1,775,825	(90,168)
Net Position						
Beginning of year	2,911,106	15,302,170	3,101,541	3,347,748	24,662,565	505,102
End of the year	<u>\$ 3,417,290</u>	<u>\$ 15,781,148</u>	<u>\$ 2,467,653</u>	<u>\$ 4,772,299</u>	<u>\$ 26,438,390</u>	<u>\$ 414,934</u>

CITY OF REEDLEY

STATEMENT OF CASH FLOW – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2023

	Business-Type Activities-Enterprise Funds				Total Business- Type Funds	Governmental Activities Internal Service
	Water	Sewer	Nonmajor Enterprise Funds			
			Disposal	Airport		
Operating activities						
Receipts from customers and users	\$ 4,250,497	\$ 5,963,440	\$ 1,876,568	\$ 201,509	\$ 12,292,014	\$ 1,571,691
Payments for contractual services, supplies, utilities and repairs	(1,644,109)	(2,210,691)	(614,590)	(368,220)	(4,837,610)	(934,948)
Payments to employees	(1,169,609)	(1,354,542)	(1,996,856)	(109,447)	(4,630,454)	(597,805)
Net cash provided by/ (used for) operating activities	1,436,779	2,398,207	(734,878)	(276,158)	2,823,950	38,938
Noncapital financing activities						
Payments from other governments	-	-	47,737	1,514,472	1,562,209	-
Other income	16,504	1,940	-	-	18,444	-
Payments from/(to) other funds	(331,986)	(359,517)	(18,782)	154,976	(555,309)	-
Net cash provided by/(used for) noncapital financing activities	(315,482)	(357,577)	28,955	1,669,448	1,025,344	-
Capital and related financing activities						
Proceeds from sale of assets	-	163	-	-	163	-
Purchase of property, plant and equipment	(398,012)	(278,154)	-	(1,489,316)	(2,165,482)	(16,086)
Principal paid on long-term debt	(825,089)	(1,186,256)	-	-	(2,011,345)	-
Interest paid on long-term debt	(39,188)	(255,979)	-	-	(295,167)	-
Net cash provided by/(used for) capital and related financing activities	(1,262,289)	(1,720,226)	-	(1,489,316)	(4,471,831)	(16,086)
Investing activities						
Interest received/(unrealized losses)	12,044	31,899	(4,118)	(7,309)	32,516	(5,487)
Net increase/(decrease) in cash	(128,948)	352,303	(710,041)	(103,335)	(590,021)	17,365
Cash, beginning of year	2,884,165	4,394,479	756,371	103,335	8,138,350	109,768
Cash, end of year	\$ 2,755,217	\$ 4,746,782	\$ 46,330	\$ -	\$ 7,548,329	\$ 127,133

See accompanying notes.

CITY OF REEDLEY

STATEMENT OF CASH FLOW – PROPRIETARY FUNDS (CONTINUED) YEAR ENDED JUNE 30, 2023

	Business-Type Activities-Enterprise Funds				Total Business- Type Funds	Governmental Activities Internal Service
	Water	Sewer	Nonmajor Enterprise Funds			
			Disposal	Airport		
Summary of cash, end of year						
Cash and cash equivalents	\$ 1,876,835	\$ 4,521,368	\$ 46,330	\$ -	\$ 6,444,533	\$ 127,133
Restricted assets - cash	878,382	225,414	-	-	1,103,796	-
Cash, end of year	<u>\$ 2,755,217</u>	<u>\$ 4,746,782</u>	<u>\$ 46,330</u>	<u>\$ -</u>	<u>\$ 7,548,329</u>	<u>\$ 127,133</u>
Reconciliation of operating income to net cash provided by/(used for) operating activities:						
Operating income/(loss)	\$ 1,135,999	\$ 1,242,015	\$ (659,398)	\$ (288,728)	\$ 1,429,888	\$ (84,681)
Adjustment to reconcile operating income/ (loss) to net cash provided by/(used for) operating activities:						
Depreciation and amortization expense	549,237	1,326,479	85,777	128,284	2,089,777	83,964
(Increase)/decrease in accounts receivable	(5,724)	(8,310)	2,441	(3,174)	(14,767)	230
(Increase)/decrease in inventory	(99,972)	2,485	-	-	(97,487)	264
(Increase)/decrease in deferred outflows of resource	(176,777)	(260,346)	-	-	(437,123)	35,811
Increase/(decrease) in accounts payable and accrued expense	(60,409)	(11,764)	(163,698)	(113,963)	(349,834)	-
Increase/(decrease) in deferred inflows of resource	(307,073)	(452,233)	-	-	(759,306)	-
Increase/(decrease) in compensated absences	5,464	8,192	-	1,474	15,130	3,350
Increase/(decrease) in OPEB liability	15,505	22,835	-	-	38,340	-
Increase/(decrease) in net pension liability	359,099	528,854	-	-	887,953	-
Increase/(decrease) in deposits	21,430	-	-	(51)	21,379	-
Net cash provided by/(used for) operating activities	<u>\$ 1,436,779</u>	<u>\$ 2,398,207</u>	<u>\$ (734,878)</u>	<u>\$ (276,158)</u>	<u>\$ 2,823,950</u>	<u>\$ 38,938</u>

CITY OF REEDLEY

STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
JUNE 30, 2023

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ <u>256,346</u>
Total assets	<u>256,346</u>
Liabilities	
Accounts Payable	<u>3,023</u>
Total liabilities	<u>3,023</u>
Net Position	
Restricted for	
Individuals, organization, and other governments	<u>253,323</u>
Total Net Position	<u><u>\$ 253,323</u></u>

CITY OF REEDLEY

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
JUNE 30, 2023**

	<u>Custodial Funds</u>
Additions	
Deposits	\$ 107,411
Total additions	<u>107,411</u>
Deductions	
Payment to other entities	<u>79,151</u>
Total deductions	<u>79,151</u>
Change in net position	28,260
Net position, beginning	<u>225,063</u>
Net position, ending	<u>\$ 253,323</u>

CITY OF REEDLEY

STATEMENT OF FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND JUNE 30, 2023

	<u>Successor Agency</u>
Assets	
Cash and investments	\$ 563,776
Accounts receivable	224,864
Notes receivable	<u>1,531,319</u>
Total assets	<u>2,319,959</u>
Liabilities	
Accounts payable	186,269
Interest payable	14,080
Long-term debt	
Due within one year	295,000
Due in more than one year	<u>3,380,000</u>
Total liabilities	<u>3,875,349</u>
Net Position	
Held in trust for other governments	<u>(1,555,390)</u>
	<u>\$ (1,555,390)</u>

CITY OF REEDLEY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2023

	<u>Successor Agency</u>
Additions	
Property taxes	\$ 379,477
Charges for services	16,626
Investment earnings	<u>28,234</u>
Total additions	<u>424,337</u>
Deductions	
Program expenses	6,274
Interest and fiscal agency expenses	<u>85,516</u>
Total deductions	<u>91,790</u>
Change In Net Position	332,547
Net Position	
Beginning of year	<u>(1,887,937)</u>
End of year	<u>\$ (1,555,390)</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of Reedley (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

These financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units is combined with data of the primary government. Each blended component unit has a June 30 fiscal year end. There are no discretely presented component units included in these financial statements. The following sections further describe the significant accounting policies of the City.

Reporting Entity

The City of Reedley, State of California (the "City"), was incorporated on February 18, 1913. The City operates under a Council-Manager form of government. The City's major operations include public safety (police and fire); highways and streets; water, sewer and refuse collection; parks and recreation; building inspection; airport; public improvements; planning and zoning and general administrative services.

The Reedley Public Financing Authority (the "Authority") was created by a Joint Exercise of Powers between the City and the Agency on November 23, 1993. An Agreement was entered into pursuant to the provisions of the Marks Roos Local Bond Pooling Act of 1985, Articles 1, 2 and 4, Chapter 5, Division 7, Title 1 of the California Government Code (the JPA Law"). The Authority, which is governed by a commission consisting of the members of the City Council, was created for the purpose of assisting the financing of refinancing of the Authority's project areas. Under the JPA Law, the Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public negotiated sale.

Basis of Presentation – Fund Accounting

Government-Wide Financial Statements - The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities and Changes in Net Position) report information of all of the nonfiduciary activities of the primary government and its component units. For the most part, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City and between the City and its component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

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

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Net position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements - The Governmental Fund Financial Statements provide information about the City's funds, including fiduciary funds and the blended component unit. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

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

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

American Rescue Plan Act Special Revenue Fund – The American Rescue Plan Act Special Revenue Fund is used to account for the monies received from the State which are to be used for the Covid related costs.

Development Impact Fees Capital Project Fund – The Development Impact Fees Capital Project Fund was established to account for monies received from impact fees and spending of those funds.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

The City reports the following major enterprise funds:

Water Fund – The Water Fund accounts for the operation and maintenance of the City’s water treatment and water transmission and distribution systems.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City’s sewer system.

The City reports the following additional fund types:

Internal Service Fund – The Internal Service Fund accounts for fleet management and computer services provided to other departments or agencies of the government, on a cost reimbursement basis.

Custodial Funds – The Custodial Funds account for assets held by the City as an agent for various local governments or other entities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds – The Private-Purpose Trust Fund accounts for assets held by the City as trustee for the Successor Agency.

Basis of Accounting

The Government-Wide and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

Expenditures are generally 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

Financial Statement Amounts

Cash and Investments – Cash and investments represent the City's cash bank accounts including but not limited to certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month end cash balances in each fund.

Investments of the pool include only those investments authorized by the California Government Code such as, United States Treasury securities, agencies guaranteed by the United States Government, registered state warrants, and other investments. Investments primarily consist of deposits in the State of California Local Agency Investment Fund. Investments are stated at cost or amortized cost.

Inventories – Inventories consist of expendable supplies held for the City's use and are carried at cost using the first-in, first-out method.

Accounts Receivable – Billed but unpaid services provided to individuals or non-governmental entities are recorded as accounts receivable. The Proprietary Funds include a year-end accrual for services through June 30, 2023, which have not yet been billed.

Fresno County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Secured property taxes are due in two installments, on November 1 and March 1, and become a lien on those dates. They become delinquent on December 10 and April 10, respectively. Collection of delinquent accounts is the responsibility of the County, which retains all penalties collected. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

Interfund Receivables/Payables – Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

Advances To/From Other Funds – This classification represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation. The current portion of any interfund long-term loan (advance) is included as an interfund receivable/payable.

Capital Assets – Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold are met.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Depreciable asset</u>	<u>Years</u>
Buildings	10-40
Improvements	10-40
Machinery and equipment	3-20
Utility system	5-50
Infrastructure	15-50

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Compensated Absences – It is the City's policy to permit all employees to accumulate earned but unused vacation and compensatory time benefits. Those employees on shift work schedules may also accumulate hours for holiday time benefits.

Vested or accumulated vacation, holiday and any compensation time that is expected to be paid with expendable available financial resources is reported as expenditure in the fund financial statements of the Governmental Fund that will pay for it. Amounts not expected to be liquidated with expendable available financial resources are reported in the Government-Wide Financial Statements.

Vested leave of Proprietary Funds are recorded as an expense and liability as the benefits accrue.

Unearned Revenue – Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records unearned revenue related to uncollected outstanding, performing loans and intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

Long-Term Obligations – In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Non-Current Governmental Assets/Liabilities – GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

Pension Plan – All full-time City employees are members of the State of California Public Employees' Retirement System. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of July 1 by the System's actuary. See note 9 for further discussion.

Bond Discount and Issuance Costs – For governmental funds, bond discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For business-type funds, bond discounts, are deferred and amortized over the life, of the bonds. Bonds payable are reported net of applicable bond discounts. Issuance costs are expensed.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Net Position – The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as net investment in capital assets, restricted and unrestricted.

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

Fund Balance – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.
- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

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

Note 2 – Stewardship, Compliance and Accountability

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the Reedley Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during June of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 32,144,482
Restricted Cash	1,103,796
Fiduciary Funds:	
Cash and Investments	<u>820,122</u>
Total Cash and Investments	<u>\$ 34,068,400</u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 6,000
Deposits with Financial Institutions	21,839,178
Time Deposits	11,119,426
Cash with fiscal agent	<u>1,103,796</u>
Total Cash and Investments	<u>\$ 34,068,400</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Fair Value Measurements (Continued)

The asset’s or liability’s fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>June 30, 2023 Balance</u>
Investments by fair value level:				
Equity:				
LAIF	\$ -	\$ -	\$ -	\$ -
Total Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carried at amortized cost:				
Bank Deposits, Time Deposits and Cash on Hand				<u>34,068,400</u>
Total Cash and Investments amortized at cost				<u>34,068,400</u>
Total Cash and Investments				<u>\$ 34,068,400</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The City’s investment policy does not contain any specific provisions intended to limit the City’s exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	1 year	None	5%
U.S. Treasury Obligations	1 year	None	None
U.S. Agency Securities	1 year	None	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	1 year	30%	None
Medium-Term Notes	1 year	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	1 year	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	None	None	None
Money Market Mutual Funds	None	None	None
Investment Contracts	None	None	None
Certificates of Deposit	1 year	None	None
Repurchase Agreements	30 days	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Municipal Bonds	None	None	None

CITY OF REEDLEY

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023 the City had the following investments:

Investment Type	June 30, 2023 Balance	Remaining Maturity in Months			
		12 or Less Months	13 to 24 Months	25 to 60 Months	More than 60 Months
Time Deposits	\$ 11,119,426	\$ 249,788	\$ 1,038,905	\$ 9,830,733	\$ -
Total Time Deposits	\$ 11,119,426	\$ 249,788	\$ 1,038,905	\$ 9,830,733	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	June 30, 2023 Balance	Rating of Year End
Equity:		
LAIF	\$ -	Not Rated
Total Equity Securities	\$ -	

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total City investments.

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 Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2023 the City did not have a balance in LAIF.

CITY OF REEDLEY

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 4 – Capital Assets

Capital asset activity of the governmental activities for the year ended June 30, 2023 is as follows:

	Balance			Balance
	July 1, 2022	Additions	Retirements	June 30, 2023
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 3,477,211	\$ -	\$ -	\$ 3,477,211
Total capital assets, not being depreciated	<u>3,477,211</u>	<u>-</u>	<u>-</u>	<u>3,477,211</u>
Capital assets, being depreciated				
Buildings	2,388,977	167,518	-	2,556,495
Improvements	60,656,915	2,471,272	-	63,128,187
Furniture and equipment	2,278,209	254,179	-	2,532,388
Vehicles	<u>5,634,310</u>	<u>515,749</u>	<u>-</u>	<u>6,150,059</u>
Total capital assets, being depreciated	70,958,411	3,408,718	-	74,367,129
Less accumulated depreciation for				
Buildings	(1,503,604)	(54,193)	-	(1,557,797)
Improvements	(11,781,818)	(1,511,023)	-	(13,292,841)
Furniture and equipment	(927,909)	(208,541)	-	(1,136,450)
Vehicles	<u>(3,866,766)</u>	<u>(426,402)</u>	<u>-</u>	<u>(4,293,168)</u>
Total accumulated depreciation	(18,080,097)	(2,200,159)	-	(20,280,256)
Total capital assets, being depreciated, net	<u>52,878,314</u>	<u>1,208,559</u>	<u>-</u>	<u>54,086,873</u>
Governmental activities capital assets, net	<u>\$ 56,355,525</u>	<u>\$ 1,208,559</u>	<u>\$ -</u>	<u>\$ 57,564,084</u>

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

Governmental Functions:

General Government	\$ 88,379
Public Safety	350,459
Public Works	1,470,118
Parks and Community Services	207,239
Internal Service Fund	<u>83,964</u>
	<u>\$ 2,200,159</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 4 – Capital Assets (Continued)

Capital assets activity of the business-type activities for the year ended June 30, 2023 is as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>
<u>Business-type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 1,391,382	\$ -	\$ -	\$ 1,391,382
Total capital assets, not being depreciated	<u>1,391,382</u>	<u>-</u>	<u>-</u>	<u>1,391,382</u>
Capital assets, being depreciated				
Buildings	1,140,025	-	-	1,140,025
Improvements	70,016,129	1,734,109	-	71,750,238
Furniture and equipment	13,065,716	330,917	-	13,396,633
Vehicles	<u>1,777,840</u>	<u>100,456</u>	-	<u>1,878,296</u>
Total capital assets, being depreciated	85,999,710	2,165,482	-	88,165,192
Less accumulated depreciation for				
Buildings	(950,877)	(19,356)	-	(970,233)
Improvements	(18,835,676)	(1,602,301)	-	(20,437,977)
Furniture and equipment	(18,752,147)	(293,235)	-	(19,045,382)
Vehicles	<u>(1,362,098)</u>	<u>(174,885)</u>	-	<u>(1,536,983)</u>
Total accumulated depreciation	(39,900,798)	(2,089,777)	-	(41,990,575)
Total capital assets, being depreciated, net	<u>46,098,912</u>	<u>75,705</u>	<u>-</u>	<u>46,174,617</u>
Business-type activities capital assets, net	<u>\$ 47,490,294</u>	<u>\$ 75,705</u>	<u>\$ -</u>	<u>\$ 47,565,999</u>

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

Business-Type Functions:

Water	\$ 549,237
Sewer	1,326,479
Disposal	85,777
Airport	<u>128,284</u>
	<u>\$ 2,089,777</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 5 – Long-term Liabilities

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

The City's debt transactions for governmental-type activities are summarized below and discussed in detail thereafter:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
<u>Governmental Activity Long Term Debt</u>				
Net pension liability	\$ 8,181,110	\$ 7,531,924	-	\$ 15,713,034
Net OPEB liability	\$ 5,233,554	\$ 178,513	-	\$ 5,412,067
Compensated absences	\$ 489,227	\$ 99,145	-	\$ 588,372

The City's debt transactions for business-type activities are summarized below and discussed in detail thereafter:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>
<i>Direct Borrowings:</i>					
2016 Wastewater Refunding Revenue Bonds payable	\$ 2,430,000	-	\$ (135,000)	\$ 2,295,000	\$ 140,000
Bond premiums	160,630	-	(11,542)	149,088	11,542
2017 Water Refunding Revenue Bonds	10,445,000	-	(480,000)	9,965,000	500,000
Bond premiums	288,101	-	(18,995)	269,106	18,996
2019 Wastewater Refunding Revenue Bonds	14,204,000	-	(856,000)	13,348,000	878,000
	<u>\$ 27,527,731</u>	<u>\$ -</u>	<u>\$ (1,501,537)</u>	<u>\$ 26,026,194</u>	<u>\$ 1,548,538</u>
Net pension liability	\$ 821,947	\$ 887,953	-	\$ 1,709,900	
Net OPEB liability	\$ 1,124,018	\$ 38,340	-	\$ 1,162,358	
Compensated absences	\$ 144,470	\$ 15,130	-	\$ 159,600	

Revenue Bonds Payable

2016 Wastewater Refunding Bonds – In 2016 the City issued \$3,160,000 of Wastewater Revenue Refunding Bonds. The proceeds from the issue were used to defease the 2007 Reedley Public Financing Authority Wastewater Revenue Bonds in the amount of \$3,385,000. Interest on the bonds ranges from 2.000% to 4.000%. The City signed an agreement with principal payments plus interest due June 1 and December 1 of each year beginning in 2016 through 2036.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 5 – Long-Term Liabilities (Continued)

The annual debt requirements due under the terms of the 2016 Wastewater Refunding Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 140,000	\$ 8,215	\$ 148,215
2025	145,000	77,950	222,950
2026	150,000	72,150	222,150
2027	155,000	66,150	221,150
2028	165,000	59,950	224,950
2029-2033	910,000	196,550	1,106,550
2034-2036	<u>630,000</u>	<u>381,000</u>	<u>1,011,000</u>
Total	<u>\$ 2,295,000</u>	<u>\$ 861,965</u>	<u>\$ 3,156,965</u>

2017 Water Refunding Bonds – In 2018 the City issued \$12,615,000 of Water Refunding Revenue Bonds. The proceeds from this issue were used to defease the 2007 Reedley Public Financing Authority Water Revenue Bonds in the amount of \$12,475,000. Interest on the bonds ranges from 2.000% to 5.000%. The City signed an agreement with principal payments plus interest due March 1 and September 1 of each year beginning in 2018 through 2037.

The annual debt requirements due under the terms of the 2017 Water Refunding Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 500,000	\$ 364,681	\$ 864,681
2025	520,000	344,281	864,281
2026	540,000	320,381	860,381
2027	570,000	292,631	862,631
2028	600,000	263,381	863,381
2029-2033	3,320,000	986,785	4,306,785
2034-2038	<u>3,915,000</u>	<u>367,619</u>	<u>4,282,619</u>
Total	<u>\$ 9,965,000</u>	<u>\$ 2,939,759</u>	<u>\$ 12,904,759</u>

Capital Lease Payable

2019 Wastewater Revenue Refunding Bonds – In December 2019 the City issued \$15,674,000 of Wastewater Bonds. The proceeds from this issue were used to pay off the note payable with the State Water Resources Control Board in the amount of \$12,475,000. Interest on the bonds ranges from 2.400% to 2.570%. The City signed an agreement with principal payments plus interest due June 1 and December 1 of each year beginning in 2020 through 2036.

CITY OF REEDLEY

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 5 – Long-Term Liabilities (Continued)

The annual debt requirements due under the terms of the note are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 878,000	\$ 343,044	\$ 1,221,044
2025	900,000	320,479	1,220,479
2026	924,000	297,349	1,221,349
2027	947,000	273,602	1,220,602
2028	972,000	249,264	1,221,264
2029-2033	4,143,000	858,586	5,001,586
2034-2036	4,584,000	180,440	4,764,440
Total	<u>\$ 13,348,000</u>	<u>\$ 2,522,764</u>	<u>\$ 15,870,764</u>

Note 6 – Interfund Transactions

Due From and To Other Funds

Interfund receivables and payables consist of short-term loans resulting from regular transactions. These loans are expected to be repaid as soon as the borrowing fund has cash. Individual fund interfund receivables and payables balances as of June 30, 2023 are as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ 79,868	\$ -
Gas Tax Fund	-	52,713
SB2 Planning	-	21,533
Senior Center	-	5,622
Enterprise Funds:		
Water	28,990	-
Airport	-	28,990
	<u>\$ 108,858</u>	<u>\$ 108,858</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Interfund Transactions (continued)

Transfers In and Transfers Out

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds' that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due. In general, the effect of the interfund activity has been eliminated from the government-wide financial statements.

	Transfers to <u>Other Funds</u>	Transfer from <u>Other Funds</u>
Major Funds:		
General Fund	\$ 2,441,897	\$ -
Developer Impact Fees Fund	-	25,002
Non Major Funds:		
Gas Tax	-	26,774
Senior Center	15,361	-
Street Projects Funds	-	9,661
Public Safety Sales Tax Fund	-	24,387
COPS Program	-	3,710
Groundwater Treatment Settlement	-	2,328,414
Community Facilities District	-	889,000
Local Transportation Fund	-	161,462
Landscape Maintenance	-	4,326
Enterprise Funds:		
Disposal Fund	-	18,782
Water Fund	-	302,996
Sewer Fund	-	359,517
Airport Fund	125,986	-
Internal Service Fund	1,570,787	-
	<u>\$ 4,154,031</u>	<u>\$ 4,154,031</u>

- \$1,570,787 was transferred into the Internal Service Fund from various funds to cover fleet management and health insurance premiums.
- \$2,328,414 transferred out of Groundwater Treatment Settlement to the General and Airport fund was to covered various capital projects.
- \$889,000 was transferred out of Community Facilities District to the General Fund to cover overhead related to police, fire, parks and administrative costs.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 7 – Pension Plan

Plan Description – The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy – Participants are required to contribute eight percent (nine percent for safety employees) of their annual covered salary. The City contributes the employees required share for administrative and public works employees and 5% and 4% of the police and dispatchers required share, respectively. The City is required to contribute at an actuarially determined rate; the current rate is 7.470 – 10.320 percent for non-safety employees and 12.780 – 20.640 percent for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

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

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	<u>Safety Police & Fire</u>
	Prior to January 1, 2013	Prior to January 1, 2013
Hire Date		
Benefit Formula	2.0% at 55; maximum 2%	3.0% at 55; maximum 2%
	COLA	COLA
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	55	55
Monthly Benefits, as a % of Eligible Compensation	2.00%	3.00%
Required Employee Contribution Rates	7.00%	9.00%
Required Employer Contribution Rates	10.320%	20.640%

CITY OF REEDLEY

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 7 – Pension Plan (continued)

	PEPRA Miscellaneous	PEPRA Safety
	On or After January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.0% at 62; maximum 2%	2.7% at 57; maximum 2%
	COLA	COLA
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	62	57
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.70%
Required Employee Contribution Rates	6.25%	11.50%
Required Employer Contribution Rates	7.470%	12.780%

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 July 1 following the notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of the pension expense was \$2,285,530.

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

As of June 30, 2023, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 9,671,379
Safety	7,751,555
Total	<u>\$ 17,422,934</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 7 – Pension Plan (continued)

The City’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each Plan is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2022 and 2023 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2022	0.24484%	0.12406%
Proportion - June 30, 2023	<u>0.20669%</u>	<u>0.11281%</u>
Change - Increase/(Decrease)	<u>-0.03815%</u>	<u>-0.01125%</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,554,010	\$ -
Change in employer's proportion	230,669	185,551
Differences between employer's contributions and proportionate share of contributions	-	621,625
Differences between expected and actual experience	515,029	214,256
Changes of assumptions	1,772,626	-
Differences between projected and actual investment earnings	<u>2,995,620</u>	<u>-</u>
Total	<u>\$ 8,067,954</u>	<u>\$ 1,021,432</u>

\$2,554,010 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, 2024. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>	
2024	\$ 1,168,275
2025	969,421
2026	524,578
2027	<u>1,830,238</u>
	<u>\$ 4,492,512</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 7 – Pension Plan (continued)

Actuarial Methods and Assumptions – The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership ¹ Date for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change of assumptions – None.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 7 – Pension Plan (continued)

Discount rate – The discount rate used to measure the total pension liability for PERF C was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 rate of 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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 adjusted to account for assumed administrative expenses.

The long-term expected real rates of return by asset class can be found in CalPERS’ Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 7 – Pension Plan (continued)

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10
Global Equity - cap-weighted	30%	4.45%
Global Equity - non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	27.00%
Mortgage-backed Securities	5%	50.00%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

- (1) An expected inflation of 2.3% used for this period
 (2) Figures are based on the 2021-22 Asset Liability Management study

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 each Plan, calculating using the discount rate of each Plan, 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 (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Miscellaneous	\$ 14,764,415	\$ 9,671,379	\$ 5,481,072
Safety	\$ 11,475,665	\$ 7,751,555	\$ 4,707,936

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, 2023, the City has no reported outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2023.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Post-Employment Health Care Benefits

Plan Description

The City provides medical benefits to qualified retirees and dependants (the Plan) as authorized and specified by Resolution 2020-021 adopted by the City Council of April 28, 2020. The City opted out of the Public Employee's Medical and Hospital Care Act effective January 1, 2014. Prior to this date, the City provided medical benefits to retirees under plans offered by California Public Employee Retirements Systems (CalPERS), an agent multiple -employer defined healthcare plan.

The Plan is a multi-tier benefit structure, specifically Tiers 1, 2 and 3; where eligible employees and dependants receive differing level of benefits. The City is responsible for establishing and amending the eligibility, benefit levels and funding policy of the Plan. As of June 30, 2023, the inaugural and latest actuarial study available, there were 115 active full-time employees and 40 retirees covered by the Plan. There is no city contributions for retiree dental, vision, life insurance or Medicare Part B reimbursement.

Eligibility Requirements

In order to be eligible for these benefits, an employee must retire directly from the City under CalPERS with 10 years of City service as a full-time regular employee and be at least 55 years of age at retirement. The length of service requirement does not apply to Tier 1 benefits.

Tier I - Benefits for current retirees and their dependents are as follows:

A) For current retirees and/or their dependents who are not yet eligible for Medicare:

For the retiree only, City shall contribute towards the retiree's monthly medical coverage at the same rate as the City contributes towards Unrepresented employees' monthly medical coverage, as such contribution may be modified from time to time; and

City shall contribute up to \$500.00 monthly, total, for medical coverage of dependents who are not yet eligible for Medicare, with retirees responsible for paying the difference in cost between the medical plan and City contribution; and

The retiree must notify the City within thirty (30) days of the retiree's and/or dependent's eligibility for Medicare. Only the surviving spouse or registered domestic partner of an eligible retiree shall remain eligible for the dependent benefit until his/her death or remarriage.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Post-Employment Health Care Benefits (continued)

Eligibility Requirements (continued)

B) For current retirees and/or their dependents who are eligible for Medicare:

- i) City shall cover 100% of the monthly premium for a group Medicare Supplement plan, as identified and selected by the City, for retiree and one dependent; and
- ii) City shall contribute up to \$500.00 monthly, total, for medical coverage of dependents who are not yet eligible for Medicare, with retirees responsible for paying the difference in cost between the medical plan and City contribution; and
- iii) Subject to availability, only current retirees and their eligible dependents shall have access to a 'Freedom of Choice' option, whereupon the City, through its designated provider, will cover up to \$251.76 per month ("Cap") for each retiree and his/her one dependent, for the reimbursement of premium cost for a Medicare Supplement and/or prescription drug plan of their choice; and
- iv) The \$251.76 Cap for the 'Freedom of Choice' option shall be adjusted annually, each January, by the change in premium (if applicable), from year to year, of the group Medicare Supplement Plan then currently being offered by the City to Medicare eligible retirees. The Cap shall always be \$10.00 less than the group Medicare Supplement premium to help defray additional administrative costs of offering the 'Freedom of Choice' option. At no time shall the retiree/dependent receive in excess of the premium amount.
- v) The 'Freedom of Choice' option shall not be available for new enrollment or re-enrollment after December 14, 2016.

C) Minimum eligibility requirements for current City retirees:

- i) All current retirees must be at least 55 years of age as of the effective date of this resolution in order to continue receiving retiree medical benefits for themselves or their dependents. Retirees or dependents who were not enrolled in a City-provided retiree medical benefit as of the adoption date of Resolution 2013-083 (September 24, 2013) are not eligible to enroll in or otherwise receive retiree medical benefits. Affected retirees will not be permitted to purchase coverage in the City's medical plans. Retirees turning 55 years of age after the effective date of this resolution shall not be eligible for this City benefit.

Tier 2 - Benefits for current full-time regular City employees are as follows, subject to the following eligibility requirements:

- A) Minimum eligibility requirements for current full-time regular City employees. To be eligible for retirement medical benefits, a full-time regular employee must: (i) retire under a regular or disability PERS retirement and enroll in City provided retirement medical benefits within 120 calendar days from voluntary separation from City employment; (ii) be at least 55 years of age at time of retirement; and (iii) have been employed by the City for a cumulative total of at least ten (10) years as a full-time regular employee. Employee must be a full-time regular employee at the time of retirement. No purchase of service credit is allowed. Voluntary separation from City employment shall mean any separation other than termination for cause. Termination for cause shall be deemed involuntary separation, and shall preclude such terminated employee from eligibility in and for this benefit.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Post-Employment Health Care Benefits (continued)

Eligibility Requirements (continued)

- i) In order for an employee's dependent to be eligible for coverage, the dependent must be enrolled in the employee's plan at the time an employee retires, subject to the employee meeting minimum eligibility requirements.
- B) Employees with at least ten (10) years of cumulative service with the City as a full-time regular employee upon Retirement:
- i) If the retiree is not eligible for Medicare, the City shall contribute either 50% of the medical premium for the retiree only, or the amount that the City then currently contributes towards Unrepresented employees' medical coverage as such contribution may be modified from time to time, whichever is less, using the menu of medical plans available to City employees, or if not available, plans identified and selected by the City; and
 - ii) If the retiree is eligible for Medicare, City shall cover either 50% of the medical premium for the retiree and one dependent, or the amount that the City then currently contributes towards Unrepresented employees' medical coverage, whichever is less, for a group Medicare Supplement plan as identified and selected by the City; and
 - iii) There shall be no coverage for more than one dependent; and
 - iv) If the dependent is not Medicare eligible, the City shall contribute up to \$250.00 monthly, total, for dependent medical coverage with retirees responsible for paying the difference in cost between the medical plan and City contribution.
- C) Employees with at least twenty (20) years of cumulative service with the City as a full-time regular employee upon Retirement:
- i) If the retiree is not eligible for Medicare, the City shall contribute either 80% of the medical premium for the retiree only, or the amount that the City then currently contributes towards Unrepresented employees' medical coverage, whichever is less, using the menu of medical plans available to City employees, or if not available, plans identified and selected by the City; and
 - ii) If the retiree is eligible for Medicare, City shall cover either 80% of the medical premium for the retiree and one dependent, or the amount that the City then currently contributes towards Unrepresented employees' medical coverage, whichever is less, for a group Medicare Supplement plan as identified and selected by the City for retiree and one dependent only; and
 - iii) There shall be no coverage for more than one dependent; and
 - iv) If the dependent is not Medicare eligible, the City shall contribute up to \$250.00 monthly, total, for dependent medical coverage with retirees responsible for paying the difference in cost between the medical plan and City contribution.
- D) The retiree must notify the City within thirty (30) days of the retiree's and/or dependent's eligibility for Medicare. Only the surviving spouse or registered domestic partner of an eligible retiree shall remain eligible for the dependent benefit until his/her death or remarriage.
- E) Full-time regular City employees who are working for the City in a full-time capacity as of September 24, 2013, (Date of Adoption of Resolution 2013-083) who retire on or before December 31, 2016, shall be eligible for the same City contributions to retiree medical benefits as current retirees as defined in Tier 1 above. Minimum eligibility requirements under Section 2.A shall still apply to subject employees, except that for the minimum eligibility requirement under Section 2.A (iii) shall not apply.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Post-Employment Health Care Benefits (continued)

Eligibility Requirements (continued)

Tier 3 - No retiree benefits for future City employees:

- A) No new employee or re-hired employee initially hired or re-hired on or after January 1, 2014 shall be eligible for the retiree or retiree dependent medical coverage provided herein, unless said employee was a full-time regular employee of the City prior to January 1, 2014.
- B) Current part-time employees, notwithstanding the fact that they are currently employed by the City and may subsequently work for the City in a full-time regular capacity, shall not be eligible for retiree medical benefits, unless they begin work in a full-time regular capacity prior to January 1, 2014 and satisfy all other eligibility requirements. In other words, for purposes of determining eligibility for the retiree medical benefits, the date of hire shall be treated as the date upon which the current part-time employee begins his/her assignment as a full-time regular employee.

The City reported that the only OPEB provided is medical plan coverage.

Employees Covered

Membership in the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Summary of Plan Member Counts	
Inactive employees receiving benefits	38
Inactive employees entitled to but not receiving benefits	0
Participating active employees	46

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contributions using the Entry Age Normal Cost Method. The required contribution is based on projected pay-as-you-go financing requirements.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Post-Employment Health Care Benefits (continued)

Actuarial Assumptions

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date as of June 30, 2023.

Actuarial Assumptions:

Salary Increase	2.75%
Inflation Rate	2.50%
Investment rate of return	6.25%
Health Cost Trend Rates	3.75-5.65% (Medicare) and 6.5% (Non-Medicare)
Mortality rate	CalPERS 2000-2019 Experience Study, Mortality projected fully generational with Scale MP-2021

Long Term Expected Rate of Return

<u>Asset Class Component</u>	<u>Target Allocation CERBT-Strategy 1</u>	<u>Expected Real Rate of Return</u>
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITS	20%	4.06%
Assumed Long-term Rate of Inflation		2.50%
Expected Long-term Net Rate of Return, Rounded		6.25%

The long-term expected real rates of return are presented as geometric means.

* Policy target effective on the measurement date (June 30, 2022). Changes to the target investment allocation effective October 1, 2018 do not have a significant impact on the expected long-term rate of return.

Discount Rate

The rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Post-Employment Health Care Benefits (continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2022 (Measurement Date)	\$ 6,819,222	\$ 461,649	\$ 6,357,573
Changes recognized for the measurement period:			
Service cost	113,263	-	113,263
Interest on TOL	423,688	-	423,688
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	396,382	(396,382)
Net investment income	-	(76,076)	76,076
Benefit payments	(306,930)	(306,930)	-
Benefit payments	-	(207)	207
Net changes	<u>230,021</u>	<u>13,169</u>	<u>216,852</u>
Balance at June 30, 2023 (Measurement date June 30, 2022)	<u>\$ 7,049,243</u>	<u>\$ 474,818</u>	<u>\$ 6,574,425</u>

The only assumption change reflected during this period is the change in the discount rates as required by GASB 75.

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the net OPEB 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 (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB liability	\$ 7,523,799	\$ 6,574,425	\$ 5,791,956

Sensitivity of the City's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Health Care Trend Rate -1%	Health Care Current Trend Rate	Health Care Trend Rate +1%
Net OPEB liability	\$ 5,750,457	\$ 6,574,425	\$ 7,410,972

CITY OF REEDLEY

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 8 – Post-Employment Health Care Benefits (continued)

Healthcare cost trend rate was assumed to start at 7% and grade down to 4% for years 2076 and thereafter.

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$595,907. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 410,008	\$ -
Difference between expected and actual experience	-	1,245,627
Change in assumptions	-	231,624
Net difference between projected and actual return on investments	50,274	-
	<u>\$ 460,282</u>	<u>\$ 1,477,251</u>

The City will recognize the Deferred Contributions in the next fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30</u>	
2024	\$ (459,313)
2025	(458,749)
2026	(388,854)
2027	(87,395)
2028	(32,666)
Thereafter	-

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 9 – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports \$8,067,954 in deferred outflows related to net pension liability and \$460,282 in deferred outflows related to net OPEB liability. See Note 7 and Note 8 for more details.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports \$1,021,432 in deferred inflows related to net pension liability and \$1,477,251 in deferred inflows related to net OPEB liability. See Note 7 and Note 8 for more details.

Note 10 – Risk Management

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker's compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$10,000 and workers' compensation losses under \$10,000. The CSJVRMA purchases excess reinsurance from \$1,000,000 to \$15,000,000. The CSJVRMA participates in an excess pool which provides Workers' Compensation coverage from \$500,000 to \$1,500,000 and purchases excess reinsurance above \$1,500,000 to the statutory limit.

The CSJVRMA is a consortium of 55 cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500, et. seq. The CSJVRMA is governed by a Board of Directors, which meets three to four times each year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial statements of CSJVRMA can be obtained at 1831 K Street, Sacramento, CA 95814.

The latest audited financial information and the most current information available for CSJVRMA for fiscal year ended June 30, 2023 is as follows:

Total assets	\$ 153,984,502
Total liabilities	<u>120,022,096</u>
Net position	<u>\$ 33,962,406</u>
Total revenues	\$ 73,088,767
Total expenses	<u>71,300,255</u>
Increase/(decrease) in net position	<u>\$ 1,788,512</u>

CITY OF REEDLEY

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 11 – Contingencies

Federal and State Government Programs – The City participates in several federal and state grant programs. These programs have been audited, as needed, in accordance with the provisions of the Uniform Guidance and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Note 12 – Subsequent Events

The City evaluated subsequent events for recognition and disclosure through January 9, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023 that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF REEDLEY

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ 2,893,498	\$ 2,893,498	\$ 3,934,083	\$ 1,040,585
Taxes	10,066,830	10,066,830	10,602,278	535,448
Charges for services	1,040,143	1,040,143	1,287,637	247,494
Licenses, permits, and impact fees	472,500	472,500	697,286	224,786
Other	151,600	151,600	297,111	145,511
Investment income, rent income and unrealiz	51,351	51,351	124,065	72,714
Total revenue	<u>14,675,922</u>	<u>14,675,922</u>	<u>16,942,460</u>	<u>2,266,538</u>
Expenditures				
Current				
General government	2,128,436	2,128,436	2,121,764	6,672
Public ways and facilities	2,145,710	2,145,710	1,481,227	664,483
Public safety	7,016,713	7,016,713	6,942,482	74,231
Community services	3,047,209	3,047,209	2,858,308	188,901
Community development	1,719,538	1,719,538	1,089,826	629,712
Capital outlay	<u>3,169,178</u>	<u>3,169,178</u>	<u>767,734</u>	<u>2,401,444</u>
Total expenditures	<u>19,226,784</u>	<u>19,226,784</u>	<u>15,261,341</u>	<u>3,965,443</u>
Revenue over (under) expenditures	(4,550,862)	(4,550,862)	1,681,119	6,231,981
Other Financing Sources/(Uses)				
Proceeds from sale of assets	-	-	12,894	12,894
Transfers in/(out)	<u>(7,859,254)</u>	<u>(7,859,254)</u>	<u>2,441,897</u>	<u>10,301,151</u>
Total other financing sources/(uses)	<u>(7,859,254)</u>	<u>(7,859,254)</u>	<u>2,454,791</u>	<u>10,314,045</u>
Net Change in Fund Balance	<u>\$ (12,410,116)</u>	<u>\$ (12,410,116)</u>	<u>4,135,910</u>	<u>\$ 16,546,026</u>
Fund Balance				
Beginning of year			<u>7,247,428</u>	
End of year			<u>\$ 11,383,338</u>	

CITY OF REEDLEY

**BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ -	\$ -	\$ 3,068,969	\$ 3,068,969
Total revenue	<u>(7,500)</u>	<u>(7,500)</u>	<u>3,068,969</u>	<u>3,076,469</u>
Expenditures				
Current				
Public ways and facilities	1,498,776	1,498,776	225,829	1,272,947
Capital outlay	<u>2,390,000</u>	<u>2,390,000</u>	<u>1,338,096</u>	<u>1,051,904</u>
Total expenditures	<u>3,888,776</u>	<u>3,888,776</u>	<u>1,563,925</u>	<u>2,324,851</u>
Revenue over (under) expenditures	<u>(3,896,276)</u>	<u>(3,896,276)</u>	<u>1,505,044</u>	<u>5,401,320</u>
Other Financing Sources/(Uses)				
Transfers out	<u>2,328,414</u>	-	-	-
Total other financing sources/(uses)	<u>2,328,414</u>	-	-	-
Net Change in Fund Balance	<u>\$ (3,896,276)</u>	<u>\$ (3,896,276)</u>	1,505,044	<u>\$ 5,401,320</u>
Fund Balance				
Beginning of year			<u>967,553</u>	
End of year			<u>\$ 2,472,597</u>	

CITY OF REEDLEY

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEES CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
License, permits, and impact fees	\$ 460,250	\$ 460,250	\$ 1,543,464	\$ 1,083,214
Investment, rent income, and unrealized losses	8,750	8,750	35,948	27,198
Total revenue	<u>469,000</u>	<u>469,000</u>	<u>1,579,412</u>	<u>1,110,412</u>
Expenditures				
Current				
Public ways and facilities	989,121	989,121	4,391	984,730
Community services	2,184,538	2,184,538	-	2,184,538
Public Safety	183	183	37	146
Capital outlay	<u>135,000</u>	<u>135,000</u>	<u>32,569</u>	<u>102,431</u>
Total expenditures	<u>3,308,842</u>	<u>3,308,842</u>	<u>36,997</u>	<u>3,271,845</u>
Revenue over (under) expenditures	(2,839,842)	(2,839,842)	1,542,415	4,382,257
Other Financing Sources/(Uses)				
Transfers in/(out)	<u>(25,002)</u>	<u>(25,002)</u>	<u>(25,002)</u>	<u>-</u>
Total other financing sources/(uses)	<u>(25,002)</u>	<u>(25,002)</u>	<u>(25,002)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,864,844)</u>	<u>\$ (2,864,844)</u>	1,517,413	<u>\$ 4,382,257</u>
Fund Balance				
Beginning of year			<u>4,305,452</u>	
End of year			<u>\$ 5,822,865</u>	

CITY OF REEDLEY

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS YEAR ENDED JUNE 30, 2023

	<u>Increase (Decrease)</u>								
	<u>Total OPEB Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Balance at June 30, 2022 (Measurement Date)	\$ 6,819,222	\$ 461,649	\$ 6,357,573						
Changes recognized for the measurement period:									
Service cost	113,263	-	113,263						
Interest on TOL	423,688	-	423,688						
Actual vs. expected experience	-	-	-						
Assumption changes	-	-	-						
Contributions - employer	-	396,382	(396,382)						
Net investment income	-	(76,076)	76,076						
Benefit payments	(306,930)	(306,930)	-						
Benefit payments	-	(207)	207						
Net changes	<u>230,021</u>	<u>13,169</u>	<u>216,852</u>						
Balance at June 30, 2023 (Measurement date June 30, 2022)	<u>\$ 7,049,243</u>	<u>\$ 474,818</u>	<u>\$ 6,574,425</u>						
Net OPEB Liability/(Asset)	\$ 8,560,476	\$ 8,921,105	\$ 6,806,852	\$ 6,953,479	\$ 6,357,573	\$ 6,574,425			
Fiduciary Net Position as a percentage of the total OPEB Liability	1.2%	1.8%	3.3%	4.0%	6.8%	6.7%			
Covered employee payroll*	n/a	\$ 5,274,550	\$ 5,029,499	\$ 4,535,546	\$ 4,531,132	\$ 4,258,807			
Net OPEB Liability as a percentage of covered employee payroll	n/a	169.1%	135.3%	153.3%	140.3%	154.4%			

* For the 12-month period ending on June 30, 2021 (Measurement Date).

CITY OF REEDLEY

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 YEARS*
AS OF JUNE 30, 2023**

Miscellaneous							
	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered - employee payroll	Proportionate share of the net pension liability as a percentage of covered-employee payroll	Plan's fiduciary net position	Plan's fiduciary net position as a percentage of the Total Pension Liability	
2015	0.07020%	\$ 4,368,215	\$ 3,808,708	114.69%	\$ 19,641,792	81.81%	
2016	0.14007%	\$ 3,842,777	\$ 4,114,174	93.40%	\$ 19,808,667	83.75%	
2017	0.17859%	\$ 6,026,912	\$ 4,109,603	146.65%	\$ 20,698,895	77.45%	
2018	0.18146%	\$ 7,040,068	\$ 4,595,946	153.18%	\$ 22,427,176	76.11%	
2019	0.18145%	\$ 6,838,511	\$ 4,825,079	141.73%	\$ 24,293,573	78.03%	
2020	0.18747%	\$ 7,507,227	\$ 4,837,036	169.32%	\$ 25,491,960	77.25%	
2021	0.19416%	\$ 8,190,011	\$ 4,754,975	172.24%	\$ 26,245,185	76.22%	
2022	0.24484%	\$ 4,649,020	\$ 4,918,139	94.53%	\$ 30,346,917	86.72%	
2023	0.20669%	\$ 9,671,379	\$ 4,780,857	202.29%	\$ 27,690,055	74.11%	
Safety							
	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered - employee payroll	Proportionate share of the net pension liability as a percentage of covered-employee payroll	Plan's fiduciary net position	Plan's fiduciary net position as a percentage of the Total Pension Liability	
2015	0.11435%	\$ 4,289,120	\$ 1,864,155	230.08%	\$ 12,420,390	74.33%	
2016	0.10252%	\$ 1,471,316	\$ 1,839,986	79.96%	\$ 13,462,868	76.12%	
2017	0.10121%	\$ 5,241,949	\$ 1,859,282	281.93%	\$ 13,459,556	71.97%	
2018	0.09928%	\$ 5,931,917	\$ 2,044,067	290.20%	\$ 14,775,186	71.35%	
2019	0.10068%	\$ 5,907,614	\$ 2,137,197	276.42%	\$ 16,454,840	73.58%	
2020	0.10153%	\$ 6,338,313	\$ 1,995,800	317.58%	\$ 17,870,516	73.58%	
2021	0.10364%	\$ 6,905,156	\$ 2,100,196	328.79%	\$ 17,540,296	71.75%	
2022	0.12406%	\$ 4,354,036	\$ 2,009,461	216.68%	\$ 20,364,944	82.39%	
2023	0.11281%	\$ 7,751,555	\$ 2,183,147	355.06%	\$ 19,215,517	71.26%	

*Fiscal year 2014-15 was the first year of implementation, therefore only nine years are shown.
Changes of Assumptions: None.

CITY OF REEDLEY

**SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS*
AS OF JUNE 30, 2023**

Miscellaneous						
	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll	
2015	\$ 456,053	\$ (456,053)	\$ -	\$ 3,808,708	10.85%	
2016	\$ 283,216	\$ (283,216)	\$ -	\$ 4,114,174	10.85%	
2017	\$ 561,583	\$ (561,583)	\$ -	\$ 4,109,603	13.67%	
2018	\$ 624,739	\$ (624,739)	\$ -	\$ 4,595,946	13.59%	
2019	\$ 699,756	\$ (699,756)	\$ -	\$ 4,825,079	14.50%	
2020	\$ 810,084	\$ (810,084)	\$ -	\$ 4,837,036	16.75%	
2021	\$ 837,930	\$ (837,930)	\$ -	\$ 4,754,975	17.62%	
2022	\$ 963,985	\$ (963,985)	\$ -	\$ 4,918,139	19.60%	
2023	\$ 1,208,461	\$ (1,208,461)	\$ -	\$ 4,780,857	25.28%	
Safety						
	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll	
2015	\$ 479,745	\$ (479,745)	\$ -	\$ 1,864,155	25.74%	
2016	\$ 533,911	\$ (533,911)	\$ -	\$ 1,839,986	29.02%	
2017	\$ 533,061	\$ (533,061)	\$ -	\$ 1,859,282	28.67%	
2018	\$ 587,174	\$ (587,174)	\$ -	\$ 2,044,067	28.73%	
2019	\$ 646,908	\$ (646,908)	\$ -	\$ 2,137,197	30.27%	
2020	\$ 714,848	\$ (714,848)	\$ -	\$ 1,995,800	35.82%	
2021	\$ 768,490	\$ (768,490)	\$ -	\$ 2,100,196	36.59%	
2022	\$ 869,214	\$ (869,214)	\$ -	\$ 2,009,461	43.26%	
2023	\$ 1,077,069	\$ (1,077,069)	\$ -	\$ 2,183,147	49.34%	

*Fiscal year 2014-15 was the first year of implementation, therefore only nine years are shown.

SUPPLEMENTAL ONLY INFORMATION

CITY OF REEDLEY

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds					
	Gas	Public Safety Tax	SB2 Planning	City Bond Funds	Local Transportation	Street Projects
ASSETS						
Cash and investments	\$ -	\$ 1,096,910	\$ -	\$ 99,507	\$ 1,385,039	\$ 3,095,073
Due from other governments	54,438	312,374	22,023	-	208,806	681,411
Total assets	<u>\$ 54,438</u>	<u>\$ 1,409,284</u>	<u>\$ 22,023</u>	<u>\$ 99,507</u>	<u>\$ 1,593,845</u>	<u>\$ 3,776,484</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable and accrued expense	297	46,975	490	11,986	137,546	97,740
Retention payable	-	-	-	-	-	41,568
Due to other funds	52,713	-	21,533	-	-	-
Total liabilities	<u>53,010</u>	<u>46,975</u>	<u>22,023</u>	<u>11,986</u>	<u>137,546</u>	<u>139,308</u>
Fund Balance						
Restricted						
Public ways and facilities	-	-	-	-	1,456,299	3,637,176
Public safety programs	1,428	1,362,309	-	-	-	-
Community services	-	-	-	-	-	-
Capital projects and improvements	-	-	-	87,521	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>1,428</u>	<u>1,362,309</u>	<u>-</u>	<u>87,521</u>	<u>1,456,299</u>	<u>3,637,176</u>
Total liabilities and fund balance	<u>\$ 54,438</u>	<u>\$ 1,409,284</u>	<u>\$ 22,023</u>	<u>\$ 99,507</u>	<u>\$ 1,593,845</u>	<u>\$ 3,776,484</u>

CITY OF REEDLEY

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds					
	Community Facilities District	Prop 68 Parks	Downtown Streetscape	Blighted Properties	Groundwater Treatment Settlement	Public Education/ Government Access
ASSETS						
Cash and investments	\$ 217,488	\$ -	\$ 23,793	\$ 46,802	\$ 1,365,439	\$ 202
Due from other governments	-	-	44	-	-	6,231
Total assets	<u>\$ 217,488</u>	<u>\$ -</u>	<u>\$ 23,837</u>	<u>\$ 46,802</u>	<u>\$ 1,365,439</u>	<u>\$ 6,433</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable and accrued expense	-	-	8,975	15,869	32,901	2,040
Retention payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8,975</u>	<u>15,869</u>	<u>32,901</u>	<u>2,040</u>
Fund Balance						
Restricted						
Public ways and facilities	217,488	-	14,862	30,933	-	-
Public safety programs	-	-	-	-	-	-
Community services	-	-	-	-	-	4,393
Capital projects and improvements	-	-	-	-	-	-
Unassigned	-	-	-	-	1,332,538	-
Total fund balance	<u>217,488</u>	<u>-</u>	<u>14,862</u>	<u>30,933</u>	<u>1,332,538</u>	<u>4,393</u>
Total liabilities and fund balance	<u>\$ 217,488</u>	<u>\$ -</u>	<u>\$ 23,837</u>	<u>\$ 46,802</u>	<u>\$ 1,365,439</u>	<u>\$ 6,433</u>

CITY OF REEDLEY

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds					Total
	COPS Program	Community Development Block Grant	Transitional Housing	Senior Center	Landscape Maintenance	
ASSETS						
Cash and investments	\$ 91,083	\$ 21,386	\$ -	\$ -	\$ 234,062	\$ 7,676,784
Due from other governments	20,000	16,029	-	6,173	-	1,327,529
Total assets	<u>\$ 111,083</u>	<u>\$ 37,415</u>	<u>\$ -</u>	<u>\$ 6,173</u>	<u>\$ 234,062</u>	<u>\$ 9,004,313</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable and accrued expense	9,478	-	-	551	11,094	375,942
Retention payable	-	-	-	-	-	41,568
Due to other funds	-	-	-	5,622	-	79,868
Total liabilities	<u>9,478</u>	<u>-</u>	<u>-</u>	<u>6,173</u>	<u>11,094</u>	<u>497,378</u>
Fund Balance						
Restricted						
Public ways and facilities	-	-	-	-	222,968	5,579,726
Public safety programs	101,605	-	-	-	-	1,465,342
Community services	-	37,415	-	-	-	41,808
Capital projects and improvements	-	-	-	-	-	87,521
Unassigned	-	-	-	-	-	1,332,538
Total fund balance	<u>101,605</u>	<u>37,415</u>	<u>-</u>	<u>-</u>	<u>222,968</u>	<u>8,506,935</u>
Total liabilities and fund balance	<u>\$ 111,083</u>	<u>\$ 37,415</u>	<u>\$ -</u>	<u>\$ 6,173</u>	<u>\$ 234,062</u>	<u>\$ 9,004,313</u>

CITY OF REEDLEY
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	Gas Tax	Public Safety	SB2 Planning Grant	City Bond Funds	Local Transportation	Street Projects
Revenue						
Intergovernmental	\$ -	\$ -	\$ 82,399	\$ -	\$ 1,571,090	\$ 889,463
Taxes and assessments	623,807	1,737,677	-	-	-	1,455,514
Other revenue	-	722	-	-	11,537	-
Investment income/(unrealized losses)	91	6,277	-	676	19,734	23,362
Total revenue	<u>623,898</u>	<u>1,744,676</u>	<u>82,399</u>	<u>676</u>	<u>1,602,361</u>	<u>2,368,339</u>
Expenditures						
Current						
Public ways and facilities	595,696	-	-	11,986	683,815	548,714
Public safety	-	1,209,429	-	-	-	-
Community development	-	-	82,399	60,517	-	-
Capital outlay	-	232,627	-	-	25,214	831,365
Total expenditures	<u>595,696</u>	<u>1,442,056</u>	<u>82,399</u>	<u>72,503</u>	<u>709,029</u>	<u>1,380,079</u>
Revenue over (under) expenditures	28,202	302,620	-	(71,827)	893,332	988,260
Other financing sources/(uses)						
Sale of assets	-	-	-	-	9,523	-
Operating transfers in/(out), net	(26,774)	(24,387)	-	-	(161,462)	(9,661)
Total other financing sources/(uses)	<u>(26,774)</u>	<u>(24,387)</u>	<u>-</u>	<u>-</u>	<u>(151,939)</u>	<u>(9,661)</u>
Change in Fund Balance	1,428	278,233	-	(71,827)	741,393	978,599
Fund Balance						
Beginning of year	-	1,084,076	-	159,348	714,906	2,658,577
End of year	<u>\$ 1,428</u>	<u>\$ 1,362,309</u>	<u>\$ -</u>	<u>\$ 87,521</u>	<u>\$ 1,456,299</u>	<u>\$ 3,637,176</u>

CITY OF REEDLEY

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					
	Community Facilities District	Prop 68 Parks	Downtown Streetscape	Blighted Properties	Groundwater Treatment Settlement	Public Educational/ Government Access
Revenue						
Intergovernmental	\$ -	\$ 151,050	\$ -	\$ -	\$ -	\$ -
Taxes and assessments	1,078,772	-	-	-	-	25,433
Charges for services	-	-	22,465	-	-	-
Other revenue	-	-	1,647	-	-	-
Investment income/(unrealized losses)	(11,261)	-	96	242	13,620	(489)
Total revenue	<u>1,067,511</u>	<u>151,050</u>	<u>24,208</u>	<u>242</u>	<u>13,620</u>	<u>24,944</u>
Expenditures						
Current						
General government	-	-	-	-	-	40,150
Public ways and facilities	18,899	-	30,169	34,668	229,239	-
Public safety	-	-	-	-	-	-
Community development	-	3,837	-	-	-	-
Capital outlay	-	147,213	-	-	-	-
Total expenditures	<u>18,899</u>	<u>151,050</u>	<u>30,169</u>	<u>34,668</u>	<u>229,239</u>	<u>40,150</u>
Revenue over (under) expenditures	1,048,612	-	(5,961)	(34,426)	(215,619)	(15,206)
Other financing sources/(uses)						
Sale of assets	-	-	-	-	-	-
Operating transfers in/(out), net	(889,000)	-	-	-	(2,328,414)	-
Total other financing sources/(uses)	<u>(889,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,328,414)</u>	<u>-</u>
Change in Fund Balance	159,612	-	(5,961)	(34,426)	(2,544,033)	(15,206)
Fund Balance						
Beginning of year	57,876	-	20,823	65,359	3,876,571	19,599
End of year	<u>\$ 217,488</u>	<u>\$ -</u>	<u>\$ 14,862</u>	<u>\$ 30,933</u>	<u>\$ 1,332,538</u>	<u>\$ 4,393</u>

CITY OF REEDLEY

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					Total	
	COPS Program	Community Development		Transitional Housing	Senior Center		Landscape Maintenance
		Block Grant					
Revenue							
Intergovernmental	\$ 165,271	\$ 16,029	\$ -	\$ 22,952	\$ -	\$ 2,898,254	
Taxes and assessments	-	-	-	-	259,835	5,181,038	
Charges for services	-	-	-	-	-	22,465	
Other revenue	110	2	-	2,524	22	16,564	
Investment income/(unrealized losses)	988	120	-	-	1,566	55,022	
Total revenue	<u>166,369</u>	<u>16,151</u>	<u>-</u>	<u>25,476</u>	<u>261,423</u>	<u>8,173,343</u>	
Expenditures							
Current							
General government	-	-	-	-	-	40,150	
Public ways and facilities	-	-	-	-	238,977	2,392,163	
Public safety	119,037	-	-	-	-	1,328,466	
Community development	-	1,458	-	40,837	-	189,048	
Capital outlay	-	-	-	-	17,813	1,254,232	
Total expenditures	<u>119,037</u>	<u>1,458</u>	<u>-</u>	<u>40,837</u>	<u>256,790</u>	<u>5,204,059</u>	
Revenue over (under) expenditures	47,332	14,693	-	(15,361)	4,633	2,969,284	
Other financing sources/(uses)							
Sale of assets	-	-	-	-	-	9,523	
Operating transfers in/(out), net	(3,710)	-	-	15,361	(4,326)	(3,432,373)	
Total other financing sources/(uses)	<u>(3,710)</u>	<u>-</u>	<u>-</u>	<u>15,361</u>	<u>(4,326)</u>	<u>(3,422,850)</u>	
Change in Fund Balance	43,622	14,693	-	-	307	(453,566)	
Fund Balance							
Beginning of year	57,983	22,722	-	-	222,661	8,960,501	
End of year	<u>\$ 101,605</u>	<u>\$ 37,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,968</u>	<u>\$ 8,506,935</u>	

CITY OF REEDLEY

SCHEDULE OF NET REVENUE AVAILABLE FOR DEBT SERVICE JUNE 30, 2023

	Business-Type Activities - Enterprise Funds	
	Sewer	Water
Operating Revenue		
Charges for services	\$ 5,913,302	\$ 4,068,694
Other revenue	54,398	253,492
Total Available Revenues	<u>5,967,700</u>	<u>4,322,186</u>
Operating Expense		
Personnel	1,763,422	1,378,486
Supplies, materials, utilities and other	1,201,844	1,065,827
Contractual services	437,990	105,242
Total operations and maintenance	<u>3,403,256</u>	<u>2,549,555</u>
Nonoperating Revenue/(Expense)		
Investment income	35,949	12,044
Other	2,103	20,019
Total nonoperating revenue/(expense)	<u>35,949</u>	<u>12,044</u>
Total Net Revenue Available for Debt Service	2,600,393	1,784,675
Debt Service Requirements		
2016 Sewer Refunding Revenue Bonds	221,200	-
2017 Water Refunding Revenue Bonds	-	864,281
2019 Wastewater Refunding Revenue Bonds	1,221,043	-
Total Debt Service	<u>1,442,243</u>	<u>864,281</u>
Net Revenue after Debt Service	<u>\$ 1,158,150</u>	<u>\$ 920,394</u>
Debt Service Coverage Ratio	1.80	2.06

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

To the Honorable Mayor and City Council
City of Reedley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Reedley (the "City"), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 9, 2024.

Report on Internal Control over Financial Reporting

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

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

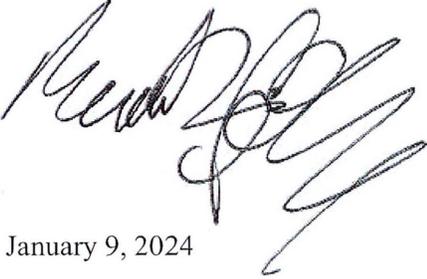
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

A handwritten signature in black ink, appearing to be "M. J. [unclear]", written in a cursive style.

January 9, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council
City of Reedley, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Reedley (the "City"), California's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

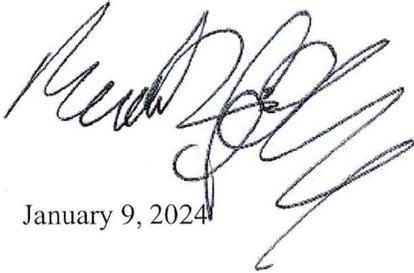
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be "Kevin J. [unclear]", written over the date.

January 9, 2024

CITY OF REEDLEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
<u>U.S. Department for Housing and Community Development</u>			
Passed through County of Fresno:			
Community Development Block Grants/ Senior Meals	14.218	N/A	\$ 90,588
Community Development Block Grants/ Entitlement Grants	14.218	21571	<u>35,877</u>
Total U.S. Department of Housing and Community Development			<u>126,465</u>
<u>U.S. Department of Justice</u>			
Passed through County of Fresno:			
Bullet Proof Vest Program	16.607	N/A	<u>3,423</u>
Total U.S. Department of Justice			<u>3,423</u>
<u>U.S. Department of Transportation</u>			
Passed through the Federal Aviation Administration:			
Airport Improvement Program	20.106	N/A	1,495,270
Passed through the California Department of Transportation:			
Highway Planning and Construction	20.205	CML-5216(055)	3,101
Highway Planning and Construction	20.205	ATPL-5216(059)	60,432
Highway Planning and Construction	20.205	STPL-5216(060)	11,827
Highway Planning and Construction	20.205	CML-5216(058)	694,745
Highway Planning and Construction	20.205	STPL-5216(057)	<u>17,138</u>
Total U.S. Department of Transportation			<u>2,282,513</u>
<u>U.S. Department of Treasury</u>			
Passed Through State of California			
Coronavirus State and Local Fiscal Recovery	21.027	Coronavirus Recovery Fund	11,352
Coronavirus State and Local Fiscal Recovery	21.027	ARPA	<u>1,563,924</u>
Total U.S. Department of Treasury			<u>1,575,276</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the County of Fresno:			
FEMA	97.067	N/A	<u>16,671</u>
Total U.S. Department of Homeland Security			<u>16,671</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through the Fresno-Madera Area Agency on Aging:			
Special Programs for the Aging, Title III Part C, Nutrition Services	93.045	N/A	<u>22,952</u>
Total U.S. Department of Health and Human Services			<u>22,952</u>
Total Federal Expenditures			<u>\$ 4,027,300</u>

CITY OF REEDLEY

NOTES SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2023

Note 1 – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the City of Reedley, California (the City). Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California, are included in the SEFA. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the City's basic financial statements. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in, or used in the preparation of, the SEFA may differ from amounts presented in the basic financial statements.

Note 3 – Assistance Listing Numbers

The Assistance Listing Numbers included in the accompanying SEFA were determined based on program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

Note 4 – Relationship to the Financial Statements

Expenditures of federal awards are reported in the City's basic financial statements as expenditures/expenses in the General Fund, nonmajor special revenue funds, nonmajor capital project funds, and the enterprise funds.

Note 5 – Indirect Cost Rate

The City did not elect to use the 10% de minimus cost rate as covered in 2 CFR §200.414.

CITY OF REEDLEY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

A. Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
- Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Programs

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF REEDLEY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

None.



ORDINANCE 2023-010
SOLID WASTE ORDINANCE AMENDMENT

BACKGROUND

- **2021- FRANCHISE AGREEMENT WITH MID-VALLEY DISPOSAL**
- **ROLL-OFF SERVICES**



ILLEGAL ROLL OFF PROVIDERS

- **No City of Reedley Business License**
 - Contact Information
 - Insured?
- **State Reporting Requirements**
 - What materials leave the City
 - How much material (in tons)
- **Encroachment Permit**
 - Where they can safely place the container
 - What material do they haul off and how much

SOLID WASTE ORDINANCE AMENDMENT

- **Add language that would allow the City to impound illegal containers.**
- **Provide a notice that the container must be removed within 3 days or it will be removed and stored at a City facility. Owner would then be responsible for all costs associated with the impound of the container and material disposal.**