#### **Gridley City Council – Regular Meeting Agenda**

Tuesday, September 6, 2022; 6:00 pm Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

"Our purpose is to continuously enhance our community's vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives."

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on September 6<sup>th</sup>, 2022, via email to <u>csantana@gridley.ca.us</u> or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

https://us06web.zoom.us/j/87864905304?pwd=VWNHUmtUR3BWbzg1Z2k0cElyUmNkdz09

Passcode: 113763

Webinar ID: 878 6490 5304

To make a public comment during the Community Participation Forum or during the public portion of any agenda item, use the 'raise hand' feature and you will be called on when it's your turn to speak.

**CALL TO ORDER** - Mayor Johnson

**ROLL CALL** 

**PLEDGE OF ALLEGIANCE – Councilmember Torres** 

**INVOCATION –** Pastor Jose Villalobos, The First Presbyterian Church

**PROCLAMATION** – Presentation to Retired City Electric Director, Daryl Dye

#### INTRODUCTION OF NEW OR PROMOTED EMPLOYEES

Officer Todd Farr, Lieutenant Position

**COMMUNITY PARTICIPATION FORUM** - Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.

#### **CONSENT AGENDA**

- 1. City Council Minutes Dated August 15<sup>th</sup>, 2022
- Acceptance of City Expenditure Reports for July and August 2022

#### ITEMS FOR CONSIDERATION

3. Ordinance 839-2022: Second Reading and Adoption by Title Only: An Ordinance of The City of Gridley, California, Amending Title 8 of the Gridley Municipal Code adding Chapter 8.25 Regulating the Use of Tobacco, Nicotine, and Other Products in Outdoor Areas

#### 4. Edler Estates:

- Resolution No. 2022-R-031: A Resolution of the Gridley City Council to Amend the General Plan Land Use Designation of Approximately 8.49-acres from Residential, Very Low Density to Residential, Medium Density and to Adopt a Mitigated Negative Declaration Pursuant to a CEQA Finding there is less than Significant Environmental Impact. (APN 010-270-076)
- Resolution No. 2022-R-032: A Resolution of the Gridley City Council Approving
  Tentative Subdivision Map 1-22 to Subdivide an Existing 8.49-acres into Forty-Six
  (46) Parcels Located on the West Side of Randolph Avenue at the Terminus of Laurel
  Street. (APN 010-270-076)
- First Reading of Ordinance 840-2022: An Ordinance to Rezone Approximately 8.49 Acres from Avenue Residential Suburban (R-S) to Single to Low Density Residential (R-1) for a Proposed Density of 5.41 du/ac Located on the West Side of Randolph Avenue at the Terminus of Laurel Street. (APN 010-270-076)

#### 5. Gridley Industrial Park Complex Subdivision Map 2-22

- Resolution No. 2022-R-033: A Resolution of the Gridley City Council to Amend the General Plan Land Use Designation of Approximately 70-acres from Industrial to Industrial/Park/Open Space/Public and to Adopt a Mitigated Negative Declaration Pursuant to a CEQA Finding There is less than Significant Environmental Impact. (APN 021-240-027, -042)
- Resolution No. 2022-R-034: A Resolution of the Gridley City Council Approving Tentative Subdivision Map 2-22 to Subdivide an Existing 70-acres into Eight (8)
   Parcels Located in the Gridley Industrial Park Complex. (APN 021-240-027, -042)
- Resolution No. 2022-R-035: A Resolution of the Gridley City Council Authorizing the City Administrator to Execute Agreements and Contracts on Behalf of the City Council of the City of Gridley Related to the Appraisal and Marketing Future Parcels Available in the Gridley Industrial Park Complex (APN 021-240-027, -042)
- First Reading of Ordinance 841-2022: An Ordinance to Rezone Approximately 70-Acres from Heavy Industrial (M-2) to Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP) Located in the Gridley Industrial Park Complex. (APN 021-240-027, -042)

- 6. City of Gridley Fuel Card Policy
- 7. Reinvestment of City Funds
- 8. Presentation, Review and Acceptance of Financial Audit for FY 19-20

**CITY STAFF AND COUNCIL COMMITTEE REPORTS** - Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.

**CITY ADMINISTRATOR REPORTS** - Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - (Appearing on the Agenda within 30-90 days):

Treasurer's Report FYE 21-22	10/17/2022
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#### **CLOSED SESSION - None**

**ADJOURNMENT** – adjourning to a Regular meeting on September 19<sup>th</sup>, 2022.

**NOTE 1**: **POSTING OF AGENDA**- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., September 2<sup>nd</sup>, 2022. This agenda along with all attachments is available for public viewing online at <a href="www.gridley.ca.us">www.gridley.ca.us</a> and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

**NOTE 2: REGARDING UNSCHEDULED MATTERS** – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

### **Gridley City Council – Regular Meeting Minutes**

Monday, August 15, 2022; 6:00 pm Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

"Our purpose is to continuously enhance our community's vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are quided by a clear vision, values, and meaningful objectives."

#### **CALL TO ORDER**

Mayor Johnson called the meeting to order at 6:00 pm

#### **ROLL CALL**

Councilmembers

Present: Johnson, Farr, Calderon, Sanchez

Absent: Torres
Arriving after roll call: None

Staff Present: Cliff Wagner, City Administrator

Tony Galyean, City Attorney Rodney Harr, Chief of Police Elisa Arteaga, Finance Director Ross Pippitt, Public Works Director Danny Howard, Utility Director

#### PLEDGE OF ALLEGIANCE

Vice Mayor Farr led the Pledge of Allegiance.

**INVOCATION - None** 

**PROCLAMATION - None** 

#### INTRODUCTION OF NEW OR PROMOTED EMPLOYEES

- Tyler Cooley, Police Animal Control Officer
- Armando Lopez, Police Officer
- Garrett Mauldin, Police Cadet
- Clint Massey, Police Officer
- Dawn Murray, Police Dispatcher
- Brittney Kimball, Police Dispatcher
- Ady Alcantar, Finance Temporary Administrative Services Clerk
- Christi Vieira, Finance Temporary Administrative Services Clerk

Police Chief Harr introduced the new Gridley Police Department employees. The finance employees were unable to attend.

#### COMMUNITY PARTICIPATION FORUM

Pat Coghlan of Gridley requested item #3 be removed from the consent agenda and placed on items for consideration.

Lisa Strange of the California Department of Insurance briefly spoke to give an overview of the "Safer from Wildfire" services that can be found at insurance.ca.gov.

#### **CONSENT AGENDA**

- 1. City Council Minutes Dated August 1st, 2022
- 2. Resolution 2022-R-029: A Resolution of the Gridley City Council Accepting the General Plan Annual Report

After requesting for item #3 to be removed from the consent agenda, Councilmember Sanchez made the motion to approve the revised consent agenda, seconded by Vice Mayor Farr.

#### **ROLL CALL VOTE**

Ayes: Johnson, Farr, Calderon, Sanchez Motion passed, 4-0

#### ITEMS FOR CONSIDERATION

3. Treasury Report FY 19/20, 20/21

Finance Director, Elisa Arteaga, explained the Treasury Reports would be a quarterly report that will give full transparency to public and Council.

Motion to approve these reports with the request to add descriptions of fund accounts in the future was made by Councilmember Calderon, seconded by Councilmember Sanchez.

#### **ROLL CALL VOTE**

Ayes: Johnson, Farr, Calderon, Sanchez Motion passed, 4-0

4. Review Draft Letter of Support for Orchard Hospital's BHCIP Grant Application for the Construction of a New Behavioral Health Facility for Serving Children and Youth

Julie Bunn, of Orchard Hospital, addressed the Council and explained the need for this facility and gave details on the services that would be provided if the grant is approved. Councilmember Calderon also expressed how the City will greatly benefit from this new addition.

Mayor Johnson stated he would like to see Councilmember Calderon become a board member for the new facility.

Motion to approve the letter of support as submitted was made by Councilmember Calderon, seconded by Councilmember Sanchez.

**ROLL CALL VOTE** 

Ayes: Johnson, Farr, Calderon, Sanchez Motion passed, 4-0

5. Waste Management, with Partners CA Mattress Recycling Council, Information Report Regarding the Contamination and Overfilled Container Program

Joe Cadelago, of Waste Management, had a presentation to inform Council that the number of contaminated or overfilled container notifications needing to be delivered to City residents have decreased since the start of the program in April 2022.

Michael LaRussa, of the California Mattress Recycling Council, presented his PowerPoint which explained the California Mattress Recycling Program.

6. Ordinance 839-2022 First Reading by Title Only: An Ordinance of The City of Gridley, California, Amending Title 8 of the Gridley Municipal Code adding Chapter 8.25 Regulating the Use of Tobacco, Nicotine, and Other Products in Outdoor Areas

First reading of ORD 839-2022 was by title only, no vote was taken at this time. Adoption of this ordinance is anticipated to take place at the September 6<sup>th</sup>, 2022, Council meeting.

7. Resolution No. 2022-R-030: A Resolution of the City Council of the City of Gridley Accepting a Report of Weed Abatement Costs and Assessing Liens on Affected Parcels for Said Costs

Administrator Wagner presented the resolution that explained the City's process for weed abatement as outlined in Section 8.08 of the Gridley Municipal Code. Four itemized reports were presented to the Council for review, one of which was noted as paid in full.

Motion to approve Resolution No. 2022-R-030 was made by Vice Mayor Farr, seconded by Councilmember Calderon.

**ROLL CALL VOTE** 

Ayes: Johnson, Farr, Calderon, Sanchez Motion passed, 4-0

8. Senior Taxi and Transportation Fund Audits on Behalf of BCAG

Financial Director, Elisa Arteaga, addressed Council requesting they accept the financial audits on behalf of the Butte County Association of Governments.

Motion to accept was made by Councilmember Calderon, seconded by Vice Mayor Farr.

**ROLL CALL VOTE** 

Ayes: Johnson, Farr, Calderon, Sanchez Motion passed, 4-0

9. Acceptance of City Expenditure Reports for FY 19/20, FY 20/21 and 21/22

Arteaga communicated that the City Expenditures will be a new report that she will make available on a monthly basis to inform Council of the most recent expenses.

Motion to accept the reports made by Vice Mayor Farr, seconded by Councilmember Sanchez.

#### **ROLL CALL VOTE**

Ayes: Johnson, Farr, Calderon, Sanchez Motion passed, 4-0

#### CITY STAFF AND COUNCIL COMMITTEE REPORTS

Mayor Johnson briefly spoke about his attendance at the Mosquito and Vector Control meeting.

Councilmember Calderon reported on his attendance at the Ampla Health Fair.

#### CITY ADMINISTRATOR REPORTS

Administrator Wagner informed Council that the candidate filing period had closed August 12<sup>th</sup> at 5pm at which time only two candidates had completed filing for the two vacancies, therefore; the City will avoid the costs of the upcoming election.

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - (Appearing on the Agenda within 30-90 days):

Edler Estates			9/6/2022
Treasurer's Repor	t FYE 21-22		10/17/2022

#### **CLOSED SESSION - None**

#### **ADJOURNMENT**

With no further items to discuss, Council adjourned to the next regular meeting schedule for September 6<sup>th</sup>, 2022.

Cliff Wagner, City Administrator

# **City of Gridley**

# **Expenditure Reports**

July 2022 August 2022



## Gridley, CA

## Check Report By Check Number

Date Range: 07/01/2022 - 07/31/2022

CATIFOR		2.000000200	40000		2.000	
Vendor Number		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	eral Checking-General Checking		2.00		42.22	and the second
ACC09	ACCULARM SECURITY SYSTEMS	07/07/2022	Regular	0.00		972728
ACE02	ACE HARDWARE	07/07/2022	Regular	0.00	1,748.61	
	**Void**	07/07/2022	Regular	0.00		972730
	**Void**	07/07/2022	Regular	0.00		972731
AND12	ANDES POOL SUPPLY	07/07/2022	Regular	0.00		972732
COT05	ANGIE COTE	07/07/2022	Regular	0.00		972733
ARA01	ARAMARK UNIFORM SERVICES	07/07/2022	Regular	0.00		972734
ATT0001	AT&T	07/07/2022	Regular	0.00	69.55	972735
ATT08	AT&T	07/07/2022	Regular	0.00		972736
AUT03	AUTO ZONE INC.	07/07/2022	Regular	0.00		972737
BIO01	BIOLYNCEUS BIOLOGICAL SOLUTIONS LLC	07/07/2022	Regular	0.00	1,939.46	972738
BUT01	BUTTE AUTO PARTS	07/07/2022	Regular	0.00	643.17	972739
BUT18	BUTTE CO PUBLIC HEALTH	07/07/2022	Regular	0.00	302.00	972740
CAS11	CASEY'S AUTO REPAIR	07/07/2022	Regular	0.00	181.86	972741
CIT17	CITY OF OROVILLE	07/07/2022	Regular	0.00	60.35	972742
COM17	COMCAST	07/07/2022	Regular	0.00	521.27	972743
COR01	CORBIN WILLITS SYSTEM, IN	07/07/2022	Regular	0.00	2,433.89	972744
BIRO2	DANNY BIRKHOLTZ	07/07/2022	Regular	0.00	90.04	972745
DEC02	DECKER ENGINEERING SERVICES, LLC	07/07/2022	Regular	0.00	7,020.00	972746
EFF01	EFFICIENCY SERVICES GROUP, LLC	07/07/2022	Regular	0.00	3,580.00	972747
EID02	EIDE BAILLY LLP	07/07/2022	Regular	0.00	43,973.50	972748
EVE01	<b>EVERGREEN JOB &amp; SAFETY TRAINING, INC</b>	07/07/2022	Regular	0.00	1,775.00	972749
FGL01	FGL ENVIRONMENTAL, INC.	07/07/2022	Regular	0.00	567.00	972750
GRI02	GRIDLEY HONDA	07/07/2022	Regular	0.00	18.69	972751
NELO1	J C NELSON SUPPLY CO	07/07/2022	Regular	0.00	241.30	972752
JAC02	JACO ANALYTICAL LAB INC	07/07/2022	Regular	0.00	249.55	972753
KIM03	KIMBALL MIDWEST	07/07/2022	Regular	0.00	274.30	972754
BAL01	KNIFE RIVER CONSTRUCTION	07/07/2022	Regular	0.00	251.73	972755
LAK01	LAKEVIEW PETROLEUM CO	07/07/2022	Regular	0.00	5,521.70	972756
LIG03	LIGHTBEAM POWER COMPANY G	07/07/2022	Regular	0.00	7,291.94	972757
MAC01	MAC'S HARDWARE & RENTAL	07/07/2022	Regular	0.00	2,230.35	
MALLO	MALLORY CO	07/07/2022	Regular	0.00		972759
MAX01	MAX WALTERS	07/07/2022	Regular	0.00	1,250.00	
MES02	MESSENGER PUBLISHING GROU	07/07/2022	Regular	0.00	5,920.00	
MIT02	MICHAEL MITCHELL	07/07/2022	Regular	0.00		972762
MIS06	MISSION COMMUNICATIONS, LLC	07/07/2022	Regular	0.00	1,750.20	
CAL76	NATHANIEL CALLAWAY	07/07/2022	Regular	0.00		972764
NOR06	NORMAC INC	07/07/2022	Regular	0.00		972765
NOR02	NORTHERN CALIF POWER AGCY	07/07/2022	Regular	0.00	526,101.00	
NOR09	NORTHERN CALIFORNIA GLOVE	07/07/2022	Regular	0.00		972767
OFF02	OFFICE DEPOT	07/07/2022	Regular	0.00	1,002.61	
PGE01	P G & E CO	07/07/2022	Regular	0.00		
PAPO1	PAPE MACHINERY, INC.	07/07/2022	Regular	0.00		972769
PRE03			5.1.7 D.1			972770
TRIO5	PREMIER ACCESS INSURANCE	07/07/2022	Regular	0.00	6,135.93	
	PREMIER PRINT & MAIL	07/07/2022	Regular	0.00		972772
RBS01	R.B. SPENCER, INC.	07/07/2022	Regular	0.00		972773
REY01	R.E.Y. ENGINEERS, INC.	07/07/2022	Regular	0.00	1,027.92	
RICO1	Rich, Fuidge, Bordsen & Gaylean, Inc.	07/07/2022	Regular	0.00	6,276.00	
CAR15	RYAN CARLSON	07/07/2022	Regular	0.00		972776
STO12	SAMMANTHA STOPPLEMORE	07/07/2022	Regular	0.00		972777
SYL02	SILVIA ELENA CORDERO	07/07/2022	Regular	0.00	2,620.00	
SOR01	SORENSON PEST CONTROL, IN	07/07/2022	Regular	0.00		972779
STA01	STANDARD INSURANCE CO	07/07/2022	Regular	0.00	5,850.92	
STB01	STB ELECTRICAL TEST	07/07/2022	Regular	0.00	341.43	972781

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Chec	k Re	port
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#### Date Range: 07/01/2022 - 07/31/2022

Vendor Number	Vendor Name	Payment Date	Doumant Tuno	Discount Amount	Decement Amount	Number	-,-
TODD	TODD FARR	Payment Date 07/07/2022	Payment Type Regular	Discount Amount 0.00	Payment Amount	972782	
TRIO1	TRI-CITY POWERED EQUIP	07/07/2022	Regular	0.00		972783	
TRI0001	TRIPLEPOINT ENVIRONMENTAL LLC	07/07/2022	Regular	0.00	2,500.00		
TYL01	TYLER TECHNOLOGIES, INC	07/07/2022	Regular	0.00	54,459.08		
IMP01	U.S. BANK CORPORATE PAYMENT SYSTEMS	07/07/2022	Regular	0.00	10,571.98		
11111 02	**Void**	07/07/2022	Regular	0.00		972787	
	**Void**	07/07/2022	Regular	0.00		972788	
UNI20	UNITED STATES TREASURY	07/07/2022	Regular	0.00		972789	
USB05	US BANK	07/07/2022	Regular	0.00		972790	
USB05	US BANK	07/07/2022	Regular	0.00		972791	
USB05	US BANK	07/07/2022	Regular	0.00		972792	
USB05	US BANK	07/07/2022	Regular	0.00		972793	
USB05	US BANK	07/07/2022	Regular	0.00		972794	
USB05	US BANK	07/07/2022	Regular	0.00		972795	
USB05	US BANK	07/07/2022	Regular	0.00		972796	
USB05	US BANK	07/07/2022	Regular	0.00		972797	
VIS04	VISION SERVICE PLAN - (CA	07/07/2022	Regular	0.00		972798	
WOE0001	W.O.E., INC.	07/07/2022	Regular	0.00	1,748.00		
COL0001	COLANTUONO, HIGHSMITH & WHATLEY, PC	07/12/2022	Regular	0.00	8,530.75		
99501	99 SMOG AND TUNE UP	07/22/2022	Regular	0.00		972803	
ACE02	ACE HARDWARE	07/22/2022	Regular	0.00		972804	
	**Void**	07/22/2022	Regular	0.00		972805	
ACI01	ACI ENTERPRISES, INC.	07/22/2022	Regular	0.00	2,429.28		
ALL02	ALL STAR FIRE EQUIPMENT	07/22/2022	Regular	0.00	8,917.01		
ALL15	ALLIANT INSURANCE SERVICE	07/22/2022	Regular	0.00	18,495.00		
APP01	APPEAL-DEMOCRAT	07/22/2022	Regular	0.00		972809	
ARA01	ARAMARK UNIFORM SERVICES	07/22/2022	Regular	0.00		972810	
ATT08	AT&T	07/22/2022	Regular	0.00		972811	
ATT14	AT&T	07/22/2022	Regular	0.00	1,165.34		
AUT03	AUTO ZONE INC.	07/22/2022	Regular	0.00		972813	
BUT01	BUTTE AUTO PARTS	07/22/2022	Regular	0.00		972814	
BUT16	BUTTE COUNTY AQMD	07/22/2022	Regular	0.00		972815	
CIT17	CITY OF OROVILLE	07/22/2022	Regular	0.00	17,592.75		
COL0001	COLANTUONO, HIGHSMITH & WHATLEY, PC	07/22/2022	Regular	0.00	13,898.00		
COM17	COMCAST	07/22/2022	Regular	0.00	337.56	972818	
CRA01	CRANMER ENGINEERING	07/22/2022	Regular	0.00	995.00	972819	
DAT01	DATCO	07/22/2022	Regular	0.00	409.50	972820	
DEC02	DECKER ENGINEERING SERVICES, LLC	07/22/2022	Regular	0.00	16,029.00	972821	
	**Void**	07/22/2022	Regular	0.00	0.00	972822	
DEC01	DECO ROCK YARD	07/22/2022	Regular	0.00	187.50	972823	
DEP13	DEPARTMENT OF JUSTICE	07/22/2022	Regular	0.00	98.00	972824	
EID02	EIDE BAILLY LLP	07/22/2022	Regular	0.00	36,101.80	972825	
FGL01	FGL ENVIRONMENTAL, INC.	07/22/2022	Regular	0.00	690.00	972826	
GRA02	GRAINGER INC	07/22/2022	Regular	0.00	1,225.11	972827	
GRI01	GRIDLEY COUNTRY FORD	07/22/2022	Regular	0.00	1,152.12	972828	
GRI02	GRIDLEY HONDA	07/22/2022	Regular	0.00	1,607.68	972829	
ITRO1	ITRON, INC.	07/22/2022	Regular	0.00	1,121.86	972830	
NEL01	J C NELSON SUPPLY CO	07/22/2022	Regular	0.00	181.46	972831	
LEI02	KATRINA LEISHMAN	07/22/2022	Regular	0.00	360.54	972832	
LAK01	LAKEVIEW PETROLEUM CO	07/22/2022	Regular	0.00	12,180.66	972833	
MEL05	LEVI MELTON	07/22/2022	Regular	0.00	60.00	972834	
LIG03	LIGHTBEAM POWER COMPANY G	07/22/2022	Regular	0.00	7,026.46	972835	
MAC01	MAC'S HARDWARE & RENTAL	07/22/2022	Regular	0.00	860.30	972836	
MAN08	MANN, URRUTIA, NELSON, CP	07/22/2022	Regular	0.00	3,900.00	972837	
MES02	MESSENGER PUBLISHING GROU	07/22/2022	Regular	0.00	858.00	972838	
OFF02	OFFICE DEPOT	07/22/2022	Regular	0.00	225.10	972839	
ORE01	O'REILLY AUTOMOTIVE, INC.	07/22/2022	Regular	0.00	106.00	972840	
PGE01	PG&ECO	07/22/2022	Regular	0.00	225.64	972841	
PAP01	PAPE MACHINERY, INC.	07/22/2022	Regular	0.00	182.53	972842	
PITO2	PITNEY BOWES INC	07/22/2022	Regular	0.00	638.08	972843	
PRE03	PREMIER ACCESS INSURANCE	07/22/2022	Regular	0.00	6,151.92	072044	

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Check	Re	nort	

#### Date Range: 07/01/2022 - 07/31/2022

Check Report					ate Range: 07/01/20	022 - 07/31/202
Vendor Number	Vendor Name	Payment Date	Payment Type	<b>Discount Amount</b>	Payment Amount	Number
REY01	R.E.Y. ENGINEERS, INC.	07/22/2022	Regular	0.00	789.28	972845
RES07	RESERVE ACCOUNT	07/22/2022	Regular	0.00	8,000.00	972846
RIC01	Rich, Fuidge, Bordsen & Gaylean, Inc.	07/22/2022	Regular	0.00	5,540.00	972847
\ATI1	ROXANE ATKINSON	07/22/2022	Regular	0.00	431.75	972848
LEI03	RYLEE LEISHMAN	07/22/2022	Regular	0.00	120.00	972849
SHA02	SHADD'S JANITORIAL	07/22/2022	Regular	0.00	685.55	972850
SOR01	SORENSON PEST CONTROL, IN	07/22/2022	Regular	0.00	80.00	972851
ADV05	SUPERIOR CALIFORNIA OFFICE EQUIPMENT, INC.	07/22/2022	Regular	0.00	2,057.36	972852
	**Void**	07/22/2022	Regular	0.00		972853
AQU0001	THIRKETTLE CORPORATION	07/22/2022	Regular	0.00	2,312.61	
UND01	UNDERGROUND SERVICE ALERT	07/22/2022	Regular	0.00	627.16	972855
USA02	USA BLUEBOOK	07/22/2022	Regular	0.00	538.28	972856
COR0001	ZARAVYK CORREA ROJAS	07/22/2022	Regular	0.00	115.00	972857
CAL33	2002 CAL CHIEFS	07/22/2022	Regular	0.00	348.00	972858
99S01	99 SMOG AND TUNE UP	07/22/2022	Regular	0.00	232.00	972859
ACC08	ACCESS INFORMATION MGMT	07/22/2022	Regular	0.00		972860
ACC09	ACCULARM SECURITY SYSTEMS	07/22/2022	Regular	0.00		972861
ACE02	ACE HARDWARE	07/22/2022	Regular	0.00		972862
ANI01	ANIXTER	07/22/2022	Regular	0.00	1,179.79	
AXO01	AXON Enterprises, Inc.	07/22/2022	Regular	0.00	4,922.78	
BUT01	BUTTE AUTO PARTS	07/22/2022	Regular	0.00		972865
BIN01	BUTTE INTERAGENCY NARCOTI	07/22/2022	Regular	0.00	12,500.00	
CDW02	CDW LLC	07/22/2022	Regular	0.00	1,105.50	
COR11	CORDICO PSYCHOLOGICAL COR	07/22/2022	Regular	0.00	1,200.00	
R&D01	DOMENICO F BELLOCCI	07/22/2022	Regular	0.00	25,463.50	
DOW05	Down Range INVESTMENTS, LLC	07/22/2022	Regular	0.00	2,256.81	
DOW05	Down Range INVESTMENTS, LLC	07/22/2022	Regular	0.00	-2,256.81	
	**Void**	07/22/2022	Regular	0.00		972871
W227 - T	**Void**	07/22/2022	Regular	0.00		972872
KOE01	KOEFRAN INDUSTRIES	07/22/2022	Regular	0.00		972873
SCH01	LES SCHWAB TIRE CENTER	07/22/2022	Regular	0.00		972874
LPS01	LPS TACTICAL & PERSONAL	07/22/2022	Regular	0.00	5,141.95	
MEY03	MEYER'S POLICE K-9 TRAINING, LLC	07/22/2022	Regular	0.00	1,050.00	
POW0001	POWER ENGINEERS INCORPORATED	07/22/2022	Regular	0.00	5,000.00	
PREO7	PRE-EMPLOY.COM	07/22/2022	Regular	0.00		972878
SOR01	SORENSON PEST CONTROL, IN	07/22/2022	Regular	0.00		972879
STA18 WHE02	STATE OF CALIFORNIA	07/22/2022	Regular	0.00		972880
	WHEELER RANCH & FEED	07/22/2022	Regular	0.00		972881
DOW05	Down Range INVESTMENTS, LLC	07/25/2022	Regular	0.00	1,962.94	
	**Void** **Void**	07/25/2022	Regular	0.00		972883
DENIA		07/25/2022	Regular	0.00		972884
BEN11	BENNETT ENGINEERING SERVI	07/25/2022	Regular	0.00	76,943.41	
	**Void** **Void**	07/25/2022	Regular	0.00		972886
DENI11		07/25/2022	Regular	0.00		972887
BEN11	BENNETT ENGINEERING SERVI  **Void**	07/26/2022	Regular	0.00	59,518.66	
ЈОН06		07/26/2022	Regular	0.00		972889
CHA05	BRUCE JOHNSON	07/26/2022	Regular	0.00		972890
CAL80	CHAMBER OF COMMERCE	07/26/2022	Regular	0.00	10,000.00	
STA38	J ANGEL CALDERON	07/26/2022	Regular	0.00		972892
VERO2	STATE WATER RESOURCES CONTROL BOARD	07/26/2022	Regular	0.00	16,987.29	
CAL70	VERIZON WIRELESS	07/26/2022	Regular Reply Deaft	0.00		972894
CAL70	CALIFORNIA CHOICE BENEFIT CALIFORNIA CHOICE BENEFIT	07/20/2022 07/20/2022	Bank Draft	0.00		DFT0001111
CAL59		07/20/2022	Bank Draft	0.00		DFT0001126
CAL59	CALIFORNIA PUBLIC EMPLOYE CALIFORNIA PUBLIC EMPLOYE		Bank Draft	0.00		DFT0001162
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/01/2022 07/01/2022	Bank Draft	0.00		DFT0001163
CAL59	CALIFORNIA PUBLIC EMPLOYE		Bank Draft	0.00		DFT0001164
CAL59	CALIFORNIA PUBLIC EMPLOYE  CALIFORNIA PUBLIC EMPLOYE	07/01/2022 07/01/2022	Bank Draft Bank Draft	0.00		DFT0001165
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/01/2022	Bank Draft	0.00		DFT0001166
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/01/2022	Bank Draft	0.00		DFT0001167 DFT0001168
CAL59	CALIFORNIA PUBLIC EMPLOYE					
CALUS	CALIFORNIA FUBLIC ENIFLUTE	07/01/2022	Bank Draft	0.00	6,894.24	DFT0001169

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#### Check Report

#### Date Range: 07/01/2022 - 07/31/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/01/2022	Bank Draft	0.00	735.26	DFT0001170
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/01/2022	Bank Draft	0.00	737.74	DFT0001171
INT07	INTERNAL REVENUE SERVICE	07/01/2022	Bank Draft	0.00	5,008.36	DFT0001172
INTO7	INTERNAL REVENUE SERVICE	07/01/2022	Bank Draft	0.00	15,600.40	DFT0001173
INT07	INTERNAL REVENUE SERVICE	07/01/2022	Bank Draft	0.00	625.88	DFT0001174
EMP01	EMPLOYMENT DEVELOPMENT	07/01/2022	Bank Draft	0.00	5,792.12	DFT0001175
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	1,395.76	DFT0001179
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	2,090.45	DFT0001180
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	2,867.28	DFT0001181
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	4,518.42	DFT0001182
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	2,718.37	DFT0001183
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	3,113.84	DFT0001184
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	2,924.47	DFT0001185
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	7,290.74	DFT0001186
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	797.96	DFT0001187
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	800.67	DFT0001188
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	20.23	DFT0001193
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	50.44	DFT0001194
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-8.62	DFT0001199
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-13.57	DFT0001200
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-6.14	DFT0001204
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-7.04	DFT0001205
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-9.13	DFT0001210
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-10.46	DFT0001211
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-18.21	DFT0001216
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/15/2022	Bank Draft	0.00	-28.71	DFT0001217
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	1,047.14	DFT0001221
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	1,568.32	DFT0001222
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	2,767.20	DFT0001223
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	4,360.70	DFT0001224
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	2,612.33	DFT0001225
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	2,992.38	DFT0001226
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	2,885.50	DFT0001227
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	7,193.57	DFT0001228
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	858.61	DFT0001229
CAL59	CALIFORNIA PUBLIC EMPLOYE	07/29/2022	Bank Draft	0.00	861.52	DFT0001230

#### Bank Code General Checking Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	422	151	0.00	1,134,385.29
Manual Checks	0	0	0.00	0.00
Voided Checks	0	15	0.00	-2,256.81
Bank Drafts	46	46	0.00	157,758.57
EFT's	0	0	0.00	0.00
	468	212	0.00	1,289,887.05

#### **Check Report**

#### Date Range: 07/01/2022 - 07/31/2022

		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Payroll-P	ayroll					
AME29	American Fidelity Assuran	07/01/2022	Regular	0.00	100.00	14375
AME30	AMERICAN FIDELITY ASSURAN	07/01/2022	Regular	0.00	1,048.14	14376
BUT43	CHILD SUPPORT SRVCS.	07/01/2022	Regular	0.00	240.00	14377
CIT03	CITY OF GRIDLEY	07/01/2022	Regular	0.00	58.00	14378
GRI12	GRIDLEY POLICE	07/01/2022	Regular	0.00	1,061.00	14379
IBE01	I.B.E.W LOCAL #1245	07/01/2022	Regular	0.00	2,161.48	14380
ICM01	ICMA RETIREMENT TRUST-457	07/01/2022	Regular	0.00	6,090.64	14381
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	5,339.86	DFT0001189
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	20,314.97	DFT0001190
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	849.46	DFT0001191
EMP01	EMPLOYMENT DEVELOPMENT	07/15/2022	Bank Draft	0.00	7,921.44	DFT0001192
INTO7	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	6.52	DFT0001195
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	24.55	DFT0001196
EMP01	EMPLOYMENT DEVELOPMENT	07/15/2022	Bank Draft	0.00	13.50	DFT0001197
INTO7	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	1.78	DFT0001201
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	8.42	DFT0001202
EMP01	EMPLOYMENT DEVELOPMENT	07/15/2022	Bank Draft	0.00	6.17	DFT0001203
INTO7	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	1.32	DFT0001206
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	6.19	DFT0001207
EMP01	EMPLOYMENT DEVELOPMENT	07/15/2022	Bank Draft	0.00	3.41	DFT0001208
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	1.96	DFT0001212
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	18.42	DFT0001213
EMP01	EMPLOYMENT DEVELOPMENT	07/15/2022	Bank Draft	0.00	7.85	DFT0001214
INTO7	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	-7.54	DFT0001218
INT07	INTERNAL REVENUE SERVICE	07/15/2022	Bank Draft	0.00	-53.25	DFT0001219
EMP01	EMPLOYMENT DEVELOPMENT	07/15/2022	Bank Draft	0.00	-21.72	DFT0001220
INT07	INTERNAL REVENUE SERVICE	07/29/2022	Bank Draft	0.00	4,959.38	DFT0001231
INTO7	INTERNAL REVENUE SERVICE	07/29/2022	Bank Draft	0.00	17,663.15	DFT0001232
INT07	INTERNAL REVENUE SERVICE	07/29/2022	Bank Draft	0.00	924.10	DFT0001233
EMP01	EMPLOYMENT DEVELOPMENT	07/29/2022	Bank Draft	0.00	6,910.32	DFT0001234

#### **Bank Code Payroll Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	18	7	0.00	10,759.26
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	23	23	0.00	64,900.26
EFT's	0	0	0.00	0.00
	41	30	0.00	75,659.52

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## **All Bank Codes Check Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	440	158	0.00	1,145,144.55
Manual Checks	0	0	0.00	0.00
Voided Checks	0	15	0.00	-2,256.81
Bank Drafts	69	69	0.00	222,658.83
EFT's	0	0	0.00	0.00
	509	242	0.00	1,365,546.57

## **Fund Summary**

Fund	Name	Period	Amount
999	Cash Clearing	7/2022	1,365,546.57
			1.365 546 57



## **Payroll Bank Transaction Report**

By Payment Number Date: 7/1/2022 - 7/31/2022

Payroll Set: 01 - City of Gridley

Payment			Employee			
Number	Payment Da	te Payment Type	Number	Check Amount	<b>Total Payment</b>	Direct DepositAmount
3012	07/01/2022	Regular	MOL01	0	2028.95	2028.99
3013	07/01/2022	Regular	WAG01	0	4553.17	4553.17
3014	07/01/2022	Regular	COO04	0	1337.28	1337.28
3015	07/01/2022	Regular	STO03	0	1886.27	1886.27
3016	07/01/2022	Regular	BIRO1	0	4140.95	4140.95
3017	07/01/2022	Regular	CALO2	0	2768.15	2768.15
3018	07/01/2022	Regular	CARO3	0	4530.77	4530.77
3019	07/01/2022	Regular	CON02	0	4895.91	4895.93
3020	07/01/2022	Regular	HOW01	0	3768.53	3768.53
3021	07/01/2022	Regular	SMI04	0	4615.49	4615.49
3022	07/01/2022	Regular	ART01	0	3781.84	3781.84
3023	07/01/2022	Regular	CAM001	0	568.54	568.54
3024	07/01/2022	Regular	GAL01	0	1293.83	1293.83
3025	07/01/2022	Regular	PINO1	0	1929.52	1929.52
3026	07/01/2022	Regular	TAV01	0	2008.15	2008.15
3027	07/01/2022	Regular	BOW02	0	1776.68	1776.68
3028	07/01/2022	Regular	CAR04	0	1712.02	1712.02
3029	07/01/2022	Regular	COO03	0	3466.84	3466.84
3030	07/01/2022	Regular	ESP01	0	107.7	107.7
3031	07/01/2022	Regular	FAR01	0	2346.61	2346.63
3032	07/01/2022	Regular	HARO1	0	3519.4	3519.4
3033	07/01/2022	Regular	KIM001	0	598.19	598.19
3034	07/01/2022	Regular	LAR01	0	2705.26	2705.26
3035	07/01/2022	Regular	MAS01	0	1867.47	1867.47
3036	07/01/2022	Regular	MIT01	0	2124.3	2124.3
3037	07/01/2022	Regular	MUR01	0	1686.54	1686.54
3038	07/01/2022	Regular	OLS01	0	2182.37	2182.37
3039	07/01/2022	Regular	PASO1	0	1697.81	1697.81
3040	07/01/2022	Regular	QUI01	0	2768.01	2768.01
3041	07/01/2022	Regular	REU01	0	2713.6	2713.6
3042	07/01/2022	Regular	WRO01	0	1271.22	1271.22
3043	07/01/2022	Regular	LEIO1	0	828.18	828.18
3044	07/01/2022	Regular	SCH04	0	543.91	543.91
3045	07/01/2022	Regular	BRO01	0	1683.26	1683.26
3046	07/01/2022	Regular	BLA01	0	1741.67	1741.67
3047	07/01/2022	Regular	CHA02	0	720.29	720.29
3048	07/01/2022	Regular	CLA02	0	1917.8	1917.8
3049	07/01/2022	Regular	COX01	0	3023.18	3023.18
3050	07/01/2022	Regular	JIM01	0	1647.74	1647.74
3051	07/01/2022	Regular	MEL02	0	3098.9	3098.9
3052	07/01/2022	Regular	ORO01	0	1167.16	1167.16
3053	07/01/2022	Regular	PIPO1	0	3828.71	3828.71
3054	07/01/2022	Regular	RAM04	0	1382.49	1382.49
3055	07/01/2022	Regular	TAY01	0	2970.44	2970.44
3056	07/01/2022	Regular	WEB01	0	1654.01	1654.01
3057	07/15/2022	Regular	MOL01	0	2105.16	2105.16
3058	07/15/2022	Regular	SAN05	0	1683.33	1683.33
3059	07/15/2022	Regular	WAG01	0	4392.48	4392.48
3060	07/15/2022	Regular	COO04	0	1696.91	1696.91
3061	07/15/2022	Regular	STO03	0	2005.34	2005.34
3062	07/15/2022	Regular	FAR03	0	184.7	184.7
3063	07/15/2022	Regular	JOH02	0	184.7	184.7
3064	07/15/2022	Regular	SAN04	0	184.7	184.7
3065	07/15/2022	Regular	TOR03	0	184.7	184.7
3066	07/15/2022	Regular	BIRO1	0	5848.54	5848.54
3067	07/15/2022	Regular	CAL02	0	3291.93	3291.93
8068	07/15/2022	Regular	CARO3	0	4899.31	4899.31
8069	07/15/2022	Regular	CON02	0	4119.18	4119.18
3070	07/15/2022	Regular	HOW01	0	3911.51	3911.51
5.00 (10 m)	,,	0		U	3311.31	3311.31

3072	07/15/2022	Regular	ARTO1	0	3907.75	3907.75
3073	07/15/2022	Regular	GAL01	0	1419.58	1419.58
3074	07/15/2022	Regular	CAM001	0	1196.61	1196.61
3075	07/15/2022	Regular	PINO1	0	2141.86	2141.86
8076	07/15/2022	Regular	TAV01	0	2079.58	2079.58
3077	07/15/2022	Regular	BOW02	0	1771.27	1771.27
078	07/15/2022	Regular	CAR04	0	1808.77	1808.77
3079	07/15/2022	Regular	COO03	0	3314.06	3314.06
8080	07/15/2022	Regular	ESP01	0	249.78	249.78
8081	07/15/2022	Regular	FAR01	0	2570.31	2570.31
3082	07/15/2022	Regular	HAR01	0	3638.78	3638.78
3083	07/15/2022	Regular	LAR01	0	2850.01	2850.01
8084	07/15/2022	Regular	MAS01	0	1631.89	1631.89
8085	07/15/2022	Regular	MAU01	0	827.62	827.62
3086	07/15/2022	Regular	MIT01	0	2239.5	2239.5
3087	07/15/2022	Regular	MUR01	0	1964.04	1964.04
8088	07/15/2022	Regular	OLS01	0	2434.21	2434.21
8089	07/15/2022	Regular	PASO1	0	1753.55	1753.55
090	07/15/2022	Regular	QUI01	0	2863.92	2863.92
1091	07/15/2022	Regular	REU01	0	2923.29	2923.29
092	07/15/2022	Regular	WRO01	0	1381.9	1381.9
093	07/15/2022	Regular	LEI01	0	752.04	752.04
094	07/15/2022	Regular	SCH04	0	499.44	499.44
095	07/15/2022	Regular	BAL01	0	358.1	358.1
8096	07/15/2022	Regular	BRO01	0	1814.15	1814.15
8097	07/15/2022	Regular	BLA01	0	1897.59	1897.59
8098	07/15/2022	Regular	CHA02	0	829.21	829.21
8099	07/15/2022	Regular	CLA02	0	3223.98	3223.98
100	07/15/2022	Regular	COX01	0	3282.31	3282.31
101	07/15/2022	Regular	JIM01	0	1790.06	1790.06
102	07/15/2022	Regular	MEL02	0	3877.54	3877.54
103	07/15/2022	Regular	ORO01	0	1096.22	1096.22
104	07/15/2022	Regular	PIPO1	0	4117.88	4117.88
105	07/15/2022	Regular	RAM04	0	1514.4	1514.4
106	07/15/2022	Regular	TAY01	0	1875.87	1875.87
3107	07/15/2022	Regular	WEB01	0	1808.08	1808.08
108	07/29/2022	Regular	MOL01	0	2176.55	2176.55
3109	07/29/2022	Regular	SAN05	0	1766.36	1766.36
110	07/29/2022	Regular	WAG01	0	4483.77	4483.77
111	07/29/2022	Regular	COO04	0	1683.3	1683.3
112	07/29/2022	Regular	STO03	0	2142.47	2142.47
3113	07/29/2022	Regular	BIR01	0	4687.91	4687.91
114	07/29/2022	Regular	CAL02	o	3446.87	3446.87
115	07/29/2022	Regular	CARO3	0	5167.74	5167.74
116	07/29/2022	Regular	CON02	o	5462.02	5462.02
117	07/29/2022	Regular	HOW01	0	4173.28	4173.28
118	07/29/2022	Regular	SMI04	o	4009.39	4009.39
119	07/29/2022	Regular	ALCO1	0	1203.59	1203.59
120	07/29/2022					
121	07/29/2022	Regular Regular	ART01 GAL01	0	3980.42	3980.42
122	07/29/2022	Regular	PINO1	0	1482.83	1482.83
123	07/29/2022	Regular	TAV01		2296.29	2296.29
123	07/29/2022			0	2146.05	2146.05
124		Regular	BOW02	0	2063.85	2063.85
	07/29/2022	Regular	CAR04	0	1892.49	1892.49
126	07/29/2022	Regular	CO003	0	3070.05	3070.05
127	07/29/2022	Regular	DEW01	0	332.06	332.06
128	07/29/2022	Regular	ESP01	0	149.34	149.34
129	07/29/2022	Regular	FAR01	0	2610.29	2610.29
130	07/29/2022	Regular	HARO1	0	3721.36	3721.36
131	07/29/2022	Regular	LAR01	0	3215.43	3215.43
132	07/29/2022	Regular	MAS01	0	1879.71	1879.71
133	07/29/2022	Regular	MAU01	0	1378.42	1378.42
134	07/29/2022	Regular	MIT01	0	2489.89	2489.89
3135	07/29/2022	Regular	MUR01	0	1884.93	1884.93
136	07/29/2022	Regular	OLS01	0	2692.88	2692.88
137	07/29/2022	Regular	PAS01	0	1815.23	1815.23
138	07/29/2022	Regular	PREO1	0	344.35	344.35
139	07/29/2022	Regular	QUI01	0	2973.22	2973.22
140	07/29/2022	Regular	REU01	0	3061.23	3061.23
210						

			Total:	70043.12	332110.48	402153.6
14400	07/29/2022	Regular	LIT01	2360.43	0	2360.43
14399	07/29/2022	Regular	BEN01	1757.92	0	1757.92
14398	07/29/2022	Regular	SAN06	598.67	0	598.67
14397	07/29/2022	Regular	REU01	2195.96	0	2195.96
14396	07/29/2022	Regular	OLS01	1922.86	0	1922.86
14395	07/29/2022	Regular	MIT01	1775.2	0	1775.2
14394	07/29/2022	Regular	COO03	3798.57	0	3798.57
14393	07/29/2022	Regular	CARO4	1078.08	0	1078.08
14392	07/15/2022	Regular	LIT01	2015.27	0	2015.27
14391	07/15/2022	Regular	BEN01	1757.92	0	1757.92
14399	07/15/2022	Regular	SAN06	403.39	0	403.39
14388	07/15/2022	Regular	OLSO1	106.79	0	106.79
14387	07/15/2022	Regular	LAR01	5836.24		291.57 5836.24
14386 14387	07/15/2022 07/15/2022	Regular Regular	FAR01 HIL03	5858.28 291.57	0 0	5858.28
14385	07/15/2022	Regular	BOW02	1917.4	0	1917.4
14384	07/15/2022	Regular	GAL01	1113.95	0	1113.95
14383	07/15/2022	Regular	CAL03	184.7	0	184.7
14382	07/15/2022	Regular	WAG01	4662.98	0	4662.98
14374	07/01/2022	Regular	LITO1	1763.2	0	1763.2
14373	07/01/2022	Regular	CLA02	244.14	0	244.14
14372	07/01/2022	Regular	BEN01	1626.8	0	1626.8
14371	07/01/2022	Regular	SAN06	408.64	0	408.64
14370	07/01/2022	Regular	WRO01	1171.86	0	1171.86
14369	07/01/2022	Regular	REU01	317.55	0	317.55
14368	07/01/2022	Regular	REU01	1746.78	0	1746.78
14367	07/01/2022	Regular	QUI01	1171.86	0	1171.86
14366	07/01/2022	Regular	PAS01	1126.71	0	1126.71
14365	07/01/2022	Regular	PASO1	998.02	0	998.02
14364	07/01/2022	Regular	OLS01	1166.4	0	1166.4
14363	07/01/2022	Regular	MUR01	1166.4	0	1166.4
14362	07/01/2022	Regular	MIT01	1166.4	0	1166.4
14361	07/01/2022	Regular	MAS01	1166.4	0	1166.4
14360	07/01/2022	Regular	LAR01	1268.57	0	1268.57
14359	07/01/2022	Regular	LAR01	317.55	0	317.55
14358	07/01/2022	Regular	KIM001	1279.48	0	1279.48
14357	07/01/2022	Regular	HILO3	932.24	0	932.24
14356	07/01/2022	Regular	HILO3	1234.12	0	1234.12
14355	07/01/2022	Regular	HAR01	1174.54	0	1174.54
14354	07/01/2022	Regular	FAR01	1016.4	0	1016.4
14353	07/01/2022	Regular	COO03	1264.5	0	1264.5
14352	07/01/2022	Regular	CAR04	1152.02	0	1152.02
14351	07/01/2022	Regular	BOW02	1281.15	0	1281.15
14350	07/01/2022	Regular	TAV01	292.15	0	292.15
14349	07/01/2022	Regular	STO03	1184.31	0	1184.31
14348	07/01/2022	Regular	COO04	1166.4	0	1166.4
14347	07/01/2022	Regular	SAN05	1602.35	0	1602.35
3157	07/29/2022	Regular	WEB01	0	1865.51	1865.51
3156	07/29/2022	Regular	TAY01	0	2856.36	2856.36
3155	07/29/2022	Regular	RAM04	0	1700.79	1700.79
3154	07/29/2022	Regular	PIPO1	0	3885.59	3885.59
3153	07/29/2022	Regular	ORO01	0	1211.5	1211.5
3152	07/29/2022	Regular	MELO2	0	3396.1	3396.1
3151	07/29/2022	Regular	JIM01	0	1955.17	1955.17
3150	07/29/2022	Regular	COX01	0	3310.99	3310.99
3149	07/29/2022	Regular	CLA02	0	2122.76	2122.76
3148	07/29/2022	Regular	CHA02	0	1168.27	1168.27
3147	07/29/2022	Regular	BLA01	0	2021.57	2021.57
3145 3146	07/29/2022 07/29/2022	Regular Regular	SCH04 BRO01	0	601.72 1868.05	601.72 1868.05
3144	07/29/2022	Regular	LEI01	0	1089.08	1089.08
3143	07/29/2022	Regular	WR001	0	1554.86	1554.86
3142	07/29/2022	Regular	WIL06	0	73.79	73.79
24.42	07/00/0000		1111100		22.22	



### Gridley, CA

## Check Report By Check Number

Date Range: 08/01/2022 - 08/31/2022

CALL STATE OF THE SECOND						
Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	hecking-General Checking					
TEA03	ALICIA TEAL	08/04/2022	Regular	0.00	165.00	972914
\LUE01	ANAGLORIA E. LUEVANO	08/04/2022	Regular	0.00		972915
LEI04	GRACIE MCKEE LEISHMAN	08/04/2022	Regular	0.00	277.50	972916
HEN05	JACOB HENDERSHOT	08/04/2022	Regular	0.00	180.00	972917
DAV0001	JESSICA LAURA DAVIS	08/04/2022	Regular	0.00	135.00	972918
TEA05	JOANNA TEAL	08/04/2022	Regular	0.00	157.50	972919
RIC0001	JORDYN M. RICKERTSEN	08/04/2022	Regular	0.00	187.50	972920
/BAR2	KAYLLEN BARNETTE	08/04/2022	Regular	0.00	112.50	972921
TEA04	LARRY TEAL	08/04/2022	Regular	0.00	504.00	972922
WES28	LAURA WEST	08/04/2022	Regular	0.00	90.00	972923
LEI03	RYLEE LEISHMAN	08/04/2022	Regular	0.00	90.00	972924
WIL18	SKYE RILEY WILKINS	08/04/2022	Regular	0.00	172.50	972925
ACC09	ACCULARM SECURITY SYSTEMS	08/05/2022	Regular	0.00	3,080.00	972926
ACE02	ACE HARDWARE	08/05/2022	Regular	0.00	597.21	972927
REU50	ADAM REUSSER	08/05/2022	Regular	0.00	150.00	972928
KIN08	AICHA KING	08/05/2022	Regular	0.00	60.00	972929
AND12	ANDES POOL SUPPLY	08/05/2022	Regular	0.00	80.83	972930
ANI01	ANIXTER	08/05/2022	Regular	0.00	4,151.71	972931
\WAL1	APRIL WALTON	08/05/2022	Regular	0.00	95.00	972932
ARA01	ARAMARK UNIFORM SERVICES	08/05/2022	Regular	0.00	15.78	972933
HES01	ASHLEY HESTER	08/05/2022	Regular	0.00	60.00	972934
ATT0001	AT&T	08/05/2022	Regular	0.00		972935
ATT08	AT&T	08/05/2022	Regular	0.00		972936
AUT03	AUTO ZONE INC.	08/05/2022	Regular	0.00		972937
BEN11	BENNETT ENGINEERING SERVI	08/05/2022	Regular	0.00	47,500.72	
	**Void**	08/05/2022	Regular	0.00		972939
BIG01	BIG VALLEY AG SERVICES	08/05/2022	Regular	0.00	2,738.10	
BUR04	BURTON'S FIRE, INC.	08/05/2022	Regular	0.00	22,748.80	
BUT01	BUTTE AUTO PARTS	08/05/2022	Regular	0.00		972942
BUT18	BUTTE CO PUBLIC HEALTH	08/05/2022	Regular	0.00	2,650.00	
BUT22	BUTTE COUNTY LAFCO	08/05/2022	Regular	0.00	29,095.65	
CAS11	CASEY'S AUTO REPAIR	08/05/2022	Regular	0.00	1,319.38	
CLA02	CLARK & SONS	08/05/2022	Regular	0.00		972946
COL0001	COLANTUONO, HIGHSMITH & WHATLEY, PC	08/05/2022	Regular	0.00	11,683.50	
COM17	COMCAST	08/05/2022	Regular	0.00		972948
COR01	CORBIN WILLITS SYSTEM, IN	08/05/2022	Regular	0.00	2,433.89	
DEC02	DECKER ENGINEERING SERVICES, LLC	08/05/2022	Regular	0.00	5,122.50	
DOW05	Down Range INVESTMENTS, LLC	08/05/2022	Regular	0.00	-293.87	
DOW05	Down Range INVESTMENTS, LLC	08/05/2022	Regular	0.00		972951
DUR01	DURHAM PENTZ TRUCK CENTER	08/05/2022	Regular	0.00	1,195.67	
EFF01	EFFICIENCY SERVICES GROUP, LLC	08/05/2022	Regular	0.00	3,580.00	
JAC07	ETHAN JACOBSEN				45,000,000	
FGL01		08/05/2022	Regular	0.00		972954
GEN06	FGL ENVIRONMENTAL, INC.	08/05/2022	Regular	0.00		972955
	GENERAL PACIFIC, INC.	08/05/2022	Regular	0.00	25,340.37	
MILO8	GRETCHEN MILLS	08/05/2022	Regular	0.00		972957
GRI01	GRIDLEY COUNTRY FORD	08/05/2022	Regular	0.00		972958
GRI02	GRIDLEY HONDA	08/05/2022	Regular	0.00		972959
SINO2	GURPREET SINGH	08/05/2022	Regular	0.00		972960
LEI05	HEATHER LEISHMAN	08/05/2022	Regular	0.00		972961
HOU03	HOUSING TOOLS LLC	08/05/2022	Regular	0.00	1,000.00	
LEI02	KATRINA LEISHMAN	08/05/2022	Regular	0.00		972963
LAK01	LAKEVIEW PETROLEUM CO	08/05/2022	Regular	0.00	3,615.06	
MAC01	MAC'S HARDWARE & RENTAL	08/05/2022	Regular	0.00		972965
ROM08	MARIA E. ROMO	08/05/2022	Regular	0.00	82.50	972966

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#### Date Range: 08/01/2022 - 08/31/2022

Vendor Number Vendor					Darres and Americal	
KEO02 MEGAN	KEOPPEL	Payment Date 08/05/2022	Payment Type Regular	Discount Amount 0.00	Payment Amount	972967
	GER PUBLISHING GROU	08/05/2022	Regular	0.00		972968
	POLICE K-9 TRAINING, LLC	08/05/2022	Regular	0.00		972969
	J. Clayton	08/05/2022	Regular	0.00		972970
	AN, MEITH, SOARES, SEXTON & COOPER LI		Regular	0.00		972971
	CORPORATION	08/05/2022	Regular	0.00	1,131.17	
	IIEL CALLAWAY	08/05/2022	Regular	0.00		972973
	INANCIAL SERVICES	08/05/2022	Regular	0.00	467,882.25	
	THOMAS	08/05/2022	Regular	0.00		972975
	RN CALIF POWER AGCY	08/05/2022	Regular	0.00	743,322.00	
	RN CALIFORNIA GLOVE	08/05/2022	Regular	0.00		972977
	RN CALIFORNIA GLOVE	08/05/2022	Regular	0.00		972977
	n California Joint Pole Assoc.	08/05/2022	Regular	0.00		972978
OFFICE D		08/05/2022	Regular	0.00		972979
	RCE DISTRIBUTORS	08/05/2022	Regular	0.00		972980
PGE01 PG&E0		08/05/2022	Regular	0.00	2,187.41	
	R PRINT & MAIL	08/05/2022	Regular	0.00		972982
	dge, Bordsen & Gaylean, Inc.	08/05/2022	Regular	0.00	6,236.50	
\SIL1 ROSA SIL		08/05/2022	Regular	0.00		972984
	LENA CORDERO	08/05/2022	Regular	0.00	2,780.00	
	RD INSURANCE CO	08/05/2022	Regular	0.00	3,594.10	
DUD01 STEVE DI		08/05/2022	Regular	0.00		972987
THY01 THYSSEN	IKRUPP ELEVATOR COR	08/05/2022	Regular	0.00	869.31	972988
EVE03 TIAA COI	MMERICAL FINANCE,	08/05/2022	Regular	0.00		972989
TYL01 TYLER TE	CHNOLOGIES, INC	08/05/2022	Regular	0.00	2,185.00	
IMP01 U.S. BAN	K CORPORATE PAYMENT SYSTEMS	08/05/2022	Regular	0.00	9,203.85	
**Void**		08/05/2022	Regular	0.00	100000000000000000000000000000000000000	972992
**Void**	•	08/05/2022	Regular	0.00		972993
**Void**	•	08/05/2022	Regular	0.00		972994
USB05 US BANK		08/05/2022	Regular	0.00	138.00	972995
USB05 US BANK		08/05/2022	Regular	0.00	150.83	972996
USB05 US BANK		08/05/2022	Regular	0.00	325.09	972997
USB05 US BANK		08/05/2022	Regular	0.00	65.11	972998
USB05 US BANK		08/05/2022	Regular	0.00	138.00	972999
USB05 US BANK		08/05/2022	Regular	0.00	60.33	973000
USB05 US BANK		08/05/2022	Regular	0.00	47.77	973001
USB05 US BANK		08/05/2022	Regular	0.00	86.62	973002
SCH12 VALORIE	SCHNEIDER	08/05/2022	Regular	0.00	28.07	973003
VER02 VERIZON	WIRELESS	08/05/2022	Regular	0.00	12.82	973004
VISO4 VISION S	ERVICE PLAN - (CA	08/05/2022	Regular	0.00	589.90	973005
VISO1 VISTA NE	T, INC.	08/05/2022	Regular	0.00	2,400.00	973006
WEI01 Weimer a	and Sons, Inc.	08/05/2022	Regular	0.00	76,396.64	973007
WIS03 WISHING	CORNER	08/05/2022	Regular	0.00	219.50	973008
BUT43 CHILD SU	IPPORT SRVCS.	08/17/2022	Regular	0.00	100.00	973019
ACC08 ACCESS II	NFORMATION MGMT	08/19/2022	Regular	0.00	139.51	973020
ACE02 ACE HAR	DWARE	08/19/2022	Regular	0.00	409.99	973021
TEA03 ALICIA TE	AL	08/19/2022	Regular	0.00	157.50	973022
ANIO1 ANIXTER		08/19/2022	Regular	0.00	2,020.59	973023
		08/19/2022	Regular	0.00	9,100.00	973024
		08/19/2022	Regular	0.00	16.99	973025
ATT14 AT&T		08/19/2022	Regular	0.00	1,169.91	973026
ATT08 AT&T		08/19/2022	Regular	0.00	251.81	973027
		08/19/2022	Regular	0.00		973028
KOP0001 BRANDY		08/19/2022	Regular	0.00		973029
		08/19/2022	Regular	0.00		973030
		08/19/2022	Regular	0.00		973031
		08/19/2022	Regular	0.00		973032
		08/19/2022	Regular	0.00	6,574.93	
**Void**		08/19/2022	Regular	0.00		973034
		08/19/2022	Regular	0.00		973035
CIT17 CITY OF C	DROVILLE	08/19/2022	Regular	0.00	7,037.10	973036

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#### Date Range: 08/01/2022 - 08/31/2022

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
COM17	COMCAST	08/19/2022	Regular	0.00		973037
COM20	COMPLETE ASPHALT SERVICE	08/19/2022	Regular	0.00	3,957.21	
CRA01	CRANMER ENGINEERING	08/19/2022	Regular	0.00		973039
R&D01	DOMENICO F BELLOCCI	08/19/2022	Regular	0.00	23,520.00	
DOW05	Down Range INVESTMENTS, LLC	08/19/2022	Regular	0.00		973041
EVE01	EVERGREEN JOB & SAFETY TRAINING, INC	08/19/2022	Regular	0.00	1,775.00	
FGL01	FGL ENVIRONMENTAL, INC.	08/19/2022	Regular	0.00		973043
LEI04	GRACIE MCKEE LEISHMAN	08/19/2022	Regular	0.00		973044
GRI06	GRIDLEY MUNICIPAL UTILITY	08/19/2022	Regular	0.00		973045
GRI18	GRIDLEY VETERINARY HOSP	08/19/2022	Regular	0.00		973046
HIT01	HI-TECH EMERGENCY VEHICLE	08/19/2022	Regular	0.00	125.28	973047
HOU03	HOUSING TOOLS LLC	08/19/2022	Regular	0.00		973048
NEL01	J C NELSON SUPPLY CO	08/19/2022	Regular	0.00	59.85	973049
HEN05	JACOB HENDERSHOT	08/19/2022	Regular	0.00	90.00	973050
COO10	JARED COOLEY	08/19/2022	Regular	0.00	381.00	973051
DAV0001	JESSICA LAURA DAVIS	08/19/2022	Regular	0.00	127.50	973052
TEA05	JOANNA TEAL	08/19/2022	Regular	0.00	37.50	973053
RIC0001	JORDYN M. RICKERTSEN	08/19/2022	Regular	0.00	135.00	973054
\KNI1	KATHERINE KNIGHT	08/19/2022	Regular	0.00	15.00	973055
/BAR2	KAYLLEN BARNETTE	08/19/2022	Regular	0.00	67.50	973056
LAK01	LAKEVIEW PETROLEUM CO	08/19/2022	Regular	0.00	14,208.00	973057
TEA04	LARRY TEAL	08/19/2022	Regular	0.00	224.00	973058
SCH01	LES SCHWAB TIRE CENTER	08/19/2022	Regular	0.00	197.61	973059
LIG03	LIGHTBEAM POWER COMPANY G	08/19/2022	Regular	0.00	6,843.19	973060
MAC01	MAC'S HARDWARE & RENTAL	08/19/2022	Regular	0.00	924.41	973061
ROM08	MARIA E. ROMO	08/19/2022	Regular	0.00	45.00	973062
MAX01	MAX WALTERS	08/19/2022	Regular	0.00	3,716.48	973063
MES02	MESSENGER PUBLISHING GROU	08/19/2022	Regular	0.00	142.00	973064
MVD01	MID VALLEY DIESEL REPAIR	08/19/2022	Regular	0.00	670.43	973065
MID07	MidAmerica Administrative	08/19/2022	Regular	0.00	240.00	973066
MIN07	MINASIAN, MEITH, SOARES, SEXTON & COOPER L	08/19/2022	Regular	0.00	1,063.03	973067
OFF02	OFFICE DEPOT	08/19/2022	Regular	0.00	821.14	973068
ORE01	O'REILLY AUTOMOTIVE, INC.	08/19/2022	Regular	0.00	17.93	973069
PGE01	PG&ECO	08/19/2022	Regular	0.00	233.46	973070
PAW02	Paws Clinic of Oroville	08/19/2022	Regular	0.00	635.00	973071
RBS01	R.B. SPENCER, INC.	08/19/2022	Regular	0.00	1,680.00	973072
WIL19	RAFAEL LITO WILKINS III	08/19/2022	Regular	0.00	24.00	973073
ROA02	ROAD SAFE TRAFFIC SYSTEMS INC	08/19/2022	Regular	0.00	61.08	973074
WIL18	SKYE RILEY WILKINS	08/19/2022	Regular	0.00	127.50	973075
FRA12	STACY FRAZER	08/19/2022	Regular	0.00	60.00	973076
STO04	STOHLMAN'S UNION SERVICE	08/19/2022	Regular	0.00	48.18	973077
SUN02	SUN RIDGE SYSTEMS, INC.	08/19/2022	Regular	0.00	7,319.00	973078
ADV05	SUPERIOR CALIFORNIA OFFICE EQUIPMENT, INC.	08/19/2022	Regular	0.00		973079
TRI0001	TRIPLEPOINT ENVIRONMENTAL LLC	08/19/2022	Regular	0.00	2,500.00	
TYL01	TYLER TECHNOLOGIES, INC	08/19/2022	Regular	0.00	1,375.00	
USB05	US BANK	08/19/2022	Regular	0.00		973082
USB05	US BANK	08/19/2022	Regular	0.00		973083
USB05	US BANK	08/19/2022	Regular	0.00		973084
SCH12	VALORIE SCHNEIDER	08/19/2022	Regular	0.00		973085
VER02	VERIZON WIRELESS	08/19/2022	Regular	0.00	1,165.97	
	**Void**	08/19/2022	Regular	0.00		973087
WEI01	Weimer and Sons, Inc.	08/19/2022	Regular	0.00	56,545.31	
ASI01	ADMINISTRATIVE SOLUTIONS	08/24/2022	Regular	0.00	1,300.00	
\LUE01	ANAGLORIA E. LUEVANO	08/24/2022	Regular	0.00		973099
ASC02	ASCAP	08/24/2022	Regular	0.00		973090
ATT14	AT&T	08/24/2022	Regular	0.00		973091
	**Void**	08/24/2022	Regular	0.00		973092
DEC02	DECKER ENGINEERING SERVICES, LLC	08/24/2022	Regular	0.00	4,650.00	
DMV02	DMV RENEWAL	08/24/2022	Regular	0.00		973094
GRI03	GRIDLEY HERALD	08/24/2022	Regular	0.00		973095
CAL76	NATHANIEL CALLAWAY	08/24/2022	Regular	0.00		
JAL V	BATHAMEL CALLAWAT	00/24/2022	neguiai	0.00	308.00	973097

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#### **Check Report**

#### Date Range: 08/01/2022 - 08/31/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
SOR01	SORENSON PEST CONTROL, IN	08/24/2022	Regular	0.00	1,214.40	973098
TRI0001	TRIPLEPOINT ENVIRONMENTAL LLC	08/24/2022	Regular	0.00	2,500.00	973099
IMP01	U.S. BANK CORPORATE PAYMENT SYSTEMS	08/24/2022	Regular	0.00	13,716.75	973100
	**Void**	08/24/2022	Regular	0.00	0.00	973101
	**Void**	08/24/2022	Regular	0.00	0.00	973102
	**Void**	08/24/2022	Regular	0.00	0.00	973103
BUT43	CHILD SUPPORT SRVCS.	08/26/2022	Regular	0.00	100.00	973105
BUT43	CHILD SUPPORT SRVCS.	08/30/2022	Regular	0.00	120.00	973106
CAL70	CALIFORNIA CHOICE BENEFIT	08/20/2022	Bank Draft	0.00	24,245.89	DFT0001161
CAL70	CALIFORNIA CHOICE BENEFIT	08/20/2022	Bank Draft	0.00	23,961.06	DFT0001178
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	1,395.76	DFT0001236
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	2,090.45	DFT0001237
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	2,796.38	DFT0001238
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	4,406.67	DFT0001239
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	2,627.04	DFT0001240
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	3,009.23	DFT0001241
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	2,844.45	DFT0001242
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	7,091.24	DFT0001243
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	1,156.64	DFT0001244
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/12/2022	Bank Draft	0.00	1,160.55	DFT0001245
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	1,007.49	DFT0001251
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	1,508.93	DFT0001252
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	2,805.76	DFT0001253
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	4,421.44	DFT0001254
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	2,651.87	DFT0001255
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	3,037.66	DFT0001256
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	2,548.46	DFT0001257
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	6,353.33	DFT0001258
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	1,169.90	DFT0001259
CAL59	CALIFORNIA PUBLIC EMPLOYE	08/26/2022	Bank Draft	0.00	1,173.86	DFT0001260

#### Bank Code General Checking Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	321	172	0.00	1,687,152.40
Manual Checks	0	0	0.00	0.00
Voided Checks	0	12	0.00	-410.77
Bank Drafts	22	22	0.00	103,464.06
EFT's	0	0	0.00	0.00
	343	206	0.00	1.790.205.69

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#### **Check Report**

Date Range: 08/01/2022 - 08/31/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Payroll-I	Payroll					
AME29	American Fidelity Assuran	08/01/2022	Regular	0.00	110.00	14401
AME30	AMERICAN FIDELITY ASSURAN	08/01/2022	Regular	0.00	1,042.29	14402
BUT43	CHILD SUPPORT SRVCS.	08/01/2022	Regular	0.00	240.00	14403
CIT03	CITY OF GRIDLEY	08/01/2022	Regular	0.00	58.00	14404
GRI12	GRIDLEY POLICE	08/01/2022	Regular	0.00	1,172.00	14405
IBE01	I.B.E.W LOCAL #1245	08/01/2022	Regular	0.00	3,379.35	14406
ICM01	ICMA RETIREMENT TRUST-457	08/01/2022	Regular	0.00	4,860.51	14407
AME29	American Fidelity Assuran	08/30/2022	Regular	0.00	100.00	14430
AME30	AMERICAN FIDELITY ASSURAN	08/30/2022	Regular	0.00	964.24	14431
BUT43	CHILD SUPPORT SRVCS.	08/30/2022	Regular	0.00	120.00	14432
CIT03	CITY OF GRIDLEY	08/30/2022	Regular	0.00	58.00	14433
GRI12	GRIDLEY POLICE	08/30/2022	Regular	0.00	1,114.00	14434
IBE01	I.B.E.W LOCAL #1245	08/30/2022	Regular	0.00	2,215.94	14435
ICM01	ICMA RETIREMENT TRUST-457	08/30/2022	Regular	0.00	5,364.81	14436
INT07	INTERNAL REVENUE SERVICE	08/12/2022	Bank Draft	0.00	6,040.70	DFT0001246
INT07	INTERNAL REVENUE SERVICE	08/12/2022	Bank Draft	0.00	26,366.24	DFT0001247
INT07	INTERNAL REVENUE SERVICE	08/12/2022	Bank Draft	0.00	1,102.40	DFT0001248
EMP01	EMPLOYMENT DEVELOPMENT	08/12/2022	Bank Draft	0.00	10,014.41	DFT0001249
INTO7	INTERNAL REVENUE SERVICE	08/26/2022	Bank Draft	0.00	5,272.16	DFT0001261
INT07	INTERNAL REVENUE SERVICE	08/26/2022	Bank Draft	0.00	14,557.25	DFT0001262
INTO7	INTERNAL REVENUE SERVICE	08/26/2022	Bank Draft	0.00	1,535.34	DFT0001263
EMP01	EMPLOYMENT DEVELOPMENT	08/26/2022	Bank Draft	0.00	6,412.55	DFT0001264

#### **Bank Code Payroll Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	36	14	0.00	20,799.14
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	71,301.05
EFT's	0	0	0.00	0.00
	44	22	0.00	92.100.19

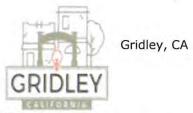
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## **All Bank Codes Check Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	357	186	0.00	1,707,951.54
Manual Checks	0	0	0.00	0.00
Voided Checks	0	12	0.00	-410.77
Bank Drafts	30	30	0.00	174,765.11
EFT's	0	0	0.00	0.00
	387	228	0.00	1,882,305.88

## **Fund Summary**

Fund	Name	Period	Amount
999	Cash Clearing	8/2022	1,882,305.88
			1.882.305.88



## **Payroll Bank Transaction Report**

By Payment Number

Date: 8/1/2022 - 8/31/2022 Payroll Set: 01 - City of Gridley

Payment Number	Payment Da	te Payment Type	Employee	Check Amount	Total Payment	Direct Deposit Amount
3158	08/12/2022		Number		Total Payment	Direct DepositAmount
3159		Regular	MOL01		2172.37	2172.3
3160	08/12/2022	Regular	SAN05		1683.33	1683.3
3161	08/12/2022	Regular	WAG01		4419.7	4419.
	08/12/2022	Regular	COO04		1572.12	1572.1
3162	08/12/2022	Regular	STO03		2005.34	2005.3
3163	08/12/2022	Regular	BIR01		7634.09	7634.0
3164	08/12/2022	Regular	CAL02	(		3057.5
3165	08/12/2022	Regular	CAR03		4034.11	4034.1
3166	08/12/2022	Regular	HOW01		3911.5	3911.
3167	08/12/2022	Regular	SMI04		5339.67	5339.6
3168	08/12/2022	Regular	ALC01		1203.59	1203.5
3169	08/12/2022	Regular	ART01		3907.75	3907.7
3170	08/12/2022	Regular	GAL01	(		1419.5
3171	08/12/2022	Regular	PIN01	(		2141.8
3172	08/12/2022	Regular	TAV01	(		2155.1
3173	08/12/2022	Regular	VIE01	(		938.
3174	08/12/2022	Regular	MUR01	(	1842.43	1842.4
3175	08/12/2022	Regular	BOW02	(	1771.27	1771.2
3176	08/12/2022	Regular	CAR04	(	1808.77	1808.7
3177	08/12/2022	Regular	COO03	(	3027.75	3027.7
3178	08/12/2022	Regular	ESP01		149.34	149.3
3179	08/12/2022	Regular	FAR01	(	2537.79	2537.7
3180	08/12/2022	Regular	HAR01	(	3638.78	3638.7
3181	08/12/2022	Regular	LAR01	(	3614.13	3614.1
3182	08/12/2022	Regular	MAS01	(	2030.86	2030.8
183	08/12/2022	Regular	MAU01	(	1490.6	1490.
184	08/12/2022	Regular	MIT01	(	2304.53	2304.5
185	08/12/2022	Regular	OLS01	(	2426.99	2426.9
186	08/12/2022	Regular	PASO1	0	1753.55	1753.5
3187	08/12/2022	Regular	REU01	0	3116.71	3116.7
188	08/12/2022	Regular	ROD03	C	147.58	147.5
189	08/12/2022	Regular	WIL06	C	196.77	196.7
3190	08/12/2022	Regular	WRO01	C	1587.44	1587.4
3191	08/12/2022	Regular	LEIO1	C		1127.14
3192	08/12/2022	Regular	SCH04	C		726.75
193	08/12/2022	Regular	BAL01	C		179.0
194	08/12/2022	Regular	BRO01	C		1814.14
195	08/12/2022	Regular	BLA01	C		1897.59
3196	08/12/2022	Regular	CHA02	C		1049.3
197	08/12/2022	Regular	CLA02	C		1866.02
198	08/12/2022	Regular	COX01	0		5715.55
199	08/12/2022	Regular	JIM01	o c		1977.74
200	08/12/2022	Regular	MEL02	0		2545.76
201	08/12/2022	Regular	ORO01	O		1302.7
202	08/12/2022	Regular	PIPO1	0		3954.63
203	08/12/2022	Regular	RAM04	0		1473.92
204	08/12/2022	Regular	TAY01	0		1875.87
205	08/12/2022	Regular	WEB01	O		1808.08
206	08/26/2022	Regular	MOL01	0		
207	08/26/2022	Regular	SAN05			2164.56
208	08/26/2022			0		1718.02
		Regular	WAG01	0		4419.7
209	08/26/2022	Regular	COO04	0		1426.55
210	08/26/2022	Regular	STO03	0		2005.34
211	08/26/2022	Regular	FAR03	0		184.7
212	08/26/2022	Regular	JOH02	0		184.7
213	08/26/2022	Regular	TOR03	0		184.7
214	08/26/2022	Regular	BIRO1	0		7229
215	08/26/2022	Regular	CAL02	0		4179.8
216	08/26/2022	Regular	CAR03	0		4117.34
217	08/26/2022	Regular	HOW01	0		5687.88
218	08/26/2022	Regular	SMI04	0	5433.08	5433.08

	- Automatical	7.5	Total:	65415.5	227683.35	293098.83
14429	08/26/2022	Regular	LIT01	1926.42	0	1926.42
14428	08/26/2022	Regular	BEN01	1757.91	0	1757.91
14427	08/26/2022	Regular	SAN06	519.1	0	519.1
14426	08/26/2022	Regular	OLS01	1922.86	0	1922.86
14425	08/26/2022	Regular	LOP01	1927.67	0	1927.67
14424	08/26/2022	Regular	CARO4	826.76	0	826.76
14423	08/26/2022	Regular	BIRO1	15113.31	0	15113.31
14421	08/26/2022	Regular	CAL03	1926.41 184.7	0	1926.41 184.7
14420 14421	08/12/2022 08/12/2022	Regular Regular	BEN01 LIT01	1757.92	0	1757.92
14419	08/12/2022	Regular	SAN06	569.66	0	569.66
14418	08/12/2022	Regular	WRO01	1019.17	0	1019.17
14417	08/12/2022	Regular	QUI01	2914.43	0	2914.43
14416	08/12/2022	Regular	QUI01	12401.42	0	12401.42
14415	08/12/2022	Regular	OLS01	1922.86	0	1922.86
14414	08/12/2022	Regular	MIT01	1775.2	0	1775.2
14413	08/12/2022	Regular	LOP01	1281.15	0	1281.15
14412	08/12/2022	Regular	LOP01	1808.03	0	1808.03
14411	08/12/2022	Regular	FAR01	1871.08	0	1871.08
14410	08/12/2022	Regular	CARO4	826.76	0	826.76
14409	08/12/2022	Regular	CON02	7043.49	0	7043.49
14408	08/12/2022	Regular	CON02	4119.17	0	4119.17
3255	08/26/2022	Regular	WEB01	0	1808.08	1808.08
3254	08/26/2022	Regular	VIL-001	0	1432.94	1432.94
3253	08/26/2022	Regular	TAY01	0	1875.88	1875.88
3252	08/26/2022	Regular	RAM04	0	1473.92	1473.92
3251	08/26/2022	Regular	PIPO1	0	3954.61	3954.61
3250	08/26/2022	Regular	ORO01	0	1257.21	1257.21
3249	08/26/2022	Regular	MEL02	0	3960.53	3960.53
3248	08/26/2022	Regular	JIM01	0	1915.18	1915.18
3247	08/26/2022	Regular	COX01	0	3282.31	3282.31
3246	08/26/2022	Regular	CLA02	0	2744.65	2744.65
3245	08/26/2022	Regular	CHA02	0	1142.98	1142.98
3244	08/26/2022	Regular	CAL04	0	1296.9	1296.9
3243	08/26/2022	Regular	BLA01	0	1897.59	1897.59
3242	08/26/2022	Regular	BRO01	0	1814.15	1814.15
3241	08/26/2022	Regular	BAL01	0	885.88	885.88
3240	08/26/2022	Regular	SCH04	0	639.23	639.23
3239	08/26/2022	Regular	LEIO1	0	694.42	694.42
3238	08/26/2022	Regular	WRO01	0	1473.35	1473.35
3237	08/26/2022	Regular	REU01	0	4545.9	4545.9
3236	08/26/2022	Regular	PAS01	0	1753.55	1753.55
3235	08/26/2022	Regular	OLSO1	. 0	2434.21	2434.21
3234	08/26/2022	Regular	MIT01	0	2311.76	2311.76
3233	08/26/2022	Regular	MAU01	0	1490.6	2327.92 1490.6
3232	08/26/2022	Regular	MAS01	0	3064.32 2327.92	3064.32
3231	08/26/2022	Regular	LARO1	0	3638.78	3638.78
3230	08/26/2022	Regular	HARO1	0	2637.79	2637.79
3228	08/26/2022 08/26/2022	Regular Regular	COO03 FAR01	0	3199.54	3199.54
3227 3228	08/26/2022	Regular	CAR04	0	1808.77	1808.77
3226	08/26/2022	Regular	BOW02	0	1771.27	1771.27
3225	08/26/2022	Regular	MUR01	0	1842.43	1842.43
3224	08/26/2022	Regular	VIE01	0	1297.88	1297.88
3223	08/26/2022	Regular	TAV01	0	2079.58	2079.58
3222	08/26/2022	Regular	PINO1	0	2141.85	2141.85
3221	08/26/2022	Regular	GAL01	0	1419.58	1419.58
3220	08/26/2022	Regular	ART01	0	3907.75	3907.75
3219	08/26/2022	Regular	ALC01	0	1169.06	1169.06
		Control of the contro				



#### Wires

To continue, select Run.

Payments older than 35 days will have limited details available.

Showing Custom days; summary; All statuses; All types; All Accounts



Value ↑ Date	From	То	Amount	CCY	Confirmation	Status	Туре
07/01/2022	Debit Acct No ,887	Northern California Power Agency	278,600.00	USD	FED#0701I1B7032R015759	Successful	Wire
07/01/2022	Debit Acct No .887	Northern California Power Agency	278,521.00	USD	FED#0701I1B7032R015760	Successful	Wire
08/01/2022	Debit Acct No 887	Northern California Power Agency	91,258.00	USD	FED#0801I1B7031R001931	Successful	Wire
08/01/2022	Debit Acct No 887	U.S. BANK N.A.	48,500.00	USD	FED#0801I1B7031R025182	Successful	Wire
08/01/2022	Debit Acct No 887	U.S.BANK N.A.	173,966.65	USD	FED#0801I1B7033R025534	Successful	Wire

## City Council Agenda Item #3

Staff Report

Date: September 6, 2022

**To:** Mayor and City Council

**From:** Cliff Wagner, Administrator

Χ	Regular
	Special
	Closed
	Emergency

## Code.

Recommendation

Subject:

Staff respectfully requests the City Council:

 Consider Second Reading and Adoption of Ordinance 839-2022 by reading of title only, establishing tobacco free parks and regulating the use of tobacco, nicotine, and other products in outdoor areas

Second reading and adoption by title only of Ordinance 839-2022: Amendment to Title 8 of the Gridley Municipal Code adding Chapter 8.25 regulating the use of tobacco, nicotine, and other products in outdoor areas, and amending the Gridley Municipal

#### **Background**

The smoke-free outdoor parks ordinance was proposed at the May 16, 2022, City Council meeting by Council Member Catalina Sanchez in association with the Si Se Puede Organization, and the Pacific Health Law Center.

Chapter 8.24 of the City of Gridley Municipal Code, entitled Regulation of Smoking in Designated Enclosed Public Places and Workplaces, currently governs smoking restrictions in limited public and workplaces. Some of these include prohibitions against smoking: City-owned facilities, health facilities, hospitals, clinics, physical therapy facilities, doctors' offices, and dentists' offices, theaters, auditoriums, retail food marketing establishments, public schools, and other public facilities under the control of another public agency, which are available to and customarily used by the public, to the extent that the same are subject to the jurisdiction of the city.

Currently, Chapter 8.24 of the City of Gridley Municipal Code makes no provision regarding the regulation of smoking in outdoor parks.

#### **Fiscal Impact**

Fiscal impacts would be negligible. It would become necessary for the city to fund the production and installation of signage to implement the policy and educate/inform park space users. Enforcement and processing of violations would also require indeterminate staff time.

#### Attachments

Ordinance 839-2022

## ORDINANCE AMENDING TITLE 8, HEALTH AND SAFETY, ADDING CHAPTER 8.25, OUTDOOR PARKS SMOKE-FREE ORDINANCE, OF THE GRIDLEY MUNICIPAL CODE (Citywide)

#### **SECTION I. FINDINGS AND PURPOSE**

**WHEREAS**, tobacco use causes death and disease and continues to be an urgent public health threat, as evidenced by the following:

- The World Health Organization (WHO) estimates that tobacco kills up to half of its users, amounting to more than 8 million deaths each year worldwide, including nearly half a million people who die prematurely from smoking in the United States alone;<sup>1</sup>
- Tobacco use causes disease in nearly all organ systems and is responsible for an estimated 87% of lung cancer deaths, 32% of coronary heart disease deaths, and 79% of all chronic obstructive pulmonary disease deaths in the United States;<sup>2</sup>
- The estimated economic damage attributable to smoking and exposure to secondhand smoke in the United States is nearly \$300 billion annually;<sup>2</sup>
- Despite significant progress, tobacco use remains the leading cause of preventable death and disease in the United States,<sup>2</sup> and;

**WHEREAS**, tobacco use is the number one cause of preventable death in California<sup>2</sup> and continues to be an urgent public health issue, as evidenced by the following:

- An estimated 40,000 California adults die from smoking annually;<sup>3</sup>
- Each year, smoking costs California an estimated \$13.3 billion in direct health care expenses, \$3.6 billion in Medicaid costs, and \$10.4 billion in productivity losses;<sup>4</sup>
- Research indicates that more than 25% of all adult cancer deaths in California are attributable to smoking;<sup>5</sup> and
- Californians who reported experiencing psychological distress in the preceding month smoked at a rate far higher (26.7%) than the average statewide smoking rate (11.0%);<sup>7</sup> and;

**WHEREAS,** secondhand smoke has been repeatedly identified as a health hazard, as evidenced by the following:

- In 2006, the U.S. surgeon general concluded that there is no risk-free level of exposure to secondhand smoke;<sup>8</sup>
- In 2006, the California Air Resources Board identified secondhand smoke as a toxic air contaminant, in the same category as the most toxic automotive and industrial air pollutants, and a serious health threat for which there is no safe level of exposure;<sup>9,10</sup>
- In 2006, the California Environmental Protection Agency added secondhand smoke to the Proposition 65 list of chemicals known to the state of California to cause cancer, birth defects, and other reproductive harm;<sup>11</sup> and;

**WHEREAS,** exposure to secondhand smoke anywhere has negative health impacts, and exposure to secondhand smoke can occur at significant levels outdoors, as evidenced by the following:

- Levels of secondhand smoke exposure outdoors can reach levels recognized as hazardous, depending on direction and amount of wind, number and proximity of smokers, and enclosures like walls or roofs;<sup>12–18</sup>
- Smoking cigarettes near building entryways can increase air pollution levels by more than two times background levels, with maximum levels reaching the "hazardous" range on the United States EPA's Air Quality Index;<sup>15,17</sup> and
- To be completely free from exposure to secondhand smoke in outdoor places, a person may have to move 20 to 29 feet away from the source of the smoke, about the width of a two-lane road; <sup>15,19,20</sup> and;

**WHEREAS,** exposure to secondhand smoke causes death and disease, as evidenced by the following:

- Since 1964, approximately 2.5 million nonsmokers have died from health problems caused by exposure to secondhand smoke;<sup>2</sup>
- Secondhand smoke was responsible for an estimated 34,000 heart disease-related and 7,300 lung cancer-related deaths among adult nonsmokers each year during 2005–2009 in the United States;<sup>2</sup>
- Research indicates that exposure to secondhand smoke increases the risk of coronary heart disease by 25% to 30% and increases the risk of stroke by 20% to 30%;<sup>2,21</sup> and
- Secondhand smoke kills more than 400 infants every year;<sup>22</sup> and;

**WHEREAS,** electronic smoking device aerosol may be considered a health hazard, as evidenced by the following:

- Research has found electronic smoking device aerosol contains at least 12 chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm, 11,23,24 such as formaldehyde, acetaldehyde, lead, nickel, chromium, arsenic, and toluene; 24,25
- Electronic smoking device aerosol is not harmless water vapor as it contains varying concentrations of particles and chemicals with some studies finding particle sizes and nicotine concentrations similar to, or even exceeding, conventional cigarette smoke;<sup>24,</sup> 26–28
- Evidence continues to build that exposure to electronic smoking device aerosol, including secondhand exposure, has immediate impacts on the human respiratory and cardiovascular systems, and poses a risk to human health;<sup>24,26,28–34</sup>

• Given the increasing prevalence of electronic smoking device use, especially among youth and young adults, widespread nicotine exposure resulting in addiction and other harmful consequences serious concerns;<sup>24,26,35,36</sup> and;

**WHEREAS,** secondhand cannabis smoke has been identified as a health hazard, as evidenced by the following:

- The California Environmental Protection Agency includes cannabis smoke on the Proposition 65 list of chemicals known to the state of California to cause cancer;<sup>11,37</sup>
- Cannabis smoke contains at least 33 known carcinogens;<sup>37</sup>
- In one study, exposure to cannabis smoke in an unventilated setting resulted in detectible levels of cannabinoids in non-smoker participants' blood and urine, and participants experienced minor increases in heart rate and impaired cognitive performance;<sup>38</sup>
- A recent systematic review of the literature concluded that secondhand exposure to cannabis smoke leads to cannabinoid metabolites in bodily fluids and individuals experiencing self-reported psychoactive effects;<sup>39</sup> and;

**WHEREAS,** laws restricting the use of tobacco products have recognizable benefits to public health and can reduce medical costs; these outcomes, consistently demonstrated in peer-reviewed research, include the following:

- Reduced prevalence of tobacco use;<sup>40,41</sup>
- Reduced secondhand smoke exposure, as measured by self-report and laboratory analysis of biomarkers or indoor air;<sup>40–43</sup>
- Increased cessation of tobacco use; 40,41
- Reduced initiation of tobacco use among young people;<sup>40</sup>
- Fewer hospitalizations from tobacco-related diseases, such as asthma and cardiovascular disease: 40,41,44 and
- An estimated annual savings rate in the U.S. of \$148,000 to \$409,000 (2011 U.S. dollars) per 100,000 people in averted secondhand smoke-related healthcare costs;<sup>40</sup> and;

**WHEREAS,** smokeless tobacco and electronic smoking devices are not safe alternatives to smoking and carry their own risks for death and disease, as evidenced by the following:

- Smokeless tobacco use can lead to nicotine addiction;<sup>2,45</sup>
- Smokeless tobacco use causes oral, esophageal, and pancreatic cancers;<sup>2,45,46</sup>
- Smokeless tobacco use is associated with increased risk for heart disease and stroke,<sup>46–48</sup> and stillbirth and preterm delivery;<sup>49,50</sup> and;

**WHEREAS,** tobacco waste is a major, consequential, and persistent source of litter, as evidenced by the following:

- The roughly 6.3 trillion cigarettes smoked globally each year result in 300 billion packs that produce almost 2 million tons of waste paper, cellophane, foil, and glue as well as trillions of butts littered across roadways, sidewalks, parks, and other green spaces;<sup>51,52</sup>
- Both tobacco industry and peer-reviewed research found that most smokers admit littering their cigarette butts,<sup>53,54</sup> for example, one study found 74.1% of smokers admitted littering cigarette butts at least once in their life and 55.7% admitted to littering them in the past month;<sup>54</sup>
- In an observational study of nearly 10,000 individuals, 65% of smokers disposed of their cigarette butts as litter;<sup>54</sup>
- Cigarette butts are perennially the most common form of litter collected during cleanup programs worldwide, <sup>53,56</sup> for example, in 2018, cigarette butts made up nearly 16% of all litter collected through cleanup programs in the U.S. (809,538 out of 5,106,515 items); <sup>56</sup>
- Cigarette butts are often cast onto sidewalks and streets, and frequently end up in storm drains that flow into streams, rivers, bays, lagoons, and ultimately the ocean;<sup>51</sup>
- Non-cigarette forms of tobacco waste, such as plastic cigar tips and little cigar wrappers, also significantly contribute to litter;<sup>57–59</sup>
- Waste from electronic smoking devices has become a recognized and growing form of litter. <sup>58,60,61</sup> For example, a recent study among twelve high schools in the San Francisco Bay Area found that electronic cigarette waste made up nearly 20% (172 of 893 items) of all tobacco or cannabis product waste found on school property with the largest amount (152 items) and highest percentage (39.4%) of electronic cigarette waste observed at upper income schools; <sup>58</sup> and
- As of August 2019, the U.S. Environmental Protection Agency recognizes nicotinecontaining electronic smoking devices as acute hazardous waste when disposed;<sup>62</sup> and;

**WHEREAS,** cigarette butts, smokeless tobacco, and electronic smoking devices pose a health threat of poisoning to young children, as evidenced by the following:

- In 2018, American poison control centers logged nearly 13,000 cases involving exposure
  to cigarettes, cigarette butts, electronic smoking devices, or other tobacco products,
  and of these, more than 10,000 (79.0%) occurred in children aged 5 years and
  younger;<sup>63</sup>
- Among the 10,266 cases of nicotine and tobacco product exposure recorded in 2018 among children 5 years of age and younger by American poison control centers, 50.3% involved cigarettes, 18.4% involved electronic smoking devices, and 8.0% involved other tobacco products;<sup>63</sup>
- The annual number of electronic cigarette exposure cases among children less than 5 years of age reported to American poison control centers increased from 10 in 2010 to 1,835 in 2018, a 14,015% increase;<sup>64</sup> and;

• Children who ingest tobacco products can experience vomiting, nausea, lethargy, and gagging, <sup>65</sup> with e-liquids potentially posing a greater risk of toxicity or fatality through either ingestion or transdermal absorption; <sup>66</sup> and;

**WHEREAS,** California cities and counties have the legal authority to adopt local laws that prohibit all tobacco use indoors and outdoors in areas not already covered by state law;<sup>71</sup> and;

**WHEREAS,** state law prohibits smoking within 25 feet of playgrounds and lots as well as within 20 feet of public (state, county, city, or community college district) buildings, among other locations, and expressly authorizes local communities to enact additional restrictions;<sup>72–74</sup> and;

**WHEREAS,** there is broad public recognition of the dangers of secondhand smoke and support for smoke-free air laws, as evidenced by the following:

- A 2017 survey of California adults found that an overwhelming majority agree that secondhand smoke causes cancer and 82.1% agree that aerosol and vapor from electronic smoking devices are harmful;<sup>75</sup>
- A 2018 survey of California adults found widespread public agreement that smoking should not be allowed at public beaches (78%);<sup>7</sup> and
- In a 2015 survey of California voters, 70% supported prohibiting electronic smoking device use where smoking is prohibited;<sup>76</sup> and;

**WHEREAS,** as of January 2019, there are more than 235 California cities and counties with outdoor secondhand smoke ordinances;<sup>7</sup> and;

**WHEREAS,** as of April 1, 2020, more than 140 local jurisdictions in California prohibit the use of electronic smoking devices in specific locations;<sup>77</sup> and;

**WHEREAS,** as of October 2017, there are more than 210 California municipalities with local laws restricting smoking in parks,<sup>78</sup> 64 with local laws restricting smoking at beaches,<sup>79</sup> 104 with local laws restricting smoking in all bar patio and outdoor dining places,<sup>80</sup> and 112 with local laws restricting smoking at outdoor public transit waiting areas;<sup>81</sup> and;

**NOW THEREFORE**, it is the intent of the City Council of Gridley, in enacting this ordinance, to provide for the public health, safety, and welfare by discouraging the inherently dangerous behavior of smoking, tobacco, and nicotine use around non-tobacco and non-nicotine users, especially children; by protecting the public from exposure to secondhand smoke where they live, work, and play; by reducing the potential for children to wrongly associate of smoking, tobacco, and nicotine use with a healthy lifestyle; and by affirming and promoting a healthy environment in the City.

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https://publichealthlawcenter.org/sites/default/files/resources/No-Constitution-al-Right-Smoke-Toke-2019.pdf.

## SECTION II. Chapter 8.25 is hereby added to Title 8 of the Gridley Municipal Code to read as follows:

### Sec. [ (\*1)]. DEFINITIONS.

For the purposes of this Chapter the following definitions shall govern unless the context clearly requires otherwise:

- (A) "Cannabis" has the meaning set forth in California Business and Professions Code Section 26001, as that section may be amended from time to time.
- (B) "Electronic smoking device" means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah.
- (C) "Park" means any public place, whether publicly or privately owned, within the City, established as a recreational park and/or playground, or as trails, or otherwise as deemed within the jurisdiction of the Recreation Services department of the City.
- (D)"Person" means any natural person, business, corporation, partnership, cooperative association, personal representative, receiver, trustee, assignee, or any other legal entity.
- (E) "Smoke" or "Smoking" means:
  - (1) inhaling, exhaling, or burning, any tobacco, nicotine, cannabis, or plant product, whether natural or synthetic.
  - (2) carrying any lighted, heated, or activated tobacco, nicotine, cannabis, or plant product, whether natural or synthetic, intended for inhalation; or
  - (3) using an electronic smoking device or hookah.
- (P) "Tobacco product" means:
  - a) any product that is made from or derived from tobacco, or that contains nicotine, that is intended for human consumption or is likely to be consumed, whether inhaled, absorbed, or ingested by any other means, including but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
  - b) any electronic smoking device and any substances that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine; or
  - c) any component, part, or accessory of (1) or (2), whether or not any of these contains tobacco or nicotine, including but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, mouthpieces, and pipes.
  - "Tobacco product" does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug, and Cosmetic Act.
- (Q) "Tobacco product waste" means any component, part, or remnant of any tobacco product. Tobacco product waste includes any waste that is produced from the use of a tobacco product, including all tobacco product packaging and incidental waste such as lighters or matches, whether or not it contains tobacco or nicotine.

### Sec. [ (\*2)]. PROHIBITION OF SMOKING IN PARKS.

Smoking is prohibited in all parks within the City.

- (A) Nothing in this chapter prohibits any person or employer with control over any property from prohibiting smoking on any part of such property, even if smoking is not otherwise prohibited in that area.
- (B) It is not a violation of this chapter to use tobacco as part of a Native American spiritual or cultural ceremony. Approval from city administration must be requested and received prior to the ceremony, and the ceremony must be conducted in compliance with pertinent laws and regulations.

### Sec. [ (\*3)]. SMOKE-FREE BUFFER ZONES.

Smoking shall be prohibited within twenty-five (25) feet from any area in which smoking is prohibited under Sec. [ (\*2)] of this chapter or by any other law.

### Sec. [ (\*4)]. TOBACCO WASTE.

- (A) No person or employer shall permit smoking ash receptacles within an area under their control and in which smoking is prohibited by law, including within twenty-five (25) feet from any area in which smoking is prohibited. The presence of smoking ash receptacles in violation of this subsection shall not be a defense to a charge of smoking, tobacco, or nicotine use in violation of any provision of this chapter.
- (B) No person shall dispose of tobacco product waste within the boundaries of an area in which smoking is prohibited.

### Sec. [ (\*5)]. ENFORCEMENT.

No person shall permit or engage in smoking in any area that is under the control of that person and in which smoking is prohibited by this article or any other law.

- (A) A person that has control of an area in which smoking is prohibited by this chapter shall post a clear, conspicuous, and unambiguous "No Smoking" sign at each entrance to the area, and in at least one other conspicuous point within the area. The signs shall have letters of no less than one inch in height and shall include the international "No Smoking" symbol as well as the "No Vaping"/"No E-Cigarette" symbol. Signs posted on the exterior of buildings to comply with this section shall include the 25-foot distance requirement set forth in Sec. [ (\*3)]. The presence or absence of signs shall not be a defense to a charge of smoking, tobacco, or nicotine use in violation of any other provision of this chapter.
- (B) City staff and volunteers will be notified about the requirements of this chapter through the employee manual.
- (C) City staff will communicate the requirements of this chapter to public event organizers. City staff will also make periodic observations of parks and other City property covered by this chapter to monitor for compliance. Anyone found by City staff to be violating this

- chapter will be reminded of its requirements and asked to comply before being subject to ejection from the property.
- (D)A person that has control of an area in which smoking is prohibited by this chapter shall direct anyone who is smoking in violation of this chapter to extinguish the product being smoked [ or stop using the tobacco product ]. If they do not stop smoking, the person that has control of the area shall refuse any service and shall immediately ask them to leave the property. If the ejection is from a public event, it shall be for the duration of the public event.
- (E) No person shall intimidate, threaten any reprisal, or effect any reprisal, for the purpose of retaliating against another person who seeks to attain compliance with this chapter.
- (F) The Director or their designee shall conduct an ongoing educational program to explain and clarify the purposes and requirements of this chapter, as well as to provide guidance to persons or employers about compliance. Lack of receiving or participating in such education program shall not be a defense to a violation of this chapter.

### Sec. [ (\*6)]. VIOLATIONS AND PENALTIES.

- (A) A first refusal to comply with a request from a City employee, or otherwise the person that has control of an area in which smoking is prohibited, to cease a violation of this chapter may be subject to a written warning. Subsequent refusal shall result in a penalty of [ fifty dollar (\$50) ] for each refusal. Violations of Sec. [ (\*6)(e) ] may result in such further penalties as considered just and equitable.
- (B) A person that has control of an area in which smoking is prohibited by this chapter and that fails to comply with this chapter shall be guilty of an administrative fine punishable by:
  - (1) A fine not exceeding one hundred dollars (\$100) for a first violation.
  - (2) A fine not exceeding one hundred and fifty dollars (\$150) for a second violation within one year.
  - (3) A fine not exceeding two hundred and fifty dollars (\$250) for each additional violation within one year.
- (C) Any violation of this chapter is hereby declared to be a public nuisance.
- (D) Any violation of this chapter may be remedied by a civil action brought by the City Attorney, including, but not limited to, administrative or judicial nuisance abatement proceedings, civil code enforcement proceedings, and suits for injunctive relief.
- (E) Each instance of smoking in violation of this chapter shall constitute a separate violation.
- (F) The remedies provided by this chapter are cumulative and in addition to any other remedies available at law or in equity.

### SECTION III. STATUTORY CONSTRUCTION & SEVERABILITY.

It is the intent of the City Council of the City of Gridley to supplement applicable state and federal law and not to duplicate or contradict such law and this ordinance shall be construed consistently with that intention. If any section, subsection, subdivision, paragraph, sentence,

clause, or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this ordinance, or its application to any other person or circumstance. The City Council of the City of Gridley declares that it would have adopted each section, subdivision, paragraph, sentence, clause, or phrase independently, even if any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases were declared invalid or unenforceable.

### SECTION IV. ENACTMENT

ΔYFS.

This ordinance shall be effective thirty (30) days from the date of the second reading of the ordinance.

I HEREBY CERTIFY that the foregoing text amendments to Title 8 were introduced, by reading of title only, at a regular meeting of the City Council of the City of Gridley, California, held on the 15<sup>th</sup> day of August 2022, and the second reading and adoption by reading of title only at the regular City Council meeting of the City of Gridley held on the 6<sup>th</sup> day of September 2022, by the following vote:

Anthony Galy	/ean, City Attorney	
APPROVED A	S TO FORM:	
Cliff Wagner, City Clerk		Bruce Johnson, Mayor
ATTEST:		APPROVE:
ABSTAIN:	COUNCILMEMBERS	
ABSENT:	COUNCILMEMBERS	
NOES:	COUNCILMEMBERS	
ATES.	COOTTEINIEMBERS	

COLINCII MEMBERS

## City Council Item #4 Staff Report

Date: September 6, 2022

To: Mayor, Councilmembers

**From:** Donna Decker, Planning Department

**Subject:** Edler Estates

X Regular
Special
Closed
Emergency

**Resolution No. 2022-R-031:** A Resolution of the Gridley City Council to amend the General Plan Land Use Designation of approximately 8.49-acres from Residential, Very Low Density to Residential, Medium Density and to adopt a Mitigated Negative Declaration pursuant to a CEQA finding there is less than significant environmental impact. (APN 010-270-076)

**Resolution No. 2022-R-032**: A Resolution of the Gridley City Council Approving Tentative Subdivision Map 1-22 to subdivide an existing 8.49-acres into forty-six (46) parcels located on the west side of Randolph Avenue at the terminus of Laurel Street. (APN 010-270-076)

Introduction and First Reading of Ordinance 840-2022: An ordinance to rezone approximately 8.49 Acres from Avenue Residential Suburban (R-S) to Single to Low Density Residential (R-1) for a proposed density of 5.41 du/ac located on the west side of Randolph Avenue at the terminus of Laurel Street. (APN 010-270-076)

### Recommendation

City staff respectfully recommends the City Council adopt Resolution No. 2022-R-031, Resolution No. 2022-R-032, and first reading of Ordinance No. 840-2022, by title only.

### Summary

The applicant submitted a tentative subdivision map to develop 8.49-acres into a forty-six-lot single-family residential subdivision. The site had been previously approved for a tentative subdivision map which expired. The proposed map has increased the number of lots to meet the tremendous need for additional housing both locally and regionally due to catastrophic loss from the Camp Fire and other fires experienced in Butte County and northern California.

### Discussion

### Location and site characteristics

The subject site is located on the west terminus of Laurel Street, west of the intersection of Laurel Street and Randolph Avenue. The property is bounded by the vacant Gridley Unified School District lands on the east, RD 833 Canal and agricultural

uses to the south, agricultural uses to the west and north; northeast of the subject site is the Butte View subdivision.



Figure 1: Project Location

The site is fairly flat having slopes of 1-2% generally across the site. The soils on the site are fairly equally divided as Live Oak Sandy Loam on the northerly one-half of the site and Gridley Taxadjunct on the southerly one-half of the site. The soils are classified as Prime Farmland if Irrigated and Farmland of Statewide Importance, respectively. Although, the development of the site will create a loss of Prime Farmland and Farmland of Statewide Importance, the city adopted its 2030 General Plan with a Statement of Overriding Consideration acknowledging that in order to support the growth of the city, lands having this soil classification will be lost-there is no mitigation available to lessen the impact. Furthermore, the site has had an approved subdivision map which expired October 16, 2020.

### **Project Description**

The applicant proposes to subdivide the 8.49 acres into a 46-lot subdivision for single-family detached residences. The development has created lots ranging from 4,850 square feet to 7,120 square feet. The average lot size is 5,800 square feet overall. To facilitate the development to move forward, the applicant has applied to:

 Amend the General Plan of the City of Gridley to reflect the proposed land use density;

- Rezone the property to be consistent with the City of Gridley General Plan land use designations; and,
- Provided a Tentative Subdivision Map to create 46 single-family lots.

### General Plan

The General Plan amendment would provide a land use designation reflecting the land use density of 5.41 du/ac for the development. The existing General Plan designation is Residential, Very Low Density. This designation allows a density of 1-2 units per acre; therefore, the maximum number of units would be 17 units. These would be very large lots and challenging to develop with the increases in construction costs currently experienced by builders today. The proposed General Plan amendment would amend the General Plan to Residential, Medium Density to allow up to 8 units per acre. The proposed General Plan Amendment will provide consistency with the zoning since a greater density is allowed by the Single-Family R-1 zoning district.

### Rezone

The zoning designation would be changed from Residential Suburban to Single-Family Residential zoning district (R-1). The single-family residential district has four (4) designations:

- 1. R-1A Parcels sized from 1,700 3,500 square feet
- 2. R-1B Parcels sized from 3,501 5,999 square feet
- 3. R1-C Parcels sized from 6,000 7,499 square feet
- 4. R-1 Parcels sized from 7,500 and greater

The tentative subdivision map will create 46 lots for new single-family residential units. The frontage of the lots is generally a minimum of 50-53 feet in with some variation on corner lots. The lot sizes of the proposed zoning designation will support standard setbacks and housing sizes from small single-story (1,500 square feet) to larger two-story homes (2,500 square feet). Staff supports the rezoning of the property.

### **Tentative Subdivision Map**

In 2005, the applicant had a map approved for a 32-lot subdivision. The applicant and engineer met with staff to discuss changes to the approved map providing smaller lots and a mixture of lot sizes to accommodate varying home sizes for the community. The proposal would serve as an opportunity for the development to provide housing for varying income levels, home types for single people, family without children, and families, as well as "empty nesters", i.e., families who have raised their children and looking for a smaller home.

In addition to creating an opportunity for a vibrant, diverse neighborhood, the city is also conscious of our obligation to provide land area to support the Regional Housing Needs Allocation (RHNA). This is a figure that is determined by the State and refined as to the number allotted to the city from the Butte County Association of Governments (BCAG). The city is responsible for the provision of land area that can be developed into housing.

The proposed map provides an additional 14 parcels from the Housing Element analysis. The Housing Element Policy HP-2.4 also supports this development:

"The City will encourage infill development in meeting the housing needs required by expanding populations."

The city encourages an increase in units for subdivisions, in that, it will provide additional housing stock for both local and regional needs due to the losses suffered by the Camp Fire and Bear Fire of 2018 as well as others lost since those events due to fires each year in northern California.

### **Utilities**

The city can provide utilities to the development. The city recently underwent a process to replace existing underground improvements from Randolph Ave to Butte View Drive. The enlargement of the pipes will provide service to Edler Estates. The city can provide power, water, sanitary sewer and storm drainage. The site storm water will be collected in an underground storm drain system and piped into a detention basin which will then discharge into the RD 833 canal.

### <u>Circulation</u>

Access to the development will be from Laurel Street. The 2005 traffic analysis indicated that there were no significant impacts; the addition of 16 additional lots will not likely have a significant impact. The undeveloped property to the west and northwest have had subdivision maps approved and subsequently expired. When those subdivisions do become approved, the city had ensured that the street layout will connect to Edler Estates and have full circulation from Randolph Ave to Sycamore Avenue.

The city engaged with the school district to purchase a 30-foot strip of land along the north boundary of the district site. The City Council approved staff to proceed with an appraisal of the property in order to construct a full-width street from Edler Estates to Randolph Ave. The appraisal was conducted by Jodi White; the appraisal was forwarded to the district for discussion and to enter into an agreement to purchase. The District's Board determined the appraisal did not reflect the value they held the strip to be. The city was not in a position to purchase land above a market value or to agree to additional design requirements; therefor the negotiations ended. Due to the status of these discussions, Edler Estates will enter and exit the subdivision on the currently improved paved 30-foot-wide Laurel Street until such time the district lands are developed and surface improvements constructed at that time.

### **Drainage**

The site storm water will be collected in an underground storm drain system and piped to a detention basin where it will be retained until discharge to RD 833's canal. At the time the project was reviewed by the Planning Commission (July 20, 2022), the design of the storm water collection and discharge intended to utilize the ditch located on the east boundary of the project area. They proposed to excavate the ditch wider to manage the additional storm

drainage. The ditch is located on the Gridley Unified School District's land and is the ditch that the Butte View Subdivision and other surrounding area's storm water is discharged into, prior to going into the RD 833 canal. The city met with the district to discuss the design proposal and after a review of the project, the district determined they did not wish to have the project use the ditch and required an alternative design be pursued. An alternate location will be developed.

The city has had communication from Jeff Spence, Engineer for Reclamation District 833. The Reclamation District reviewed the project and expressed concern related to the development of housing and the potential for an increased population having children who will climb fences and play or swim in or around the district canal. The district has requested the city require the development to mitigate this potential impact by encasing (piping) the portion of the canal that is contiguous to the development to the south.

Cities can impose fees or require improvements where there is a relationship between a development and the requirement to upgrade or construct facilities. The Mitigation Fee Act states:

Government Code Section 66001(a) of the Mitigation Fee Act (Section 66000-66025) requires that any city or county that establishes, imposes, or increases a fee as a condition of development approval do all of the following: (1) identify the purpose of the fee, (2) identify the use to which the fee is to be put, (3) determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed, and (4) determine how there is a reasonable relationship between the need for the public facility and the type of development project upon which the fee is imposed.

There does not appear to be a direct relationship or nexus between the Edler Estates development and the desire to pipe the district canal. The canal would remain exposed both upstream and downstream of the site with only a portion piped should that be a requirement. The canal is located within an easement on the property controlled by the district. Fencing will be constructed at the rear property lines adjacent to the canal.

The applicant has indicated the cost to pipe approximately 356 linear feet would be at least \$500/linear foot resulting in an additional cost to the project of \$178,000 and likely more due to the prevailing wage requirements for public facility construction. The applicant has indicated that this cost is not acceptable and the project would not be able to successfully absorb it if it were required to do so. The Reclamation District believes that there is a responsibility of the developer to pipe the canal because the canal will become an attractive nuisance and endangers children who may live in the new subdivision.

If there is no nexus between the development and the district canal, then the requirement could be detrimental to the completion and construction of the development.

### Approval process

The approval process for subdivision maps is not discretionary in that the City Council determines that the map meets the requirements of the Subdivision Map Act. The City Council will need to make the required findings for approval.

What is discretionary is the request to modify the zoning and general plan land use designations.

### **Public Notice**

A notice was posted in the Gridley Herald 10 days in advance of the City Council meeting, posted at City Hall, mailed 300 feet from the boundary of the property, made available at the Administration public counter, and placed on the City website for review.

### **Environmental Review**

The proposed project requires a Mitigated Negative Declaration. At the time of this report, no significant impacts had been identified that could not be mitigated.

### **Attachments**

- 1. Resolution No. 2022-R-031 General Plan Amendment and Mitigated Negative Declaration
- 2. Resolution No. 2022-R-032 Tentative Subdivision Map (TSM) 1-22
- 3. Ordinance No. 840-2022 Ordinance to Rezone
- 4. Initial Study (Due to the size of this attachment, this will be available for review at City Hall)

# A RESOLUTION OF THE GRIDLEY CITY COUNCIL TO AMEND THE GENERAL PLAN LAND USE DESIGNATION OF APPROXIMATELY ±8.49 ACRES FROM RESIDENTIAL, VERY LOW DENSITY TO RESIDENTIAL, MEDIUM DENSITY AND TO ADOPT A MITIGATED NEGATIVE DECLARATION PURSUANT TO CEQA FINDING THERE IS A LESS-THAN-SIGNIFICANT ENVIRONMENTAL IMPACT (APN 010-270-076)

**WHEREAS**, the Planning Commission held a publicly noticed hearing on July 20, 2022 regarding the proposal to amend the General Plan land use designation from Residential, Very Low Density to Residential, Medium Density for an ±8.49-acre parcel located on the south side of Little Avenue; and,

**WHEREAS,** at the close of the July 20, 2022 public hearing, the Planning Commission recommended that the City Council approve the amendment of the General Plan land use designation for the ±8.49-acre parcel; and,

**WHEREAS**, the City Council reviewed the recommendation of the Planning Commission at its September 6, 2022 public hearing also considering the Initial Study, and did find the change in General Plan land use designation, rezone, and tentative subdivision map could not have a significant effect on the environment; and,

**WHEREAS**, the City Council accepts the Initial Study and the published Mitigated Negative Declaration. A Notice of Intent to adopt a Negative Declaration was published and provided the required 20 day minimum period for public review and comment;

### NOW, THEREFORE, BE IT RESOLVED:

- The City Council of the City of Gridley amends the General Plan land use designation of the Assessor Parcel Number 010-270-076 from Residential, Very Low Density to Residential Medium Density; and,
- 2. The City Council of the City of Gridley adopts a Mitigated Negative Declaration finding that the project could not have a significant effect on the environment.
- 3. The General Plan Map of the City of Gridley on file with the City Clerk, designating and dividing the City into land use districts, is hereby amended, in accordance with the herein description and Exhibit A.

\*\*\*

### **RESOLUTION NO. 2022-R-XXX**

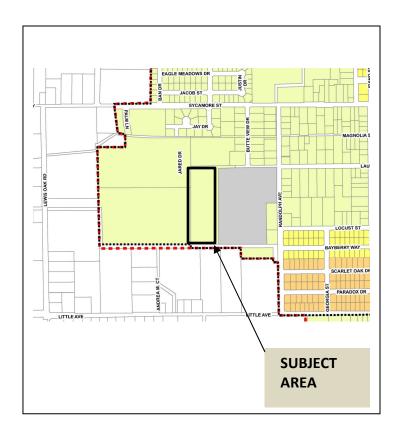
by the following	ng vote:				
AYES:	COUNCIL MEMBERS				
NOES:	COUNCIL MEMBERS				
ABSTAIN:	COUNCIL MEMBERS				
ABSENT:	COUNCIL MEMBERS				
The undersigned City Clerk and Mayor of the City of Gridley do hereby attest and certify that the forgoing is a true and full copy of a resolution of the City of Gridley adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended, or repealed.					
ATTEST:		APPROVE:			
Cliff Wagner, 0	 City Clerk	Bruce Johnson, Mayor			

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 6<sup>th</sup> day of September, 2022

## **EXHIBIT A**



Figure 1: **Location Map** 



General Plan Land Use Designation:

### From existing:

Residential, Very Low Density (RVLD)

### To proposed:

Residential, Medium Density (RMD)

## A RESOLUTION OF THE GRIDLEY CITY COUNCIL APPROVING TENTATIVE SUBDIVISION MAP NO. 1-22 TO SUBDIVIDE ONE PARCEL CONSISTING OF APPROXIMATELY 8.49 ACRES INTO FORTY-SIX (46) PARCELS (APN: 010-270-076)

WHEREAS, the City of Gridley has received an application to consider a Tentative Subdivision Map request to subdivide an approximately 8.49-acre parcel to create forty-six (46) lots for single-family residential use on property located west of Randolph Avenue in the manner illustrated on a tentative parcel map received by the City (Exhibit "A" attached); and,

**WHEREAS**, the subject property consists of one parcel designated as Assessor's Parcel Number 010-270-076 and the proposed Tentative Subdivision Map has been assigned the file number Tentative Subdivision Map No. 1-22 (TSM 1-22); and,

**WHEREAS**, the Planning Commission considered Tentative Subdivision Map No. 1-22 at a noticed regular public hearing on July 20, 2022, considered the staff report regarding the proposed tentative map design and required public improvements, and recommended the City Council approve the Tentative Map 1-22; and,

**WHEREAS**, the General Plan designation is Residential, Medium Density in accordance with 2022-R-0XX; and,

**WHEREAS**, the proposed zoning designation for the subject parcel is R-1 Single Family Residential District in accordance with Ordinance No. XXX-2022; and,

WHEREAS, the City Council finds that Tentative Subdivision Map No. 1-22, including the proposed use and improvements to the property, is consistent with Gridley's General Plan including the policies contained therein as well as the land use diagram, and also finds that based on the conditions of approval, the site is physically suitable for development as proposed; and,

**WHEREAS**, the City Council determined that the described tentative map and its design and improvements are consistent with Gridley's General Plan and Zoning Ordinance of the Gridley Municipal Code, Chapter 17, regulations and policies regarding the use and division of land; and,

**WHEREAS**, the City Council, having further considered the Initial Study prepared for the project in order to adopt a Mitigated Negative Declaration; and,

WHEREAS, the City Council finds that this tentative subdivision map complies with all State and City regulations governing the division of land, and that division and development of the property in the manner set forth on the tentative parcel map as shown on Exhibit A will not unreasonably interfere with the free and complete use of existing public and/or public utility easements or rights-of-way.

### NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRIDLEY, AS FOLLOWS:

### SECTION 1: FINDINGS FOR APPROVAL OF THE TENTATIVE SUBDIVISION MAP

1. That the proposed project is consistent with the City of Gridley General Plan and does not exceed density and intensity standards within the Land Use Element, as amended.

The Residential, Medium Density residential standards of the City's General Plan establish a maximum density of eight units per acre. The proposed project has a gross density of approximately 5.4 dwelling units per acre of residentially developed land.

2. That the site is physically suitable for the type of development proposed.

The proposed residential use is consistent with adjacent residential uses. No hazards exist on the site which would make the property inappropriate for people or residential uses.

3. That the site is physically suited for the density of development.

The proposed R-1, Single-Family Residential zoning district allows for the development of single-family residential dwelling units. The proposed Tentative Subdivision Map has a proposed density of 5.4 dwelling units per gross acre which conforms to the requirements of the R-1 zone district and the Residential, Medium Density General Plan land use designation. The project site has slopes of less than 2%, it is not within a 100-year flood plain and can accommodate drainage facilities necessary for the proposed density, it has adequate access to public roads which have the capacity to serve the development.

4. That the designs of the subdivision or the proposed improvements are not likely to cause serious public health problems.

As conditioned, the project will provide adequate sanitary sewer, a public water supply, storm drainage facilities, and roadway and construction conditions and mitigation measures. Standard subdivision improvements will include fire hydrants, streetlights and roadways designed for residential traffic.

5. The design of the project will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed project.

The project will not impact or conflict with any easements or land acquired by the public.

6. The Tentative Subdivision Map conforms to the provisions of the Subdivision Map Act and to the provisions of Gridley Municipal Code Title 16 - Subdivisions (GMC Section 16.15).

The tentative subdivision map complies with the required form and content of tentative subdivision maps, as set forth by the city and based upon the provisions of Title 16 of the Gridley Municipal Code.

7. The tentative parcel map is consistent with good planning and engineering practice (GMC Section 16.15).

The City Engineer has reviewed the tentative subdivision map, and has attached conditions that have been incorporated within the Conditions of Approval. All lots comply with the requirements in the City of Gridley Land Division Standards and Improvement Standards.

8. The project will not be harmful to the public health and safety or the general welfare of the persons residing or working in the area.

The project applicant proposes to develop the lots for residential uses. This type of development is not considered potentially harmful to the public health and safety or to the general welfare of persons residing in the vicinity.

9. The project will not result in substantial environmental damage.

The tentative subdivision map would not result in substantial damage to the environment. Development proposed under the subdivision map would be consistent with the type of development in the vicinity, and would not substantially damage the physical environment of the area. The site is located within the Sphere of Influence, within the city boundary, and has been previously evaluated and approved for development.

### SECTION 2: THE CITY COUNCIL OF THE CITY OF GRIDLEY:

Approves Tentative Subdivision Map 1-22 as described subject to the following conditions of approval:

- 1. The applicant/property owner shall file a Declaration of Acceptance of the Conditions of Approval within 30 days of approval for the Tentative Subdivision Map 1-22.
- 2. The Tentative Subdivision Map 1-22 shall expire after a two (2) year period. An extension to the approval for up to five years may be approved; an application would need to be filed 30 days in advance of the expiration of the map.
- 3. Use of the 8.49-acre project site is subject to all zoning regulations described in Gridley Municipal Code as applicable to "R-1 Single Family" residential zoning districts, the General Plan requirements, and all applicable requirements of the Gridley Municipal Code.
- 4. Physical development of the site shall conform to the design approved for Tentative Subdivision Map No. 1-22 and to all of the conditions of approval of that Tentative Subdivision Map.
- 5. The project shall be required to pay all applicable impact fees for the development of the project.
- 6. Minor changes may be approved by the Planning Director upon receipt of a substantiated request by the applicant, or their respected designee. Prior to such approval, verification shall be made by each Department that the modification is consistent with the approved application. Changes deemed to be major or significant in nature shall require a formal application for amendment.
- 7. In the event of the discovery or recognition of prehistoric or historic resources in the area subject to development activity, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie similar resources and a professional archaeologist shall be consulted. Further, if human remains are discovered, the coroner of the county in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required. If the County Coroner determines the remains to be Native American, the coroner shall contact the Native American heritage Commission within 24 hours.

Upon completion of the site examination, the archeologist shall submit a report to the City describing the significance of the finds and make recommendations as to its disposition. If human remains are unearthed during construction, the provisions of California Health and Safety Code Section 7050.5 shall apply. Under this section, no

further disturbance of the remains shall occur until the County Coroner has made the necessary findings as to origin and disposition, pursuant to California Public Resources Code Section 5097.98. Mitigation measures, as recommended by the archaeologist and approved by the City, shall be implemented prior to recommencement of construction activity within the 50-foot perimeter.

- 8. The project will implement all recommended mitigation measures identified within the Initial Study; an omission on the list of conditions does not absolve the need to implement the mitigations identified in the Initial Study.
- 9. Prior to any site work, the project applicant shall submit a geotechnical report to the City, prepared by a certified engineering geologist. The project applicant shall incorporate any recommended measures into the final site plan.
- 10. Construction of the project shall comply with the requirements of the National Pollution Discharge Elimination (NPDES) Permit and obtain a WDID from the State of California in conformance with the General Construction Storm Water Permit; Storm Water Pollution Prevention Plan (SWPPP) shall be prepared prior to construction activities.
- 11. Upon commencement of grading and construction activities, the applicant shall implement measures to offset particulate matter and emissions from construction equipment as specified by Butte County Air Quality Management District.
- 12. Prior to recordation of a Final Map, the applicant shall submit for review and approval improvement plans that shall include, not limited to, details related to above and underground infrastructure; piping and service laterals, meters, drop inlets, manholes, curb, gutter, and sidewalk, roadway, pavement markings, lighting, hydrants, street signs, electrical, transformer pedestals, and any and all components as required by the City of Gridley, the City Engineer, the Utility Supervisor, and Public Works Manager. Plans shall meet all required state and local ordinances, regulations, and Public Works Development Standards. Omissions on the plans does not constitute approval for the omission. Plans shall be reviewed and approved by the City Engineer and the Gridley Municipal Services Division.
- 13. Prior to recordation of the final map, the applicant shall coordinate with the Butte County Assessor's Office and Tax Collector to segregate any assessments against the properties and pay any delinquent, current, and future taxes and/or assessments against the properties as required.
- 14. Dedicate and improve as required the maximum portion up to 30 feet in width of the north one-half street section of Laurel Street from Randolph Ave to the westerly limits of the

proposed subdivision to the requirements of the City Engineer meeting the Public Works Standards.

- 15. Enter into an agreement for fair share costs for the construction of the south half of Laurel Street to be assessed at a future date as required for the construction thereof.
- 16. Dedicate and improve the 50-foot width local residential street right-of-way for the interior subdivision streets to the satisfaction of the City Engineer.
- 17. Dedicate a 10-foot public services easement adjacent to all public right-of-way frontages.
- 18. Prior to approval of a Final Map all of the following requirements shall be completed:
- 19. A registered engineer shall prepare and submit the following information to Gridley Department of Public Works for review and approval:
  - a. Calculations identifying the estimated rate of peak stormwater runoff from the gross area of the undivided site and abutting streets - as they exist at the time of approval of the tentative subdivision map- during currently adopted design storm event. The calculations shall be prepared in a manner consistent with the Gridley Public Works Construction Standards, and with standard engineering practice. The Drainage Analysis shall be on the prescribed and adopted format used by the city.
  - b. Construction details, plans and profiles, typical sections, specifications, and maintenance plans for any proposed stormwater detention facilities to be constructed to serve the parcels created by this subdivision.
  - c. The developer/developer engineer shall provide material submittals that have been reviewed and approved by engineer of record prior to submittal being submitted specification sheets for all materials to be used in the construction of all underground and all materials within the right of way.
  - d. Prior to any construction, the developer and team shall schedule a preconstruction site meeting to discuss the project.
  - e. The developer shall provide a construction schedule to the City Engineer prior to commencement of construction.

- f. An assessment against the development and individual parcels shall be established to fund the on-going maintenance costs associated with any approved stormwater detention facilities, lighting, landscape, and drainage components as determined by the City Engineer.
- g. Dedication of the area for the detention facilities, if required shall be made to the City of Gridley as a condition of recordation of the Final Map.
- h. The design of surface detention facilities, if required, shall minimize use of the facility by mosquitoes for breeding by incorporating some or all of the features recommended by the Butte County Mosquito and Vector Control District.
- i. All drainage improvements shall be constructed in conformance with the Gridley Public Works Construction Standards, the City of Gridley Master Drainage Plan, and the details shown on approved construction plans. The developer shall have a registered engineer prepare and submit construction details, plans and profiles, typical sections, specifications, and cost estimates to the Department of Public Works for review and approval prior to the recordation of the Final Map.
- j. Developer's engineer of record shall determine whether State of California Variances are required and shall prepare all documents for review and approval to the City Engineer.
- k. No work or construction shall commence prior to the approval of all improvement plans, grading plans, rough grading, import or other activities.
- I. A geotechnical report is required to be prepared. If ground water is discovered, a groundwater discharge plan (Dewatering) shall be prepared, submitted and reviewed and approved by the City Engineer. All state and local permits for dewatering shall be obtained prior to commencement of work. The contractor is advised that groundwater levels vary depending on the irrigation season.
- m. Construction shall ensure that compaction testing shall be done within roadways with a map depicting where tests were done and submitted to the City Engineer. The Engineer of Record shall ensure, by statement, that the results comply with all requirements of the geotechnical report.
- n. A traffic control plan shall be submitted for review and approval by the City Engineer prepared by a traffic engineer, registered civil engineer, or a certified American Traffic Safety Services Association person.

- 20. Telephone, cable television, and gas service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services, without exception.
- 21. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
- 22. The lots shall be graded in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit grading details, plans and specifications prepared by a registered engineer to the Department of Public Works for review and approval prior to the start of any work.
- 23. The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to the plaintiff in an action challenging the validity of this tentative subdivision map or any environmental or other documentation related to approval of this tentative subdivision map.
- 24. Provide existing topo 100 feet beyond boundary and proposed finish grade contour lines both at 1 foot contour intervals.
- 25. Provide water distribution plan, proposed sizes and tie in locations.
- 26. Develop conceptual sewer plan, proposed sizes, slopes, sewer manholes and tie in locations.
- 27. Develop conceptual drainage plan, sizes and overland release and detention facilities.
- 28. Show public utility easements (PUE) on plan. Provide Landscape Plan for street landscaping from Randolph Ave to the subdivision for review and approval by the Planning Department. A street tree master plan shall be developed for the subdivision for review and approval.
- 29. Show all existing public facilities within 100-feet beyond the site boundary.
- 30. Show proposed building setbacks for each parcel or provide a typical set back detail for interior lots and corner lots.
- 31. All overhead utilities shall be underground within subdivision.

- 32. Street lighting shall be provided interior of the subdivision and as required along the Laurel Street extension from Randolph Ave. The lighting layout will be approved by the city and will be decorative acorn lighting.
- 33. Street names to be reviewed and approved by the Planning Department.
- 34. Electrical and Water to be looped into existing infrastructure. The applicant shall coordinate with Gridley Electric specific to the design needs.
- 35. Meet requirements of Reclamation District 833. The proposed development shall mitigate the increased stormwater runoff such that RD 833 facilities and properties served by the district aren't impacted due to the increased stormwater. The water surface elevation within the district canals, and any existing flooding duration within the district shall not be increased.
  - Reclamation District 833 shall review and approve the storm drainage design with costs being reimbursed by the developer to the district. RD 833 will bill the developer independent of the city of Gridley.
- 36. Provide detailed information, recorded easements, related to the site proposed to be used for discharge by the project and by the city for storm water discharge able to be designed to meet the retention needs for storm water metering. Additional or alternate solutions may be considered.
- 37. The applicant may enter into a Subdivision Agreement in order to record the Final Map prior to all improvements constructed. The agreement is a document approved by Council resolution.
- 38. The applicant may request a grading permit and pay all applicable fees as reviewed and approved by the City Engineer.
- 39. The applicant/developer may develop the subdivision in phases at the review and approval of the city.
- **40.** All costs related for plan review, design, and improvement plan approval by city staff and/or consultants will be the responsibility of the applicant/developer at actual cost.
- 41. Segregate any assessments against the properties.
- 42. Pay any delinquent taxes and/or assessments against the properties.
- 43. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of school impact fees, as levied by the Gridley Unified

- School District in accordance with State legislation at the currently adopted rate per square foot of building area.
- 44. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of drainage fees levied and must be paid to the City at the time a building permit is issued for development of each parcel, as required.
- **45.** Install street name signs, traffic control signs, pavement markings and barricades in conformance with the Gridley Public Works Construction Standards.
- 46. Dedication of the total area of the detention basin, park, open space, frontage improvements and all pedestrian connection trails, shall be made to the city of Gridley in fee title as a condition of recordation of the Final Map.
- 47. If surface detention facilities are proposed, the design shall minimize use of the facility by mosquitoes for breeding by incorporating some or all of the features recommended by the Butte County Mosquito and Vector Control District.
- 48. All homes on the new lots created by this subdivision shall be connected to the city sanitary sewer system prior to issuance of a Certificate of Occupancy.
- 49. All sanitation facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer to the Department of Public Works for review and approval prior to start of any work.
- **50.** All homes on the new lots created by this subdivision shall be connected to the municipal water system.
- 51. All water facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer for review and approval prior to start of any work.
- **52.** The City and the developer shall coordinate with RD 833 for the construction of appropriate decorative fencing to prohibit access to the canal.
- 53. The developer shall install fire hydrants in conformance with the requirements of the Uniform Fire Code as interpreted by the local division of the California Division of Forestry, the City of Gridley's contract Fire Department. The number of hydrants installed, as well as the exact location and size of each hydrant and the size of the water main serving each hydrant, shall be as specified in the Code.

- 54. All residential structures shall provide a fire sprinkler system that meets or exceeds the requirements of the Fire Code.
- 55. All residential units are required to provide an operable solar system sized to the expected demand. Plans showing the proposed solar design and technical data sheets shall be submitted to the Electric Department for review and approval prior to submitting to Butte County for a building permit.
- 56. Telephone, cable television, internet, and natural gas service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.
- 57. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
- 58. The applicant/developer is responsible for paying all costs for a third-party inspector during the construction of any or all phases of development.
- 59. Fencing of the rear yards for the project shall occur at the time of housing construction and shall be the responsibility of the developer. Fencing throughout the project shall be consistent from lot to lot as reviewed and approved by the Planning Department. Fencing adjacent to the RD 833 canal shall be 7 feet in height.
- 60. Form an assessment district to cover on-going maintenance costs of facilities within the subdivision including landscaping areas and the drainage detention basin.
- 61. Construction practices shall conform to the standards adopted by the Butte County Air Quality Management District, which requires that 1) fugitive dust emissions related to construction of public improvements for the subdivision be controlled at all times, 2) all clearing, grading, earth moving or excavation activities must cease during periods of wind exceeding 15 miles per hour averaged over one hour, and 3) large off-road diesel equipment used for grading at the site must be maintained in good operating conditions.
- 62. Note on a document to be recorded concurrently with the Final Map that agricultural spraying and keeping of livestock may occur on surrounding properties and that such agricultural uses are permitted by the zoning of those properties and will not be abated unless the zoning changes.
- 63. All of the mitigation measures identified within the Initial Study are added herein and considered a condition of approval.

- 64. Comply with the mitigation measures identified within the Initial Study to reduce impacts to a less-than-significant level and are incorporated herein.
  - **MM 1.1** In conjunction with the submittal of improvement plans, the applicant shall submit a lighting plan for the review and approval of the Planning Department. The lighting plan shall indicate the provision of shielding for all street light fixtures to avoid nighttime lighting spillover effects on adjacent land uses and nighttime sky conditions. In addition, the lighting plan shall ad- dress limiting light trespass and glare through the use of shielding and directional lighting methods including, but not limited to, fixture location, design, and height as required by the Gridley Municipal Code.
  - **MM 3.1** The project shall implement the following measures during construction: Use adequate fugitive dust control measures for all construction activities during all phases of construction.

Provide energy-efficient lighting and process systems.

No open burning of vegetative material on the project site.

Use temporary traffic control as appropriate at all stages of construction.

Design streets to maximize pedestrian access to transit stops, where feasible.

**MM 3.2** Construction dust and equipment exhaust emission measures shall be implemented:

Water all active construction sites at least twice daily.

Use chemical stabilizers on inactive construction areas (disturbed lands within construction projects that are unused for at least four consecutive days).

On-site vehicle limited to a speed of 15 mph on unpaved roads.

Construction equipment exhaust emissions shall not exceed BCAQMD Rule 201, Visible Emission limitations.

The primary contractor shall be responsible for ensuring that all construction equipment isproperly tuned and maintained.

Utilize existing power sources (e.g., power poles) or clean fuel generator rather than temporary power generators.

Minimize equipment idling time to 10 minutes.

Land clearing, grading, earthmoving or excavation activities suspended when winds exceed 20 miles per hour.

Non-toxic binders (e. g. latex acrylic copolymer) should be applied to exposed areas after cut and fill operations.

Plant vegetation ground cover in disturbed areas as soon as possible.

Cover inactive storage piles.

Paved streets adjacent to the development site should be swept or washed at the end of the day as necessary to remove excessive accumulations of silt and/or mud which may have ac-cumulated as a result of activities on the development site.

Post publicly visible sign with the telephone number and person to contact regarding dust complaints. This person shall respond and take corrective action within 24 hours.

The tele- phone number of the BCAQMD shall also be visible to ensure compliance with BCAQMDRule 201 and 207 (Nuisance and Fugitive Dust Emissions).

Prior to final occupancy, the applicant demonstrates that all ground surfaces are

covered ortreated sufficiently to minimize fugitive dust emissions.

**MM 4.1** The project applicant shall conduct preconstruction surveys to determine if Sanford's arrowhead, Giant garter snake, Northern harrier, Swainson's hawk, Greater sandhill crane, Burrowing owl, and Silver-haired bat exist on the site. Should any of the listed be discovered, the applicant shall obtain the necessary approvals for Incidental Take from the CDFW.

### **Burrowing Owl**

Within 14 days prior to any ground disturbing activities for each phase of construction, the project applicant shall retain a qualified biologist to conduct a preconstruction survey of the site, any off-siteimprovement areas, and all publicly accessible potential burrowing owl habitat within 500 feet of theproject construction footprint. The survey shall be performed in accordance with the applicable sections CDFW Staff Report on Burrowing Owl Mitigation. The qualified biologist shall be familiar with burrowing owl identification, behavior, and biology, and shall meet the minimum qualificationsfor such preconstruction survey. If the survey does not identify any nesting burrowing owls on the site, further mitigation is not required for that phase unless activity ceases for a period in excess of 14 days in which case the survey requirements and obligations shall be repeated. If active burrowingowl dens are found within the survey area in an area where disturbance would occur, the project applicant shall implement measures as determined by the qualified biologist. During the breeding season (February 1 through August 31), the following measures will be implemented:

Disturbance-free buffers will be established around the active burrow. During the peak of the breeding season, between April 1 and August 15, a minimum of a 500-foot buffer will be maintained. Be-tween August 16 and March 31, a minimum of a 150-foot buffer will be maintained. The qualified biologist will determine, in consultation with the City of Gridley Planning Division and CDFW, if the buffer should be increased or decreased based on-site conditions, breeding status, and non-project-related disturbance at the time of construction. Monitoring of the active burrow will be con-ducted by the qualified biologist during construction on a weekly basis to verify that no disturbance is occurring. After the qualified biologist determines that the young have fledged and are foraging independently, or that breeding attempts were not successful, the owls may be excluded in accordance with the non-breeding season measures below. Daily monitoring will be conducted for one week prior to exclusion to verify the status of owls at the burrow.

During the non-breeding season (September 1 to January 31), owls occupying burrows that cannot be avoided will be passively excluded consistent with Appendix E of the 2012 CDFW Staff Report:

Within 24 hours prior to installation of one-way doors, a survey will be conducted to verify the status of burrowing owls on the site.

Passive exclusion will be conducted using one-way doors on all burrows suitable for burrowing owl occupation.

One-way doors shall be left in place a minimum of 48 hours to ensure burrowing owls have

left the burrow before excavation.

While the one-way doors are in place, the qualified biologist will visit the site twice daily to monitor for evidence that owls are inside and are unable to escape. If owls are trapped, the device shall be reset and another 48-hour period shall begin. After a minimum of 48 hours, the one-way doors will be removed and the burrows will be excavated using hand tools to prevent reoccupation. The use of apipe is recommended to stabilize the burrow to prevent collapsing until the entire burrow has been excavated and it can be determined that no owls reside inside the burrow. After the owls have been excluded, the excavated burrow locations will be surveyed a minimum of three times over two weeksto detect burrowing owls if they return. The site will be managed to prevent

reoccupation of burrowing owls (e.g., disking, grading, manually collapsing burrows) until development is complete. If burrowing owls are found outside the project site during preconstruction surveys, the qualified bi-ologist shall evaluate the potential for disturbance. Passive exclusion of burrowing owls shall be avoided to the maximum extent feasible where no ground disturbance will occur. In cases where ground disturbance occurs within the nodisturbance buffer of an occupied burrow, the qualified bi-ologist shall determine in consultation with the City of Gridley Planning Division and CDFW whether reduced buffers, additional monitoring, or passive exclusion is appropriate.

Compensatory Mitigation, if Active Owl Dens are Present: If active burrowing owl dens are present and the project would impact active dens, the project applicant shall provide compensatory mitigation in accordance with the requirements of the CDFW. Such mitigation shall include the permanentprotection of land, which is deemed to be suitable burrowing owl habitat through a conservation easement deeded to a non-profit conservation organization or public agency with a conservation mission, or the purchase of burrowing owl conservation bank credits from a CDFW-approved burrowingowl conservation bank. In determining the location and amount of acreage required for permanent protection, the project applicant, in conjunction with the City of Gridley

Planning Division, shall seek lands that include the same types of vegetation communities and fossorial mammal populations found in the lost foraging habitat.

### Swainson's Hawk

If project construction plans require ground disturbance that represents potential nesting habitat for migratory birds or other raptors including Swainson's hawk, the project contractor shall initiate such activity between September 1st and January 31st, outside the bird nesting season, to the extent feasible. If tree removal must occur during the avian breeding season (February 1st to August 31st), a qualified biologist shall conduct a survey for ground-nesting birds. The survey shall be conducted 14days prior to the commencement of construction and include all potential ground-nesting sites and trees and shrubs within 75 feet of the entire project site. The findings of the survey shall be submit- ted to the City of Gridley Planning Department. If nesting passerines or raptors are identified during the survey within 75 feet of the project site, a 75-foot buffer around the ground nest or nest tree shall be fenced with orange construction fencing. If the ground nest or nest tree is located off the project site, then the buffer shall be demarcated as per above. The size of

the buffer may be altered if a qualified biologist conducts behavioral observations and determines the nesting passerines are well acclimated to disturbance. If acclimation has occurred, the biologist shall prescribe a modified buffer that allows sufficient room to prevent undue disturbance/harassment to the nesting birds. Construction or earth-moving activity shall not occur within the established buffer until a qualified biologist has determined that the young have fledged (that is, left the nest) and have attained sufficient flight skills to avoid project construction zones, which typically occurs by July 15th. However, the date may be earlier or later, and would have to be determined by a qualified biologist. If a qualified biologist is not hired to watch the nesting passerines, then the buffers shall be maintained in place through the month of August and work within the buffer may commence September 1st.

Prior to the issuance of a grading permit, the dedication of land suitable for replacement Swainson's hawk foraging habitat shall be dedicated by the project applicant at a ratio of 1:1 for all existing un- paved areas within the project site. The location of the replacement foraging habitat shall be coordinated with, and approved by, the CDFW, and shall be acquired prior to development of the project site. Proof of CDFW approval shall be submitted to the City of Gridley Planning Department.

### **Giant Garter Snake**

During the pre-construction survey, the biologist shall investigate the site for habitat or evidence of the Giant Garter Snaked on or proximate to the subject site. Protective fencing shall be erected on the north, east, and south property lines to mitigate migration into the site during construction.

**MM 4.2** The biologist shall submit a report documenting the site investigation and findings prior to the onset of construction activities. This includes any installation of bmps require by the General Construction Permit, clearing or grubbing, demolition of existing structures and/or roughgrading. The report shall be submitted to the City of Gridley Planning Department for review andacceptance of the findings of the biologic site review.

MM 5.1 Prior to the commencement of construction, an archaeologist meeting the Secretary of the Interior's Professional Qualification Standards for prehistoric and historic archaeologist for the purpose of recording, protecting, or curating the discovery as appropriate shall be retained to conduct a survey of the site and a thorough records search. The archaeologist shall be required to submit to the Planning Department for review and approval a report of the findings and method ofcuration or protection of the resources. During construction, the developer shall submit plans to the Planning Department for review and approval which indicate (via notation on the improvement plans) that if historic and/or cultural resources are encountered during site grading or other site work, all such work shall be halted im- mediately within 100 feet and the developer shall immediately notify the Planning Department of the discovery. In such case, the developer shall be required, at their own expense, to retain the services of a qualified archaeologist MM 5.2 If human remains, or remains that are potentially human, are found during construction, a professional archeologist shall ensure reasonable protection measures are taken to protect the discovery from disturbance. The archaeologist shall notify the Butte

County Coroner (per §7050.5 of the State Health and Safety Code). The provisions of §7050.5 of the California Health and Safety Code, §5097.98 of the California Public Resources Code, and Assembly Bill 2641 will be implemented. If the Coroner determines the remains are Native American and not theresult of a crime scene, then the coroner will notify the Native American Heritage Commission (NAHC), which then will designate a Native American Most Likely Descendant (MLD) for the project (§5097.98 of the Public Resources Code). The designated MLD will have 48 hours from the time access to the property is granted to make recommendations concerning treatment of the re- mains. If the applicant does not agree with the recommendations of the MLD, the NAHC can mediate (§5097.91 of the Public Resources Code). If an agreement is not reached, the qualified archaeologist or most likely descendent must rebury the remains where they will not be further disturbed (§5097.98 of the Public Resources Code). This will also include either recording the site with the NAHC or the appropriate Information Center, using an open space or conservation zoning designation or easement, or recording a reinternment document with the county in which the property is located (AB 2641). Work cannot resume within the no-work radius until the City of Gridley, through consultation as appropriate, determine that the treatment measures have been completed to their satisfaction.

**MM 8.1** Prior to the start of construction activities, the project applicant shall submit a construction equipment inventory list to the City Engineer demonstrating compliance with U.S. EPA CARB, and BCAQD requirements. The list shall be updated if additional equipment will be used to ensure the compliance. The use of alternatively fueled construction equipment, such as hybrid electric or natural gas-powered equipment, would also be acceptable, given that such technologies are implemented to a level sufficient to achieve similar emission reductions.

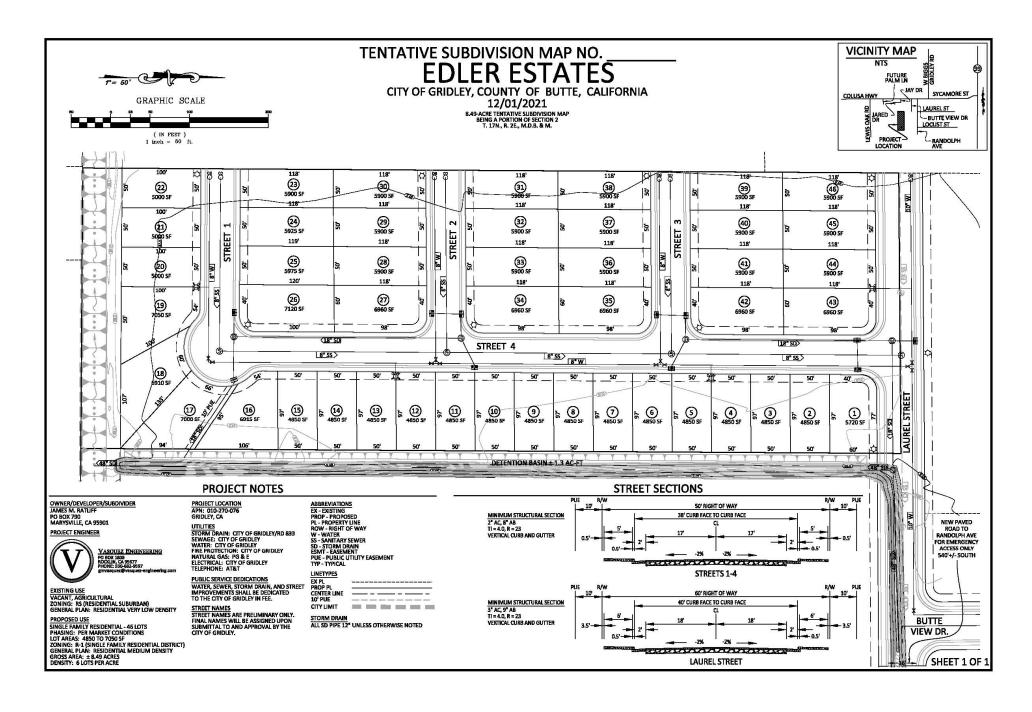
- **MM 8.2** Prior to the issuance of building permits, the project applicant/developer shall submit a Landscaping Plan for review and approval by the Planning Department. The Landscaping Plan shall be prepared to reflect the design for the linear park, detention basin park, and play area. The design shall also provide a subdivision tree planting plan.
- **MM 14.1** Project noise-generating construction activities shall occur within the hours identified in Gridley Municipal Code.
- **MM 14.2** All noise-producing project equipment and vehicles using internal- combustion engines shall be equipped with manufacturers- recommended mufflers and be maintained in good working condition.
- **MM 14.3** All mobile or fixed noise-producing equipment used on the project site that are regulated for noise by Title 7 of the Gridley Municipal Code, §17.74.030 and shall comply with such regulations while in the course of project activity.
- **MM 14.4** Electrically powered equipment shall be used, where feasible, instead of pneumatic or internal-combustion-powered equipment.
- **MM 14.5** Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors.
- **MM 14.6** Project area and site access road speed limits shall be established by conditions of approval to the project and enforced during the construction period in conjunction with MM 14.8 below.
- MM 14.7 Nearby residences shall be notified of construction schedules by posting a

minimum of 48 hours in advance, so that arrangements can be made, if desired, to limit their exposureto short-term increases in ambient noise levels.

**MM 14.8** The engineer shall coordinate with the City of Gridley to potentially employ the design of traffic calming measures on Little Avenue in order to ensure speed reductions due to the excessively long, straight alignment that will be conducive to greater speeds and potentially an increase in general traffic ambient noise. No design shall be constructed until approved by the City of Gridley.

**I HEREBY CERTIFY** that the foregoing resolution was duly introduced and passed at the regular City Council meeting of the City of Gridley held on the 6<sup>th</sup> day of September, 2022, by the following vote:

Cliff Wagner City Administrator		Bruce Johnson Mayor	
ATTEST:		APPROVE:	
ABSENTS:	COUNCIL MEMBERS		
ABSTAIN:	COUNCIL MEMBERS		
NOES:	COUNCIL MEMBERS		
AYES:	COUNCIL MEMBERS		



## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRIDLEY TO REZONE AN APPROXIMATELY 8.49-ACRES FROM RESIDENTIAL SUBURBAN (RS) TO SINGLE FAMILY RESIDENTIAL DISTRICT (R-1) (APN 010-270-076)

- **WHEREAS**, the Planning Commission held a publicly noticed hearing on July 20, 2022 regarding the proposal to rezone approximately 8.49-acres from Residential Suburban (RS) to Single Family Residential (R-1); and,
- **WHEREAS,** at the close of the July 20, 2022 public hearing the Planning Commission recommended the City Council approve rezoning the property; and,
- **WHEREAS**, the City Council reviewed the recommendation of the Planning Commission, considered the Initial Study and Mitigated Negative Declaration, and has found that the proposed rezone could not have a significant effect on the environment; and,
- **WHEREAS**, the City Council accepted the Mitigated Negative Declaration by adopting Resolution Number 2022-R-XXX on September 6, 2022; and,
- **WHEREAS**, the City Council duly introduced Ordinance XXX-2022 by reading of title only at a regular meeting of the City Council held on September 6, 2022; and,
  - **WHEREAS,** the City Council of the City of Gridley ordains as follows:
- **SECTION 1**: The City Council finds that the rezone of Assessor Parcel Number 010-270-076 is consistent with the 2030 General Plan and the amendment adopted thereto as 2022-R-0XX in addition to adopting the Mitigated Negative Declaration.
- **SECTION 2**: The City Council of the City of Gridley approves the rezone of Assessor Parcel Number 010-270-076 of 8.49-acres Residential Suburban (RS) to Single Family Residential District (R-1).
- **SECTION 3:** The Zoning Map of the City of Gridley on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended, in accordance with the herein description and Exhibit A.
- **SECTION 4:** This ordinance shall be effective thirty (30) days from the date of the second reading of the ordinance.

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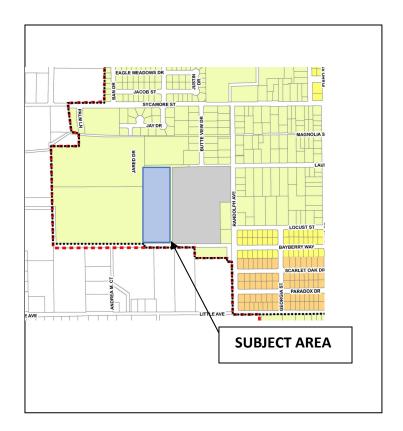
I HEREBY CERTIFY that the foregoing resolution for the property rezone of APN 010-270-076 as noted in Sections 1-4 and as shown on Exhibit A was duly introduced by reading of title only at the regular City Council meeting of the City of Gridley held on the 6<sup>th</sup> day of September, 2022, by the following vote:

AYES:	COUNCIL MEMBERS		
NOES:	COUNCIL MEMBERS		
ABSTAIN:	COUNCIL MEMBERS		
ADCENT	COUNCIL MEMBERS		
ABSENT:	COUNCIL MEMBERS		
ATTEST:		APPROVE:	
Cliff Wagner,	City Clerk	Bruce Johnson, Mayor	
,	,	, , , , ,	
APPROVED AS	TO FORM:		
AFFROVEDAS	TO TORIVI.		
Anthony Galyea	an, City Attorney		

### **EXHIBIT A**



Figure 1: Location Map



Existing Zoning

### From existing:

Residential Suburban

### To proposed:

Single-Family Residential (R-1)

## City Council Item #5 Staff Report

Date: September 6<sup>th</sup>, 2022

**To:** Mayor and Councilmembers

**From:** Donna Decker, Planning Department

Subject: Gridley Industrial Park Complex, Subdivision Map 2-22

**Resolution No. 2022-R-033:** A Resolution of the Gridley City Council to amend the General Plan Land Use Designation of approximately 70-acres from Industrial to Industrial/Park/Open Space/Public and to adopt a Mitigated Negative Declaration pursuant to a CEQA finding there is less than significant environmental impact. (APN 021-240-027, -042)

Regular

Special Closed

Emergency

**Resolution No. 2022-R-034**: A Resolution of the Gridley City Council Approving Tentative Subdivision Map 2-22 to subdivide an existing 70-acres into eight (8) parcels located in the Gridley Industrial Park Complex. (APN 021-240-027, -042)

**Resolution No. 2022-R-035**: A Resolution of the Gridley City Council authorizing the city administrator to execute agreements and contracts on behalf of the City Council of the city of Gridley related to the appraisal and marketing future parcels available in the Gridley industrial park complex (APN 021-240-027, -042)

**Introduction and First Reading of Ordinance 841-2022:** An ordinance to rezone approximately 70-Acres from Heavy Industrial (M-2) to Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP) located n the Gridley Industrial Park Complex. (APN 021-240-027, -042)

#### Recommendation

City staff respectfully recommends the City Council adopt Resolution Nos. 2022-R-033, 2022-R-034, 2022-R-035, and introduce First Reading of Ordinance No. 841-2022, by reading of title only.

#### Summary

The Industrial Park was part of the lands within the City of Gridley Redevelopment Agency. As a result of the State of California terminating these agencies, the City entered a Long-Range Property Management Plan (Plan) with the Department of Finance to divest its real capital assets. The Plan identifies existing Agency real property assets and sets forth a strategy for the appropriate retention and disposition of such assets in accordance with the provisions of AB 1484. The state granted approximately half of the acreage to remain as city property for the development of municipal uses; the remainder is required to be sold.

The proposed project was reviewed by the Planning Commission on July 20, 2022, with a recommendation for approval by the City Council.

#### **Site Description**

The subject site is approximately 70-acres comprising most of the Industrial Park. It has recently had FEMA Emergency Housing which contract is now terminated providing an opportunity to sell the property identified for divestment.

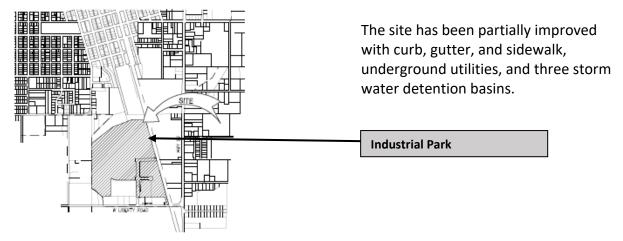


Figure 1: Site Location

#### Discussion

#### **Proposed project**

In an effort to divest the real property assets, staff has proceeded to develop a tentative subdivision map to sell the parcels implementing the Long-Range Property Management Plan. The sale of the property will complete the obligation the city has to its taxing entities. Upon the sale of property, the proceeds will be forwarded to the County who will distribute funds to reimburse the taxing entities.



Figure 2: Existing conditions

The subject site is zoned Heavy Industrial (M-2) District. The General Plan land use designation is Industrial. The land use designations remain unchanged from the time they were established during the acquisition of the Industrial Park area. Historically and prior to the Industrial Park being annexed into the city, the County had designated the area as industrial in the 1960's and again memorialized in 1976. The city prepared an EIR for industrial zoning in 1979; the property was pre-zoned as industrial in 1984. The 1984 General Plan and the Sphere of Influence study also acknowledged the area's use as Industrial. The city developed the "Gridley Area Industrial Area Specific Plan" in January 1992 prepared by Planning Concepts. The Specific Plan identified the standards development would implement.

The state desires to have redevelopment lands be sold to uses that complement the intended industrial use. The city will ensure through the sale process to adhere to the intent as is practicable. It is not intended as a sale for speculation or to hold to a future date. The Gridley Industrial Park Master Plan identified the location of the Sports Complex which included amenities for the city as: an aquatic center, sports fields, pedestrian walk ways, parking, and indoor sports buildings.

During the development of the Long Range Property Management Plan, the city requested the State to consider the opportunity to hold approximately 37 acres of the original Industrial Park under the Redevelopment Plan for government use to include:

- 1. Sports Complex
- 2. Transit Facility
- 3. Corporation Yard

This was approved and the city is moving forward with grant applications to construct soccer fields, a concession, and seating. This is the first phase of the Sports Complex development.

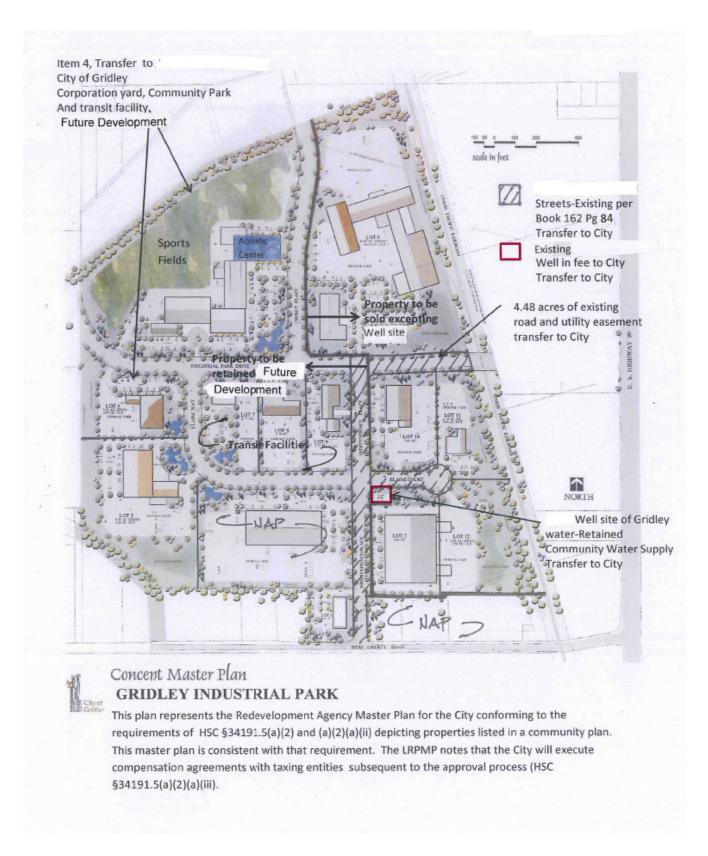


Figure 3: Long Range Property Management Plan
(Adopted by the Department of Finance, 12/29/2015)

#### Tentative Map

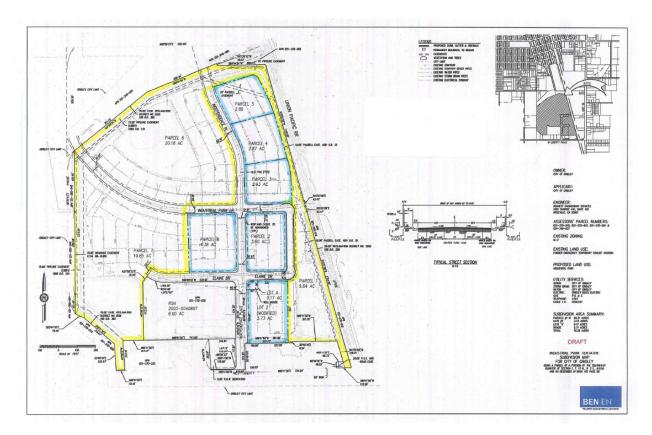


Figure 2: Proposed Tentative Map

The proposed Tentative Subdivision Map has segregated lands to be held by the city as shown in Figure 2 outlined in yellow. The six parcels outlined in blue represent the parcels that will be sold. Exhibit A, Conditions of Approval are added to provide direction to future owners of parcels for the process to develop.

#### **Planning Commission**

On December 15, 2021, the proposed Tentative Subdivision Map was reviewed by the Planning Commission. No action was taken; the item was left open and continued to its next scheduled public hearing. Public comment from the adjoining Reclamation Districts, Mr. Gordon Jones, and Mr. Patrick Coughlin was received for this public hearing date. The comments from the Reclamation Districts were by email related to not receiving notice and wished for time to review the map to provide feedback to the city. Mr. Jones was concerned about the zoning and when it was zoned Industrial. He also expressed concerns related to traffic impacts at the intersection of West Liberty and Hwy 99. Mr. Coughlin had comments supporting the sports complex soccer fields. No additional comments have been received from these parties.

Subsequent to the public review process by the Planning Commission and City Council in December, 2021, the project was again reviewed by the Planning Commission on July 20, 2022 whereby the Planning Commission recommended the City Council adopt the resolutions and

approve the project. The delay from December to July was due to the completion of the traffic study to determine what additional impacts there might be with the proposed Tentative Subdivision Map.

#### **City Council**

On December 20, 2021, the proposed tentative map was presented to the City Council for information purposes and to answer questions related to its divestment. The project is returning to the City Council for action with a recommendation by the Planning Commission to adopt the resolutions and approve the project.

#### **Next Steps**

If the City Council approves the project the next step will be to have the parcels that are depicted on the Tentative Subdivision Map appraised in order to divest the capital assets. During the preparation of the tentative map, the city has received several calls of interest for companies to invest in the community which could lead to an expedited process. A resolution is attached to this project to allow the City Administrator to act on behalf of the City Council to administrate the process of appraisal and identify opportunities for the sale of the property. No action would be taken without the City Council being advised as to the proposed development and sale of the property meeting the final obligation under the divestment requirements.

#### **Public Notice**

A notice was posted in the posted at City Hall, made available at the Administration public counter, and placed on the city website for review. No notices have been mailed out because the project was continued from the previous Planning Commission meeting.

#### **Environmental Review**

The City prepared an Initial Study, Attachment 5.

#### Attachments -

- 1. Resolution No. 2022-R-033 General Plan Amendment and Negative Declaration
- 2. Resolution No. 2022-R-034 Tentative Subdivision Map 2-22
- 3. Resolution No. 2022-R-035 Authorization of the City Administrator
- 4. Ordinance No. 841-2022 Rezone
- 5. Initial Study (Due to the size of the attachment, this will be available for review at City Hall)
- Long Range Property Management Plan

# A RESOLUTION OF THE GRIDLEY CITY COUNCIL TO AMEND THE GENERAL PLAN LAND USE DESIGNATION OF APPROXIMATELY ±70-ACRES FROM INDUSTRIAL TO INDUSTRIAL/PARK/OPEN SPACE/PUBLIC AND TO ADOPT A MITIGATED NEGATIVE DECLARATION PURSUANT TO A CEQA FINDING THERE IS LESS THAN SIGNIFICANT ENVIRONMENTAL IMPACT. (APN 021-240-027, -042)

WHEREAS, the Planning Commission held a publicly noticed hearing on July 20, 2022 regarding the proposal to amend the General Plan land use designation from Industrial to Industrial/Park/Open Space/Public and to adopt a Mitigated Negative Declaration pursuant to a CEQA finding there is less than significant environmental impact; and,

**WHEREAS,** at the close of the July 20, 2022 public hearing, the Planning Commission recommended that the City Council approve the amendment of the General Plan land use designation for the ±70-acre parcel; and,

**WHEREAS**, the City Council reviewed the recommendation of the Planning Commission at its September 6, 2022 public hearing also considering the Initial Study, and did find the change in General Plan land use designation, rezone, and tentative subdivision map could not have a significant effect on the environment; and,

WHEREAS, the City Council accepts the Initial Study and the published Mitigated Negative Declaration. A Notice of Intent to adopt a Negative Declaration was published and provided the required 20 day minimum period for public review and comment;

#### NOW, THEREFORE, BE IT RESOLVED:

- The City Council of the City of Gridley amends the General Plan land use designation of the Assessor Parcel Number 021-240-027, -042 from Industrial to Industrial/Park/Open Space/Public; and,
- 2. The City Council of the City of Gridley adopts a Mitigated Negative Declaration finding that the project could not have a significant effect on the environment.
- 3. The General Plan Map of the City of Gridley on file with the City Clerk, designating and dividing the City into land use districts, is hereby amended, in accordance with the herein description and Exhibit A.

#### **RESOLUTION NO. 2022-R-033**

ATTEST:		APPROVE:
that the forgo	oing is a true and full co	nd Mayor of the City of Gridley, do hereby attest and certify by of a resolution of the City of Gridley adopted at a duly e-mentioned, which has not been altered, amended or
ABSENT:	COUNCIL MEMBERS	
ABSTAIN:	COUNCIL MEMBERS	
NOES:	COUNCIL MEMBERS	
AYES:	COUNCIL MEMBERS	
by the follow	ing vote:	

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 6<sup>th</sup> day of September, 2022

#### **EXHIBIT A**



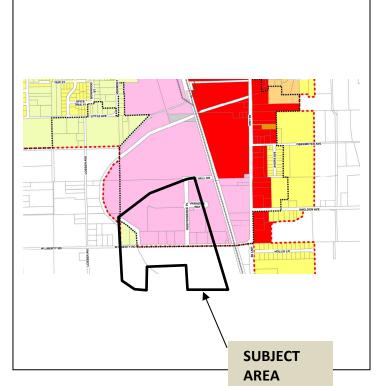


Figure 2: Existing conditions

Figure 1: Location Map

General Plan Land Use Designation:

#### From existing:

Industrial

#### To proposed:

Industrial/Park/Open Space/Public

## A RESOLUTION OF THE GRIDLEY CITY COUNCIL APPROVING TENTATIVE SUBDIVISION MAP NO. 1-22 TO SUBDIVIDE ONE PARCEL CONSISTING OF APPROXIMATELY 70-ACRES INTO EIGHT (8) PARCELS (APN: 021-240-027, -042)

WHEREAS, the City of Gridley developed a Tentative Subdivision Map to subdivide an approximately 70–acre parcel to create eight (8) lots for Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP) in the manner illustrated on a tentative parcel map received by the City (Exhibit "A" attached); and,

WHEREAS, the subject property consists of two parcels designated as Assessor's Parcel Number 021-240-027, -042 and the proposed Tentative Subdivision Map has been assigned the file number Tentative Subdivision Map No. 2-22 (TSM 2-22); and,

**WHEREAS**, the Planning Commission considered Tentative Subdivision Map No. 2-22 at a noticed regular public hearing on July 20, 2022, considered the staff report regarding the proposed tentative map design and required public improvements, and recommended the City Council approve the Tentative Map 2-22; and,

**WHEREAS**, the General Plan designation is Industrial/Park/Open Space/Public in accordance with 2022-R-033; and,

WHEREAS, the proposed zoning designation for the subject parcels is Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP) in accordance with Ordinance No. 841-2022; and,

**WHEREAS**, the City Council finds that Tentative Subdivision Map No. 2-22, including the proposed use and improvements to the property, is consistent with Gridley's General Plan including the policies contained therein as well as the land use diagram, and also finds that based on the conditions of approval, the site is physically suitable for development as proposed; and,

**WHEREAS**, the City Council determined that the described tentative map and its design and improvements are consistent with Gridley's General Plan and Zoning Ordinance of the Gridley Municipal Code, Chapter 17, regulations and policies regarding the use and division of land; and,

**WHEREAS**, the City Council, having further considered the Initial Study prepared for the project in order to adopt a Mitigated Negative Declaration; and,

WHEREAS, the City Council finds that this tentative subdivision map complies with all State and City regulations governing the division of land, and that division and development of the property in the manner set forth on the tentative parcel map as shown on Exhibit A will not unreasonably interfere with the free and complete use of existing public and/or public utility easements or rights-of-way.

### NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRIDLEY, AS FOLLOWS:

#### SECTION 1: FINDINGS FOR APPROVAL OF THE TENTATIVE SUBDIVISION MAP

1. That the proposed project is consistent with the City of Gridley General Plan and does not exceed density and intensity standards within the Land Use Element, as amended.

The Industrial/Park/Open Space/Public standards of the City's General Plan are met with the proposed tentative subdivision map land division.

2. That the site is physically suitable for the type of development proposed.

The proposed industrial/park/public/quasi public use is consistent with adjacent uses. No hazards exist on the site which would make the property inappropriate for people or residential uses.

3. That the site is physically suited for the density of development.

The proposed Industrial/Park/Open Space/Public zoning district allows for the development of industrial use, park, and public facility uses. The proposed Tentative Subdivision Map conforms to the requirements of the proposed zoning districts and the General Plan land use designation. The project site has slopes of less than 2%, it is not within a 100-year flood plain and can accommodate drainage facilities necessary for the proposed density, it has adequate access to public roads which have the capacity to serve the development.

4. That the designs of the subdivision or the proposed improvements are not likely to cause serious public health problems.

As conditioned, the project will provide adequate sanitary sewer, a public water supply, storm drainage facilities, and roadway and construction conditions and mitigation measures. Standard subdivision improvements will include additional fire hydrants, streetlights and roadways designed for residential traffic, if required as parcels are developed.

5. The design of the project will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed project.

The project will not impact or conflict with any easements or land acquired by the public.

6. The Tentative Subdivision Map conforms to the provisions of the Subdivision Map Act and to the provisions of Gridley Municipal Code Title 16 - Subdivisions (GMC Section 16.15).

The tentative subdivision map complies with the required form and content of tentative subdivision maps, as set forth by the city and based upon the provisions of Title 16 of the Gridley Municipal Code.

7. The tentative parcel map is consistent with good planning and engineering practice (GMC Section 16.15).

The City Engineer has reviewed the tentative subdivision map, and has attached conditions that have been incorporated within the Conditions of Approval. All lots comply with the requirements in the City of Gridley Land Division Standards and Improvement Standards.

8. The project will not be harmful to the public health and safety or the general welfare of the persons residing or working in the area.

The project applicant proposes to develop the lots for residential uses. This type of development is not considered potentially harmful to the public health and safety or to the general welfare of persons residing in the vicinity.

9. The project will not result in substantial environmental damage.

The tentative subdivision map would not result in substantial damage to the environment. Development proposed under the subdivision map would be consistent with the type of development in the vicinity, and would not substantially damage the physical environment of the area. The site is located within the Sphere of Influence, within the city boundary, and has been previously evaluated and approved for development.

#### SECTION 2: THE CITY COUNCIL OF THE CITY OF GRIDLEY:

Approves Tentative Subdivision Map 1-22 as described subject to the following conditions of approval:

- 1. The applicant/property owner shall file a Declaration of Acceptance of the Conditions of Approval within 30 days of approval for the Tentative Subdivision Map 2-22.
- 2. The Tentative Subdivision Map 2-22 shall expire after a two (2) year period. An extension to the approval for up to five years may be approved; an application would need to be filed 30 days in advance of the expiration of the map.
- 3. Use of the 70-acre project site is subject to all zoning regulations described in Gridley Municipal Code as applicable the zoning districts, the General Plan requirements, and all applicable requirements of the Gridley Municipal Code.
- 4. Physical development of the site shall conform to the design approved for Tentative Subdivision Map No. 2-22 and to all of the conditions of approval of that Tentative Subdivision Map.
- 5. The project shall be required to pay all applicable impact fees for the development of the project.
- 6. Minor changes may be approved by the Planning Director upon receipt of a substantiated request by the applicant, or their respected designee. Prior to such approval, verification shall be made by each Department that the modification is consistent with the approved application. Changes deemed to be major or significant in nature shall require a formal application for amendment.
- 7. In the event of the discovery or recognition of prehistoric or historic resources in the area subject to development activity, there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie similar resources and a professional archaeologist shall be consulted. Further, if human remains are discovered, the coroner of the county in which the remains are discovered must be contacted to determine that no investigation of the cause of death is required. If the County Coroner determines the remains to be Native American, the coroner shall contact the Native American heritage Commission within 24 hours.

Upon completion of the site examination, the archeologist shall submit a report to the City describing the significance of the finds and make recommendations as to its disposition. If human remains are unearthed during construction, the provisions of California Health and Safety Code Section 7050.5 shall apply. Under this section, no

further disturbance of the remains shall occur until the County Coroner has made the necessary findings as to origin and disposition, pursuant to California Public Resources Code Section 5097.98. Mitigation measures, as recommended by the archaeologist and approved by the City, shall be implemented prior to recommencement of construction activity within the 50-foot perimeter.

- 8. The project will implement all recommended mitigation measures identified within the Initial Study; an omission on the list of conditions does not absolve the need to implement the mitigations identified in the Initial Study.
- 9. Prior to any site work, the project applicant shall submit a geotechnical report to the City, prepared by a certified engineering geologist. The project applicant shall incorporate any recommended measures into the final site plan.
- 10. Construction of the project shall comply with the requirements of the National Pollution Discharge Elimination (NPDES) Permit and obtain a WDID from the State of California in conformance with the General Construction Storm Water Permit; Storm Water Pollution Prevention Plan (SWPPP) shall be prepared prior to construction activities.
- 11. Upon commencement of grading and construction activities, the applicant shall implement measures to offset particulate matter and emissions from construction equipment as specified by Butte County Air Quality Management District.
- 12. Prior to recordation of a Final Map, the applicant shall submit for review and approval improvement plans that shall include, not limited to, details related to above and underground infrastructure; piping and service laterals, meters, drop inlets, manholes, curb, gutter, and sidewalk, roadway, pavement markings, lighting, hydrants, street signs, electrical, transformer pedestals, and any and all components as required by the City of Gridley, the City Engineer, the Utility Supervisor, and Public Works Manager. Plans shall meet all required state and local ordinances, regulations, and Public Works Development Standards. Omissions on the plans does not constitute approval for the omission. Plans shall be reviewed and approved by the City Engineer and the Gridley Municipal Services Division.
- 13. Prior to recordation of the final map, the applicant shall coordinate with the Butte County Assessor's Office and Tax Collector to segregate any assessments against the properties and pay any delinquent, current, and future taxes and/or assessments against the properties as required.

- 14. Dedicate a 10-foot public services easement adjacent to all public right-of-way frontages, if required.
- 15. Prior to approval of a Final Map all of the following requirements shall be completed:

A registered engineer shall prepare and submit the following information to Gridley Department of Public Works for review and approval:

- a. Calculations identifying the estimated rate of peak stormwater runoff from the gross area of the undivided site and abutting streets - as they exist at the time of approval of the tentative subdivision map- during currently adopted design storm event. The calculations shall be prepared in a manner consistent with the Gridley Public Works Construction Standards, and with standard engineering practice. The Drainage Analysis shall be on the prescribed and adopted format used by the city.
- b. Construction details, plans and profiles, typical sections, specifications, and maintenance plans for any proposed stormwater detention facilities to be constructed to serve the parcels created by this subdivision.
- c. The developer/developer engineer shall provide material submittals that have been reviewed and approved by engineer of record prior to submittal being submitted specification sheets for all materials to be used in the construction of all underground and all materials within the right of way.
- d. Prior to any construction, the developer and team shall schedule a preconstruction site meeting to discuss the project.
- e. The developer shall provide a construction schedule to the City Engineer prior to commencement of construction.
- f. An assessment against the development and individual parcels shall be established to fund the on-going maintenance costs associated with any approved stormwater detention facilities, lighting, landscape, and drainage components as determined by the City Engineer.
- g. Dedication of the area for the detention facilities, if required shall be made to the City of Gridley as a condition of recordation of the Final Map.

- h. The design of surface detention facilities, if required, shall minimize use of the facility by mosquitoes for breeding by incorporating some or all of the features recommended by the Butte County Mosquito and Vector Control District.
- i. All drainage improvements shall be constructed in conformance with the Gridley Public Works Construction Standards, the City of Gridley Master Drainage Plan, and the details shown on approved construction plans. The developer shall have a registered engineer prepare and submit construction details, plans and profiles, typical sections, specifications, and cost estimates to the Department of Public Works for review and approval prior to the recordation of the Final Map.
- j. Developer's engineer of record shall determine whether State of California Variances are required and shall prepare all documents for review and approval to the City Engineer.
- k. No work or construction shall commence prior to the approval of all improvement plans, grading plans, rough grading, import or other activities.
- I. A geotechnical report is required to be prepared. If ground water is discovered, a groundwater discharge plan (Dewatering) shall be prepared, submitted and reviewed and approved by the City Engineer. All state and local permits for dewatering shall be obtained prior to commencement of work. The contractor is advised that groundwater levels vary depending on the irrigation season.
- m. Construction shall ensure that compaction testing shall be done within roadways with a map depicting where tests were done and submitted to the City Engineer.
   The Engineer of Record shall ensure, by statement, that the results comply with all requirements of the geotechnical report.
- n. A traffic control plan shall be submitted for review and approval by the City Engineer prepared by a traffic engineer, registered civil engineer, or a certified American Traffic Safety Services Association person.
- 16. Telephone, cable television, and gas service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services, without exception.
- 17. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.

- 18. The lots shall be graded in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit grading details, plans and specifications prepared by a registered engineer to the Department of Public Works for review and approval prior to the start of any work.
- 19. The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to the plaintiff in an action challenging the validity of this tentative subdivision map or any environmental or other documentation related to approval of this tentative subdivision map.
- 20. Provide existing topographic survey 100 feet beyond boundary and proposed finish grade contour lines both at 1 foot contour intervals.
- 21. Provide water distribution plan, proposed sizes and tie in locations.
- 22. Develop conceptual sewer plan, proposed sizes, slopes, sewer manholes and tie in locations.
- 23. Develop conceptual drainage plan, sizes and overland release and detention facilities.
- 24. Show public utility easements (PUE) on plan. Provide Landscape Plans, Irrigation Plans and final water audit of landscaping area. The irrigation shall be on separate meter.
- 25. Show all existing public facilities within 100-feet beyond the site boundary.
- 26. Show proposed building setbacks for each parcel.
- 27. All overhead utilities shall be underground within subdivision.
- 28. The lighting layout will be approved by the city and will be decorative acorn lighting.
- 29. Electrical and Water to be looped into existing infrastructure. The applicant shall coordinate with Gridley Electric specific to the design needs.
- 30. Meet requirements of the reclamation district and the irrigation district, as required. The proposed development shall mitigate the increased stormwater runoff such that facilities and properties served by the districts aren't impacted due to the increased stormwater. The water surface elevation within the district canals, and any existing flooding duration within the district shall not be increased.

Reclamation District shall review and approve the storm drainage design with costs being reimbursed by the developer to the district. RD will bill the developer independent of the city of Gridley.

- 31. Provide detailed information, recorded easements, related to the site proposed to be used for discharge by the project and by the city for storm water discharge able to be designed to meet the retention needs for storm water metering. Additional or alternate solutions may be considered.
- 32. The applicant may request a grading permit and pay all applicable fees as reviewed and approved by the City Engineer.
- 33. All costs related for plan review, design, and improvement plan approval by city staff and/or consultants will be the responsibility of the applicant/developer at actual cost.
- 34. Segregate any assessments against the properties.
- 35. Pay any delinquent taxes and/or assessments against the properties.
- 36. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of school impact fees, as levied by the Gridley Unified School District in accordance with State legislation at the currently adopted rate per square foot of building area.
- 37. Note on a separate document to be recorded simultaneously with the Subdivision Map, the requirement for payment of drainage fees levied and must be paid to the City at the time a building permit is issued for development of each parcel, as required.
- 38. Install street name signs, traffic control signs, pavement markings and barricades in conformance with the Gridley Public Works Construction Standards, as required.
- 39. Dedication of the total area of the detention basin, park, open space, frontage improvements and all pedestrian connection trails, shall be made to the city of Gridley in fee title as a condition of recordation of the Final Map.
- 40. All sanitation facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer to the Department of Public Works for review and approval prior to start of any work.

- 41. All water facilities shall be constructed in conformance with the Gridley Public Works Construction Standards and the Gridley Municipal Code. The developer shall submit construction details, plans and profiles, typical sections, specifications, and cost estimates that have been prepared by a registered engineer for review and approval prior to start of any work.
- 42. The City and the developer shall coordinate the construction of appropriate decorative fencing to prohibit access to the canal, reviewed and approved by the Planning Department.
- 43. The developer shall install fire hydrants in conformance with the requirements of the Uniform Fire Code as interpreted by the local division of the California Division of Forestry, the City of Gridley's contract Fire Department. The number of hydrants installed, as well as the exact location and size of each hydrant and the size of the water main serving each hydrant, shall be as specified in the Code.
- 44. Telephone, cable television, internet, and natural gas service shall be provided to all parcels in accordance with the Gridley Public Works Construction Standards, the Gridley Municipal Code, and the requirements of the agencies providing these services.
- 45. If any existing utilities must be relocated as a result of this subdivision, the agencies that own the facilities may require the developer to pay the cost of such relocations.
- 46. The applicant/developer is responsible for paying all costs for a third-party inspector during the construction of any or all phases of development.
- 47. Fencing of the rear yards for the project shall occur at the time of construction and shall be the responsibility of the developer. Fencing throughout the project shall be consistent from lot to lot as reviewed and approved by the Planning Department. Fencing adjacent to the canals shall be 7 feet in height.
- 48. Form an assessment district to cover on-going maintenance costs of facilities within the subdivision including landscaping areas and the drainage detention basin.
- 49. Construction practices shall conform to the standards adopted by the Butte County Air Quality Management District, which requires that 1) fugitive dust emissions related to construction of public improvements for the subdivision be controlled at all times, 2) all clearing, grading, earth moving or excavation activities must cease during periods of wind exceeding 15 miles per hour averaged over one hour, and 3) large off-road diesel equipment used for grading at the site must be maintained in good operating conditions.
- 50. Note on a document to be recorded concurrently with the Final Map that agricultural spraying and keeping of livestock may occur on surrounding properties and that such

agricultural uses are permitted by the zoning of those properties and will not be abated unless the zoning changes.

- 51. All of the mitigation measures identified within the Initial Study are added herein and considered a condition of approval.
- 52. Comply with the mitigation measures identified within the Initial Study to reduce impacts to a less-than-significant level and are incorporated herein.
  - **MM 1.1** In conjunction with the submittal of improvement plans, the applicant shall submit a lighting plan for the review and approval of the Planning Department. The lighting plan shall indicate the provision of shielding for all street light fixtures to avoid nighttime lighting spillover effects on adjacent land uses and nighttime sky conditions. In addition, the lighting plan shall ad- dress limiting light trespass and glare through the use of shielding and directional lighting methods including, but not limited to, fixture location, design, and height as required by the Gridley Municipal Code.
  - **MM 3.1** The project shall implement the following measures during construction: Use adequate fugitive dust control measures for all construction activities during all phases of construction.

Provide energy-efficient lighting and process systems.

No open burning of vegetative material on the project site.

Use temporary traffic control as appropriate at all stages of construction.

Design streets to maximize pedestrian access to transit stops, where feasible.

**MM 3.2** Construction dust and equipment exhaust emission measures shall be implemented:

Water all active construction sites at least twice daily.

Use chemical stabilizers on inactive construction areas (disturbed lands within construction projects that are unused for at least four consecutive days).

On-site vehicle limited to a speed of 15 mph on unpaved roads.

Construction equipment exhaust emissions shall not exceed BCAQMD Rule 201, Visible Emission limitations.

The primary contractor shall be responsible for ensuring that all construction equipment is properly tuned and maintained.

Utilize existing power sources (e.g., power poles) or clean fuel generator rather than temporary power generators.

Minimize equipment idling time to 10 minutes.

Land clearing, grading, earthmoving or excavation activities suspended when winds exceed 20 miles per hour.

Non-toxic binders (e. g. latex acrylic copolymer) should be applied to exposed areas after cut and fill operations.

Plant vegetation ground cover in disturbed areas as soon as possible.

Cover inactive storage piles.

Paved streets adjacent to the development site should be swept or washed at the end of the day as necessary to remove excessive accumulations of silt and/or mud which

may have ac-cumulated as a result of activities on the development site. Post publicly visible sign with the telephone number and person to contact regarding dust complaints. This person shall respond and take corrective action within 24 hours. The tele- phone number of the BCAQMD shall also be visible to ensure compliance with BCAQMDRule 201 and 207 (Nuisance and Fugitive Dust Emissions). Prior to final occupancy, the applicant demonstrates that all ground surfaces are covered ortreated sufficiently to minimize fugitive dust emissions.

**MM 4.1** The project applicant shall conduct preconstruction surveys to determine if Sanford's arrowhead, Giant garter snake, Northern harrier, Swainson's hawk, Greater sandhill crane, Burrowing owl, and Silver-haired bat exist on the site. Should any of the listed be discovered, the applicant shall obtain the necessary approvals for Incidental Take from the CDFW.

#### **Burrowing Owl**

Within 14 days prior to any ground disturbing activities for each phase of construction, the project applicant shall retain a qualified biologist to conduct a preconstruction survey of the site, any off-siteimprovement areas, and all publicly accessible potential burrowing owl habitat within 500 feet of theproject construction footprint. The survey shall be performed in accordance with the applicable sections CDFW Staff Report on Burrowing Owl Mitigation. The qualified biologist shall be familiar with burrowing owl identification, behavior, and biology, and shall meet the minimum qualificationsfor such preconstruction survey. If the survey does not identify any nesting burrowing owls on the site, further mitigation is not required for that phase unless activity ceases for a period in excess of 14 days in which case the survey requirements and obligations shall be repeated. If active burrowingowl dens are found within the survey area in an area where disturbance would occur, the project applicant shall implement measures as determined by the qualified biologist. During the breeding season (February 1 through August 31), the following measures will be implemented:

Disturbance-free buffers will be established around the active burrow. During the peak of the breeding season, between April 1 and August 15, a minimum of a 500-foot buffer will be maintained. Be-tween August 16 and March 31, a minimum of a 150-foot buffer will be maintained. The qualified biologist will determine, in consultation with the City of Gridley Planning Division and CDFW, if the buffer should be increased or decreased based on-site conditions, breeding status, and non-project-related disturbance at the time of construction. Monitoring of the active burrow will be con-ducted by the qualified biologist during construction on a weekly basis to verify that no disturbance is occurring. After the qualified biologist determines that the young have fledged and are foraging independently, or that breeding attempts were not successful, the owls may be excluded in accordance with the non-breeding season measures below. Daily monitoring will be conducted for one week prior to exclusion to verify the status of owls at the burrow.

During the non-breeding season (September 1 to January 31), owls occupying burrows that cannot be avoided will be passively excluded consistent with Appendix E of the 2012 CDFW

#### Staff Report:

Within 24 hours prior to installation of one-way doors, a survey will be conducted to verify the status of burrowing owls on the site.

Passive exclusion will be conducted using one-way doors on all burrows suitable for burrowing owl occupation.

One-way doors shall be left in place a minimum of 48 hours to ensure burrowing owls have left the burrow before excavation.

While the one-way doors are in place, the qualified biologist will visit the site twice daily to monitor for evidence that owls are inside and are unable to escape. If owls are trapped, the device shall be reset and another 48-hour period shall begin. After a minimum of 48 hours, the one-way doors will be removed and the burrows will be excavated using hand tools to prevent reoccupation. The use of apipe is recommended to stabilize the burrow to prevent collapsing until the entire burrow has been excavated and it can be determined that no owls reside inside the burrow. After the owls have been excluded, the excavated burrow locations will be surveyed a minimum of three times over two weeksto detect burrowing owls if they return. The site will be managed to prevent

reoccupation of burrowing owls (e.g., disking, grading, manually collapsing burrows) until development is complete. If burrowing owls are found outside the project site during preconstruction surveys, the qualified bi-ologist shall evaluate the potential for disturbance. Passive exclusion of burrowing owls shall be avoided to the maximum extent feasible where no ground disturbance will occur. In cases where ground disturbance occurs within the nodisturbance buffer of an occupied burrow, the qualified bi-ologist shall determine in consultation with the City of Gridley Planning Division and CDFW whether reduced buffers, additional monitoring, or passive exclusion is appropriate.

Compensatory Mitigation, if Active Owl Dens are Present: If active burrowing owl dens are present and the project would impact active dens, the project applicant shall provide compensatory mitigation in accordance with the requirements of the CDFW. Such mitigation shall include the permanentprotection of land, which is deemed to be suitable burrowing owl habitat through a conservation easement deeded to a non-profit conservation organization or public agency with a conservation mission, or the purchase of burrowing owl conservation bank credits from a CDFW-approved burrowingowl conservation bank. In determining the location and amount of acreage required for permanent protection, the project applicant, in conjunction with the City of Gridley

Planning Division, shall seek lands that include the same types of vegetation communities and fossorial mammal populations found in the lost foraging habitat.

#### Swainson's Hawk

If project construction plans require ground disturbance that represents potential nesting habitat for migratory birds or other raptors including Swainson's hawk, the project contractor shall initiate such activity between September 1st and January 31st, outside the bird nesting season, to the extent feasible. If tree removal must occur during the avian breeding season (February 1st to August 31st), a qualified biologist shall conduct a survey for ground-nesting birds. The survey shall be conducted 14days prior to the commencement

of construction and include all potential ground-nesting sites and trees and shrubs within 75 feet of the entire project site. The findings of the survey shall be submit-ted to the City of Gridley Planning Department. If nesting passerines or raptors are identified during the survey within 75 feet of the project site, a 75-foot buffer around the ground nest or nest tree shall be fenced with orange construction fencing. If the ground nest or nest tree is located off the project site, then the buffer shall be demarcated as per above. The size of the buffer may be altered if a qualified biologist conducts behavioral observations and determines the nesting passerines are well acclimated to disturbance. If acclimation has occurred, the biologist shall prescribe a modified buffer that allows sufficient room to prevent undue disturbance/harassment to the nesting birds. Construction or earth-moving activity shall not occur within the established buffer until a qualified biologist has determined that the young have fledged (that is, left the nest) and have attained sufficient flight skills to avoid project construction zones, which typically occurs by July 15th. However, the date may be earlier or later, and would have to be determined by a qualified biologist. If a qualified biologist is not hired to watch the nesting passerines, then the buffers shall be maintained in place through the month of August and work within the buffer may commence September 1st.

Prior to the issuance of a grading permit, the dedication of land suitable for replacement Swainson's hawk foraging habitat shall be dedicated by the project applicant at a ratio of 1:1 for all existing un- paved areas within the project site. The location of the replacement foraging habitat shall be coordinated with, and approved by, the CDFW, and shall be acquired prior to development of the project site. Proof of CDFW approval shall be submitted to the City of Gridley Planning Department.

#### Giant Garter Snake

During the pre-construction survey, the biologist shall investigate the site for habitat or evidence of the Giant Garter Snaked on or proximate to the subject site. Protective fencing shall be erected on the north, east, and south property lines to mitigate migration into the site during construction.

**MM 4.2** The biologist shall submit a report documenting the site investigation and findings prior to the onset of construction activities. This includes any installation of bmps require by the General Construction Permit, clearing or grubbing, demolition of existing structures and/or roughgrading. The report shall be submitted to the City of Gridley Planning Department for review andacceptance of the findings of the biologic site review.

MM 5.1 Prior to the commencement of construction, an archaeologist meeting the Secretary of the Interior's Professional Qualification Standards for prehistoric and historic archaeologist for the purpose of recording, protecting, or curating the discovery as appropriate shall be retained to conduct a survey of the site and a thorough records search. The archaeologist shall be required to submit to the Planning Department for review and approval a report of the findings and method ofcuration or protection of the resources. During construction, the developer shall submit plans to the Planning Department for review and approval which indicate (via notation on the improvement plans) that if historic and/or cultural resources are encountered during site grading or other site work, all such

work shall be halted im- mediately within 100 feet and the developer shall immediately notify the Planning Department of the discovery. In such case, the developer shall be required, at their own expense, to retain the services of a qualified archaeologist MM 5.2 If human remains, or remains that are potentially human, are found during construction, a professional archeologist shall ensure reasonable protection measures are taken to protect the discovery from disturbance. The archaeologist shall notify the Butte County Coroner (per §7050.5 of the State Health and Safety Code). The provisions of §7050.5 of the California Health and Safety Code, §5097.98 of the California Public Resources Code, and Assembly Bill 2641 will be implemented. If the Coroner determines the remains are Native American and not theresult of a crime scene, then the coroner will notify the Native American Heritage Commission (NAHC), which then will designate a Native American Most Likely Descendant (MLD) for the project (§5097.98 of the Public Resources Code). The designated MLD will have 48 hours from the time access to the property is granted to make recommendations concerning treatment of the re- mains. If the applicant does not agree with the recommendations of the MLD, the NAHC can mediate (§5097.91 of the Public Resources Code). If an agreement is not reached, the qualified archaeologist or most likely descendent must rebury the remains where they will not be further disturbed (§5097.98 of the Public Resources Code). This will also include either recording the site with the NAHC or the appropriate Information Center, using an open space or conservation zoning designation or easement, or recording a reinternment document with the county in which the property is located (AB 2641). Work cannot resume within the no-work radius until the City of Gridley, through consultation as appropriate, determine that the treatment measures have been completed to their satisfaction.

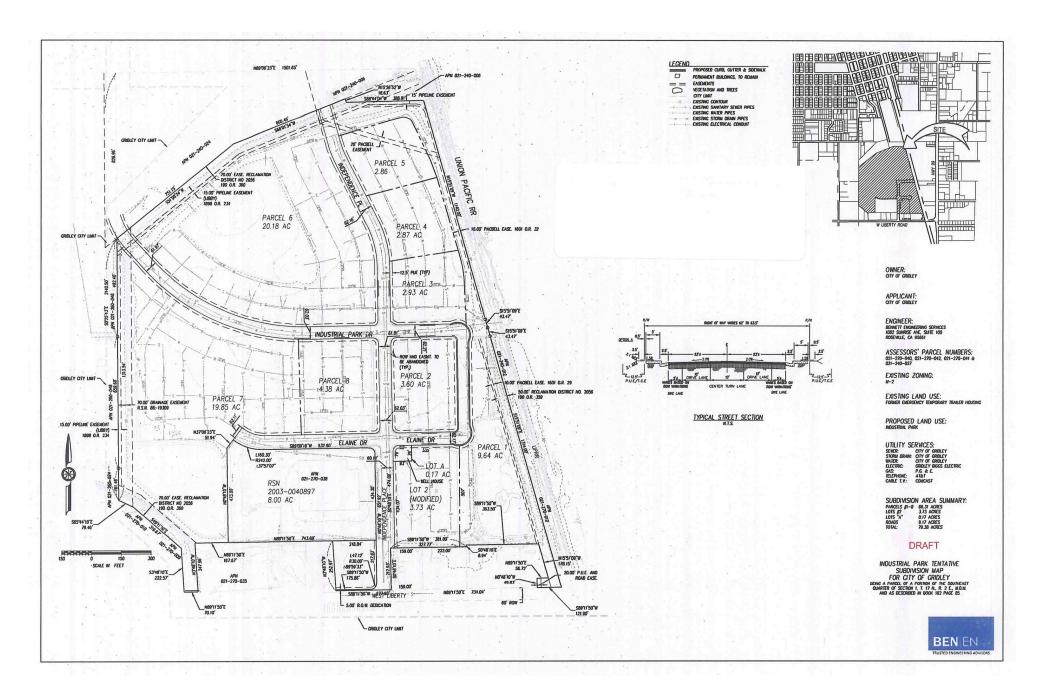
**MM 8.1** Prior to the start of construction activities, the project applicant shall submit a construction equipment inventory list to the City Engineer demonstrating compliance with U.S. EPA CARB, and BCAQD requirements. The list shall be updated if additional equipment will be used to ensure the compliance. The use of alternatively fueled construction equipment, such as hybrid electric or natural gas-powered equipment, would also be acceptable, given that such technologies are implemented to a level sufficient to achieve similar emission reductions.

- **MM 8.2** Prior to the issuance of building permits, the project applicant/developer shall submit a Landscaping Plan for review and approval by the Planning Department. The Landscaping Plan shall be prepared to reflect the design for the linear park, detention basin park, and play area. The design shall also provide a subdivision tree planting plan.
- **MM 14.1** Project noise-generating construction activities shall occur within the hours identified in Gridley Municipal Code.
- **MM 14.2** All noise-producing project equipment and vehicles using internal- combustion engines shall be equipped with manufacturers- recommended mufflers and be maintained in good working condition.
- **MM 14.3** All mobile or fixed noise-producing equipment used on the project site that are regulated for noise by Title 7 of the Gridley Municipal Code, §17.74.030 and shall comply with such regulations while in the course of project activity.
- **MM 14.4** Electrically powered equipment shall be used, where feasible, instead of pneumatic or internal-combustion-powered equipment.

- **MM 14.5** Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors.
- **MM 14.6** Project area and site access road speed limits shall be established by conditions of approval to the project and enforced during the construction period in conjunction with MM 14.8 below.
- **MM 14.7** Nearby residences shall be notified of construction schedules by posting a minimum of 48 hours in advance, so that arrangements can be made, if desired, to limit their exposureto short-term increases in ambient noise levels.
- **MM 14.8** The engineer shall coordinate with the City of Gridley to potentially employ the design of traffic calming measures on Little Avenue in order to ensure speed reductions due to the excessively long, straight alignment that will be conducive to greater speeds and potentially an increase in general traffic ambient noise. No design shall be constructed until approved by the City of Gridley.

I HEREBY CERTIFY that the foregoing resolution was duly introduced and passed at the regular City Council meeting of the City of Gridley held on the 6<sup>th</sup> day of September, 2022, by the following vote:

AYES:	COUNCIL MEMBERS	
NOES:	COUNCIL MEMBERS	
ABSTAIN:	COUNCIL MEMBERS	
ABSENT:	COUNCIL MEMBERS	
ATTEST:		APPROVE:
Cliff Wagner, City Clerk		Bruce Johnson, Mayor



## A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AGREEMENTS AND CONTRACTS ON BEHALF OF THE CITY COUNCIL OF THE CITY OF GRIDLEY RELATED TO THE APPRAISAL AND MARKETING FUTURE PARCELS AVAILABLE IN THE GRIDLEY INDUSTRIAL PARK COMPLEX (APN 021-240-027, -042)

**WHEREAS**, the City of Gridley is the current owner of lands within the former Redevelopment Agency known as the Gridley Industrial Park Complex; and,

WHEREAS, the property is a part of an agreement between the City of Gridley and the State of California Department of Finance approved by the Long Range Property Management Plan on December 31, 2015 whereas capital assets from the former Redevelopment Agency are required to be divested; and,

**WHEREAS,** the City of Gridley will pursue an appraisal of the parcels created by Tentative Subdivision Map 2-22 for the purposes of marketing and to expedite divestment of capital assets.

#### NOW, THEREFORE, BE IT RESOLVED:

1. The City of Gridley authorizes the City Administrator to execute agreements and contracts on behalf of the City Council for the appraisal and marketing of the future available parcels in order for the city to divest its capital assets in accordance with the Long Range Property Management Plan; offers for purchase will be reviewed by the City Council for consideration.

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 6<sup>th</sup> day of September, 2022 by the following vote:

Cliff Wagner, City Clerk	Bruce Johnson, Mayor	
ATTEST:	APPROVE:	
ABSENT:		
ABSTAIN:		
NOES:		
AYES:		

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRIDLEY TO REZONE AN APPROXIMATELY 70-ACRES FROM HEAVY INDUSTRIAL (M-2) TO HEAVY INDUSTRIAL (M-2), OPEN SPACE (OS), AND PUBLIC-QUASI-PUBLIC (PQP) LOCATED N THE GRIDLEY INDUSTRIAL PARK COMPLEX. (APN 021-240-027, -042)

- WHEREAS, the Planning Commission held a publicly noticed hearing on July 20, 2022 regarding the proposal to rezone approximately 70-acres from Heavy Industrial (M-2) to Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP); and,
- **WHEREAS,** at the close of the July 20, 2022 public hearing the Planning Commission recommended the City Council approve rezoning the property; and,
- **WHEREAS**, the City Council reviewed the recommendation of the Planning Commission, considered the Initial Study and Mitigated Negative Declaration, and has found that the proposed rezone could not have a significant effect on the environment; and,
- **WHEREAS**, the City Council accepted the Mitigated Negative Declaration by adopting Resolution Number 2022-R-033 on September 6, 2022; and,
- **WHEREAS**, the City Council duly introduced Ordinance 841-2022 by reading of title only at a regular meeting of the City Council held on September 6, 2022; and,
  - **WHEREAS,** the City Council of the City of Gridley ordains as follows:
- **SECTION 1**: The City Council finds that the rezone of Assessor Parcel Number 021-240-027, -042 is consistent with the 2030 General Plan and the amendment adopted thereto as 2022-R-033 in addition to adopting the Mitigated Negative Declaration.
- <u>SECTION 2</u>: The City Council of the City of Gridley approves the rezone of Assessor Parcel Number 021-240-027, -042 of 70-acres from Heavy Industrial (M-2) to Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP).
- **SECTION 3:** The Zoning Map of the City of Gridley on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended, in accordance with the herein description and Exhibit A.
- **SECTION 4:** This ordinance shall be effective thirty (30) days from the date of the second reading of the ordinance.

\*\*\*

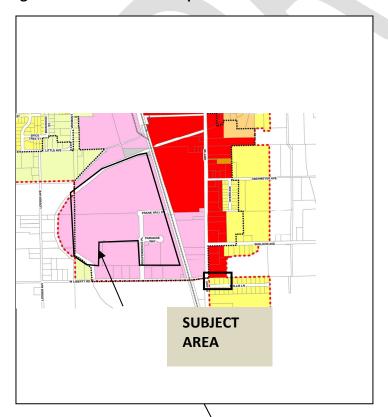
**I HEREBY CERTIFY** that the foregoing resolution for the property rezone of APN 021-240-027, - 042 as noted in Sections 1-4 and as shown on Exhibit A was duly introduced by reading of title only at the regular City Council meeting of the City of Gridley held on the  $6^{th}$  day of September, 2022, by the following vote:



#### **EXHIBIT A**



Figure 1: Location Map



#### Existing Zoning

#### From existing:

Heavy Industrial (M-2)

#### To proposed:

Heavy Industrial (M-2), Open Space (OS), and Public-Quasi-Public (PQP).

### LONG RANGE PROPERTY MANAGEMENT PLAN



PREPARED BY:
City of Gridley Successor Agency

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#### I. BACKGROUND

Pursuant to Health and Safety Code Sections 34177(c) and 34181(a) a successor agency is required to dispose of all assets and properties of a former redevelopment agency that was funded by tax increment revenues of the subject dissolved redevelopment agency. This document is intended to address Section 34191.4(a) and 34191.5(a) of Assembly Bill 1484 (AB 1484) and related requirements for preparation of a Long Range Property Management Plan ("Plan") related to the real property assets of the former Redevelopment Agency (RDA) of the City of Gridley ("Former Agency"), which have been transferred to the City of Gridley Successor Agency ("Agency"). The Plan identifies existing Agency real property assets (e.g. land, buildings, etc.) and sets forth a strategy for the appropriate retention and disposition of such assets in accordance with the provisions of AB 1484, including recommended actions to be undertaken by the Gridley Redevelopment Agency Oversight Committee (OC) to position the subject assets for disposition.

## II. REAL PROPERTY ASSET INVENTORY OF THE FORMER CITY OF GRIDLEY REDEVELOPMENT AGENCY

The real property asset inventory describes the property that was transferred from the Former Agency to the Successor Agency. The inventory is organized to provide the Plan information as listed in the Health and Safety Code Section 34191.5(C)(1). The Plan defines the proposed retention and disposition of its capital assets (land). Table 1 below provides a list of the properties that were held by the Former Agency:

**Table 1: Capital Assets** 

Parcel	APN	Tentative Map Lot Nos.	Existing Use	Date of Purchase	Acreage
A	021-270-041	Lot A	Well Site	March, 2002	0.16
1	021-270-040	Lot 2 <sup>(1)</sup>	Vacant	approved by	3.61
2 (Remainder)	021-270-042	Lots 3, 4,	Vacant	Resolution	71.12
	021-240-027	5, 6, 7, 8,		2002-RDA-04	
		9, 10, 11,		(\$631,000)	
		12,		Purchased	
Streets	N/A		N/A	12/1/2004	4.48
Total					79.37(2)
Total Value					\$1,302,116

Lot 1 is not listed. This parcel was originally a part of the property acquired by the City of Gridley Redevelopment Agency and simultaneous to the acquisition, excepted from the Industrial Park at the time of the creation and is owned by others.

The acreage was calculated by Rolls, Anderson, Rolls, Civil Engineers at the time the parcel map was filed in Book 162 Page 86.

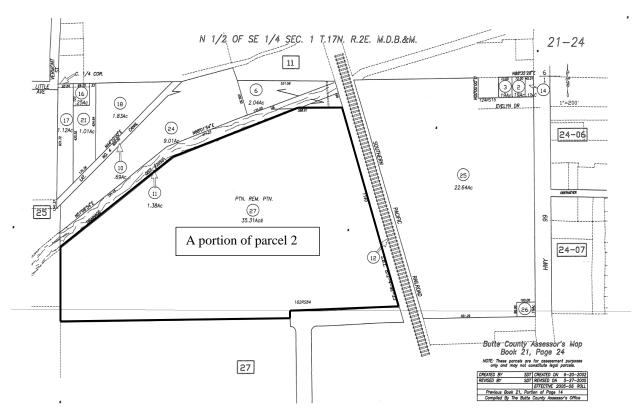


Figure 1: Assessor's Parcel Map Information (Book 21, Page 24)

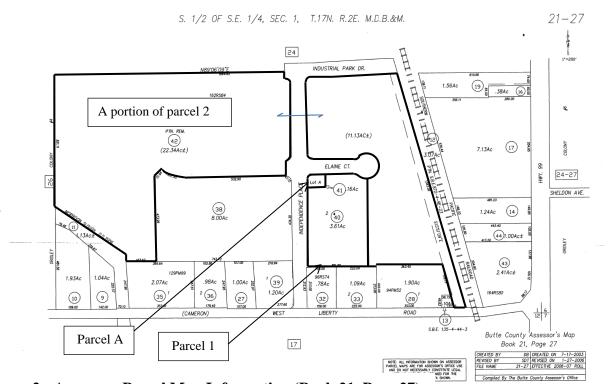


Figure 2: Assessors Parcel Map Information (Book 21, Page 27)

The disposition of the property transferred from the Former Agency to the Successor Agency is proposed within this Long Range Property Management Plan. The property can be designated by the following categories:

- 1. Retention for government use;
- 2. Retention for future use;
- 3. Sale of the property; or,
- 4. Use of the property to fulfill an enforceable obligation.

The original intent of the property purchase was to create an industrial park; the location is strategically sited to strengthen industrial opportunities and job expansion in the city. The property has a General Plan Land use designation of Industrial and is zoned as M-2, Heavy Industrial. The property is located at the southern city boundary as shown in Figure 3:

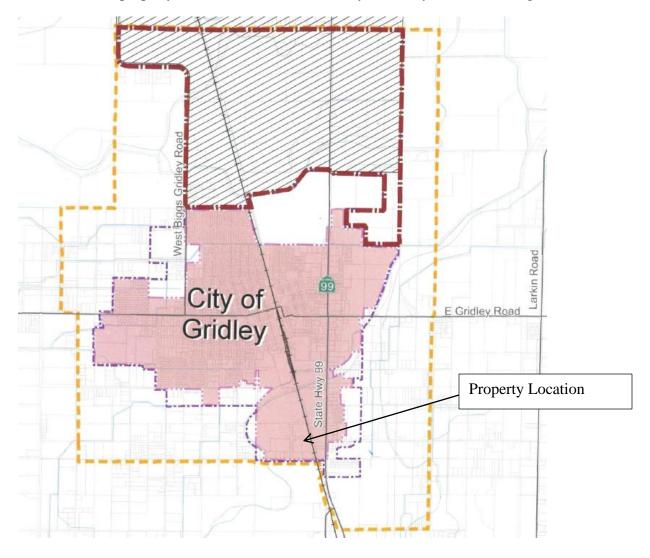


Figure 3: Location Map-Industrial Park

#### III. PROPOSED DISPOSITION OF CAPITAL ASSETS

#### Parcel A:

Parcel A (Figure 2) is a 0.16 acre parcel that has been developed with a city well providing water to the area. It is located at the southeast corner of the intersection of Independence Place and Elaine Court. A parcel map was filed and recorded in Book 162 Page 86 creating three parcels; Lot A, Parcel 1 and a remainder as Parcel 2.

The property was a part of the total acreage purchased in 2004 by the Former Agency. The current value of the well site is unknown. There are no revenues generated by the well site other than the provision of water to businesses of which there are currently none. The industrial park site has not been developed to date and there are no known environmental issues that exist on the site therefore no investigation has been conducted.

The parcel is utilized to its maximum best use and no further development could be done on the parcel. This parcel will be retained for government use.

#### Parcel 1:

Parcel 1 (Figure 2) is a 3.61 acre parcel located at the southeast corner of the intersection of Independence Place and Elaine Court. A parcel map was filed and recorded in Book 162 Page 86 creating three parcels; Lot A, Parcel 1 and a remainder as Parcel 2.

The property was a part of the total acreage purchased in 2004 by the Former Agency. The current value of the parcel is unknown. There are no revenues generated by the parcel. The industrial park site has not been developed to date and there are no known environmental issues that exist on the site therefore no investigation has been conducted.

The parcel was created to spur the development of the Industrial Park. No interest for the purchase and development of the parcel has been received by the Former Agency. However, this parcel is a candidate for sale. It is located where street improvements and infrastructure has been constructed and is close to Highway 99 access as well as rail access. Parcel 1 would be sold.

#### Parcel 2:

Parcel 2 (Figures 1 & 2) is a 71.12 acre parcel which comprises the remainder of the Industrial Park land. A parcel map was filed and recorded in Book 162 Page 86 creating three parcels; Lot A, Parcel 1 and a remainder as Parcel 2.

The property was a part of the total acreage purchased in 2004 by the Former Agency. The current value of the parcel is unknown. There are no revenues generated by the parcel. The industrial park site has not been developed to date and there are no known environmental issues that exist on the site therefore no investigation has been conducted.

No interest for the purchase and development of the parcel has been received by the Former Agency to date. The disposition of the remainder proposes to file a parcel map that will create right-of-way to the northerly Park boundary. Approximately one half of Parcel 2 will be reserved for sale (Parcel 2A) with the remainder held for future development (Parcel 2B). Figure 4 below represents a Tentative Map that was initially prepared for the Park development that would be used to file a Parcel Map excepting the property to be retained for future development.

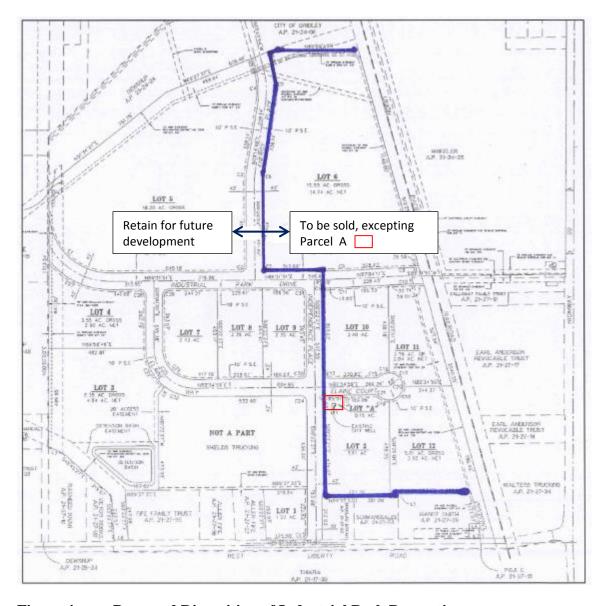


Figure 4: Proposed Disposition of Industrial Park Properties

### IV. APPROACH AND PROCESS FOR DISPOSITION OF CAPITAL ASSETS

The capital assets depicted in Figure 4 are planned to be disposed of by offering Parcel 1 (3.61 acres) and a portion of Parcel 2 (33.62 acres-Parcel 2A) offered for sale. The remainder shown on Figure 4 to the left of the blue line consists of approximately 37.5 acres (Parcel 2B) retained for future development and road right-of-ways that will be created by filing a parcel map. The parcels that are offered for sale will be through a Request for Proposals and Offer (RFPO) process and/or market value sale. The proposed pre-development activities could position the property for acquisition and development as well as maximizing the potential proceeds generated from the sale of the property.

### A. Predevelopment Activities

There are a number of predevelopment activities that the Successor Agency may undertake to appropriately position the capital assets for disposition:

- 1. Prepare and file a Parcel Map;
- 2. Prepare preliminary title report(s);
- 3. Prepare appraisals to determine fair market value;

Conducting predevelopment activities would be contingent on whether funding is available and consideration of the costs being allowed as a "Disposition Cost" by the State Department of Finance as an enforceable obligation under the ROPS.

### B. Request for Proposals and Offers (RFPO) Proposal

The preparation of an RFPO would create a process for the selection of a private developer to acquire and develop the properties:

- Parcel 1 (3.61 acres) this property is ready to be developed.
- Parcel 2 (33.62 acres (Parcel 2A)) this property would have a parcel map prepared and recorded to create lots. It is estimated that approximately 10 lots could be created.

All properties would be developed with projects consistent with the General Plan and related zoning. The intent of this process is to select the most qualified development partner for the Agency related to the disposition and development of the property that would result in the highest and most certain economic value and return. The RFPO process would allow prospective respondents to submit a master proposal for a) all of the property, or b) individual parcels.

Subsequent to the selection of a developer, the Agency would work to negotiate the terms and conditions for the sale agreement between the Agency and the developer. The agreement would be subject to the review and approval of the Oversight Committee.

### C. Marketing and Outreach

The focus of the marketing efforts would begin at the local and regional level to companies that have qualifications, experience, and successful track records in the development and operation of high-quality industrial development.

Other opportunities would be to advertise the parcels at fair market value to interested parties. All sales are subject to review and approval of the Oversight Committee.

### V. RETENTION OF LANDS FOR FUTURE DEVELOPMENT

The retention of approximately 37.5 acres (Parcel 2B) is desired for future development to provide a location for a Corporation Yard and Community Park and Transit Facility. All three uses are compatible and consistent with the General Plan, Zoning, and the needs of the community.

The City currently operates approximately three different locations to house maintenance equipment. A site is needed to centralize the Public Works, Electrical, and Recreation equipment. No other properties within the city are available for purchase, nor is the city in a position to purchase due to budget shortfalls. The City of Gridley is expected to grow increasing its area and its population (139% increase to 19,500) resulting in the need for more staffing and equipment. The current facilities are inadequate and the opportunity to centralize the service Departments is necessary.

As population increases, so will the need for transportation sharing models be required. The City participates in the B-Line transit anticipating a likely scenario of a greater need for transit and bus lines to Chico and Sacramento. The area retained for future development would provide adequate area to do so.

The City of Gridley is considered a Disadvantaged Community. As it continues to grow there is a real need to create more open space/community park area for play. The park could have multiple fields developed for organized sports. The city of Gridley is currently underserved with respect to its population and acreage of open space. Utilizing a portion of the area retained would provide a much needed center.

All of the uses planned for the lands to be retained for future development are consistent with the General Plan and Zoning designations. For the property that would be transferred to the City for future development, the City will pursue and execute a compensation agreement with the taxing entities.

### **APPENDIX 1**

Successor Agency: City of Gridley County: Butte

### LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

	HSC 34191.:	5 (c)(1)(C)			HS	C 34191.5 (c)(1)(	A)			SALE OF P (If appli	PROPERTY licable)		
No.	Address or Description	APN	Property Type	Permissible Use	If Sale of Property, specify intended use of sale proceeds	Permissible Use Detail	Acquisition Date	Value at Time of	Estimated Current Value	Date of Estimated	Estimated Current Value Basis	Proposed Sale Value	Proposed Sale Date
NO.	Address of Description	AFN	Property Type	remissible ose	or sale proceeds	remissible ose betail	Date	Acquisition	Current value	Current value	Agency	Sale Value	Sale Date
1	Parcel A	021-270-041	Other	Governmental Use		M-2 Uses; Existing Well Site	12/1/2004	1,272	3,733	2015		N/A	N/A
2	Parcel 1	021-270-040	Vacant Lot/Land	Sale of Property	Distribute to Taxing Entities	M-2 Uses; Industrial, Commercial, Public/Park Uses	40/4/0004	00.700	04.407	0045	Agency	400.050	
			Vacant Cov Cana			Public Park Uses	12/1/2004	28,700	84,127	2015	Estimate	126,350	Unknown
3	Parcel 2A	021-270-042/021-240-027	Vacant Lot/Land		Distribute to Taxing Entities	M-2 Uses; Industrial, Commercial, Public/Park Uses	12/1/2004	28,700	785,160		Agency Estimate	1,176,700	
3	Parcel 2A Parcel 2B			Sale of Property	Distribute to Taxing	M-2 Uses; Industrial, Commercial,			785,160	2015	Agency Estimate Agency		
3 4 5		021-270-042/021-240-027	Vacant Lot/Land	Sale of Property  Future Development	Distribute to Taxing Entities Distribute to Taxing	M-2 Uses; Industrial, Commercial, Public/Park Uses M-2 Uses; Industrial, Commercial,	12/1/2004	267,279	785,160	2015 2015	Agency Estimate Agency Estimate Agency	1,176,700	Unknown

Property Va

### **APPENDIX 2**

### Ownership

County:

**BUTTE, CA** 

Assessor:

**DIANE BROWN, ASSESSOR** 

Parcel # (APN):

021-270-041-000

Parcel Status:

ACTIVE

Owner Name:

**CITY OF GRIDLEY** 

Mailing Address:

**685 KENTUCKY ST GRIDLEY CA 95948** 

Legal Description:

LOT A PM 162-84/86 W LIBERTY RD

### Assessment

Total Value

\$3,733

Use Code:

IV

Use Type:

VACANT

Land Value:

\$3,733

0%

Tax Rate Area:

003-037

Zoning:

Impr Value:

Year Assd:

2015

N

Census Tract:

35.02/4

Other Value: % Improved:

Property Tax:

Delinquent Yr: HO Exempt:

Price/SqFt:

Exempt Amt:

Sale History

Sale 1

Sale 2

Sale 3

Transfer 12/01/2004

Recording Date: Recording Doc:

Recording Doc Type:

Transfer Amount:

Seller (Grantor):

2004RP162-84

**Property Characteristics** 

Bedrooms:

Fireplace:

Units:

Baths (Full):

A/C:

Stories:

Baths (Half):

Heating:

Quality:

Total Rooms:

Pool:

**Building Class:** 

Bldg/Liv Area:

Park Type:

Condition:

Lot Acres:

0.160

Spaces:

Site Influence:

Lot SqFt:

6,969

Garage SqFt:

Timber Preserve:

Year Built:

Ag Preserve:

<sup>\*</sup> The information provided here is deemed reliable, but is not guaranteed. © 2015 ParcelQuest www.parcelquest.com (888) 217-8999

### 1 Property Address: GRIDLEY CA 95948

### **Ownership**

County:

**BUTTE, CA** 

Assessor:

**DIANE BROWN, ASSESSOR** 

Parcel # (APN):

021-270-040-000

Parcel Status:

ACTIVE

Owner Name:

**CITY OF GRIDLEY** 

Mailing Address:

**685 KENTUCKY ST GRIDLEY CA 95948** 

Legal Description:

LOT 2 PM 162-84/86 W LIBERTY RD

### **Assessment**

Total Value

\$84,127

Use Code:

IV

Use Type:

VACANT

Land Value:

\$84,127

0%

Tax Rate Area:

003-037

Zoning:

35.02/4

Impr Value:

Year Assd:

2015

Census Tract:

Other Value: % Improved:

Exempt Amt:

Property Tax:

Delinquent Yr: HO Exempt:

N

Price/SqFt:

**Sale History** 

Sale 1

Sale 2

Sale 3

Transfer

Recording Date:

Recording Doc:

Recording Doc Type:

Transfer Amount:

Seller (Grantor):

12/01/2004

2004RP162-84

**Property Characteristics** 

Bedrooms:

Fireplace:

Units:

Baths (Full):

A/C:

Stories:

Baths (Half):

Heating:

Quality:

Total Rooms:

Pool:

**Building Class:** 

Bldg/Liv Area:

Park Type:

Condition:

Lot Acres:

3.610

Spaces:

Site Influence:

Lot SqFt:

157,251

Garage SqFt:

Timber Preserve:

Year Built:

Ag Preserve:

<sup>\*</sup> The information provided here is deemed reliable, but is not guaranteed. © 2015 ParcelQuest www.parcelquest.com (888) 217-8999

### 2 Property Address: GRIDLEY CA 95948

### Ownership

County:

**BUTTE, CA** 

Assessor:

**DIANE BROWN, ASSESSOR** 

Parcel # (APN):

021-270-042-000

Parcel Status:

ACTIVE

Owner Name:

CITY OF GRIDLEY

Mailing Address:

Legal Description:

685 KENTUCKY ST GRIDLEY CA 95948

PTN REM OF PM 162-84/86 W LIBERTY

### **Assessment**

Total Value

\$780,022

Use Code:

IV

Use Type:

VACANT

Land Value:

\$780,022

Tax Rate Area:

003-037

Zoning:

Impr Value:

Year Assd:

2015

Census Tract:

35.02/4

Other Value: % Improved:

0%

Property Tax: Delinquent Yr:

HO Exempt:

Price/SqFt:

Exempt Amt:

N

### Sale History

Sale 1

33.470

Sale 2

Sale 3

Transfer

Recording Date:

Recording Doc:

12/01/2004 2004RP162-84

Recording Doc Type:

Transfer Amount:

Seller (Grantor):

### **Property Characteristics**

Bedrooms:

Fireplace:

Units:

Baths (Full):

A/C:

Stories:

Baths (Half):

Heating:

Quality:

Total Rooms:

Pool:

**Building Class:** 

Condition:

Bldg/Liv Area:

Park Type:

Lot Acres:

Spaces:

Site Influence:

Lot SqFt:

1,457,953 Garage SqFt:

Timber Preserve:

Year Built:

Ag Preserve:

<sup>\*</sup> The information provided here is deemed reliable, but is not guaranteed. © 2015 ParcelQuest www.parcelquest.com (888) 217-8999

### 2 Property Address: GRIDLEY CA 95948

### Ownership

County:

**BUTTE, CA** 

Assessor:

**DIANE BROWN, ASSESSOR** 

Parcel # (APN):

021-240-027-000

Parcel Status:

ACTIVE

Owner Name:

**CITY OF GRIDLEY** 

Mailing Address:

**685 KENTUCKY ST GRIDLEY CA 95948** 

Legal Description:

**REST OF REM PM 162-84/86** 

### **Assessment**

Total Value

\$769,471

Use Code:

IZ

Use Type:

**INDUSTRIAL** 

Land Value:

\$769,471

Tax Rate Area:

003-037

Zoning:

ng:

35.02/2

Impr Value:

Year Assd:

2015

Census Tract:

33.02

Other Value:

Property Tax:

.

Price/SqFt:

% Improved: Exempt Amt: 0%

Delinquent Yr:

HO Exempt:

N

### Sale History

Sale 1

Sale 2

Sale 3

Transfer

Recording Date:

Recording Doc:

12/01/2004 2004RP162-84

Recording Doc Type:

Transfer Amount:

Seller (Grantor):

### **Property Characteristics**

Bedrooms:

Fireplace:

Units:

Baths (Full):

A/C:

OIIILS.

-----

A/C.

Stories:

Baths (Half):

Heating:

Quality:

Total Rooms:

Pool:

**Building Class:** 

Bldg/Liv Area:

100

Park Type:

Condition:

Lot Acres:

35.310

Spaces:

Site Influence:

Lot SqFt:

1,538,103

Garage SqFt:

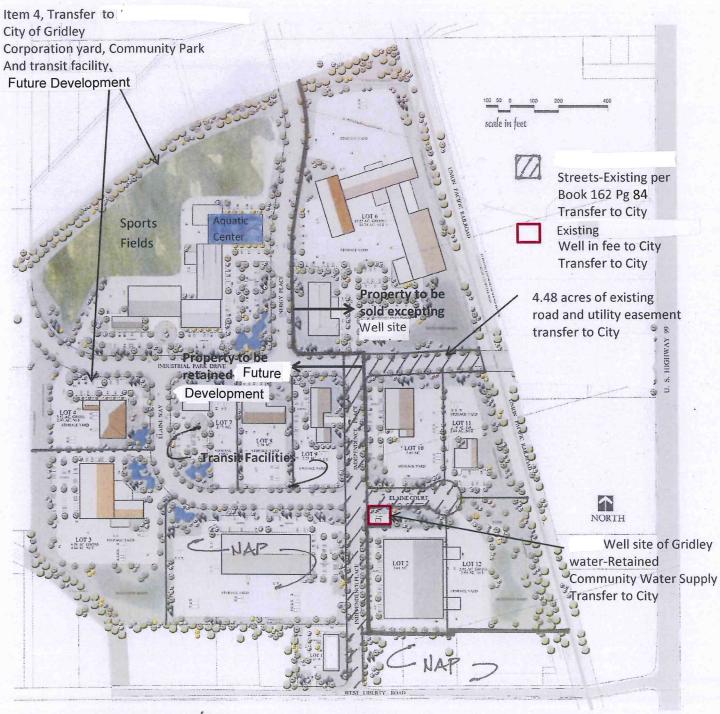
Timber Preserve:

Year Built:

Ag Preserve:

<sup>\*</sup> The information provided here is deemed reliable, but is not guaranteed. © 2015 ParcelQuest www.parcelquest.com (888) 217-8999

## **APPENDIX 3**





### **GRIDLEY INDUSTRIAL PARK**

This plan represents the Redevelopment Agency Master Plan for the City conforming to the requirements of HSC §34191.5(a)(2) and (a)(2)(a)(ii) depicting properties listed in a community plan. This master plan is consistent with that requirement. The LRPMP notes that the City will execute compensation agreements with taxing entities subsequent to the approval process (HSC §34191.5(a)(2)(a)(iii).

### City Council Agenda Item #6

Staff Report

Date: September 6, 2022

**To:** Mayor and City Council

From: Elisa Arteaga, Finance Director

**Subject:** City of Gridley Fuel Card Policy

Х	Regular
	Special
	Closed
	Emergency

### Recommendation

Staff respectfully requests the City Council review and approve the City of Gridley Fuel Card Policy.

### **Background**

Since 2000, the City has been in contract with Lakeview Petroleum and issuing fuel cards to city employees for the use for city vehicles during daily operations.

During Finance review and preparation of existing policies, it came to the attention of staff that a fuel card policy was not in place. The fuel card policy in addition to providing important procedures, instructions, and employee acknowledgements of receipt of the cards, it also provides accounting processes and internal control of the use of cards. The new policy would also more importantly assign responsibility to staff having oversight of assigned fuel cards.

Finance has prepared a policy for Councils review and consideration. Having an approved policy will assist in having procedures in place to ensure the correct use and oversight of city issued fuel cards.

### **Financial Impact**

There is no additional fiscal impact to city budget. Approval of policy provides oversight and improves internal controls.

### Attachment

City of Gridley Fuel Card Policy

# City of Gridley Fuel Card

Policy

Finance Department Purchasing Section 2022

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### **GENERAL INFORMATION**

### **Background:**

In the constant pursuit of improving the way the City does business and in promoting vendor acceptance and operational efficiency, the Finance Department initiated the fuel card policy. This policy is a guaranty of payment to our vendor, eliminating their need for a purchase order associated with fuel purchases only for city vehicle fuel. The City has been providing fuel cards to City personnel that are assigned vehicles since November, 2000. The fuel cards are provided by Lakeview Petroleum.

### **General Information:**

A number of unique controls have been developed for the issuance of fuel cards. These controls ensure that the card can be used only for specific purchases and within specific dollar limits. In addition, a monthly statement of all purchases is required by each cardholder, with verification performed by the Finance Department before payment is made.

Fuel cards will be issued to employees as designated by their Department Director and issued in the name of the cardholder and billed to the City via monthly statement and detailed reports. No other employee, family, your supervisor, or anyone else may use the fuel card. All purchases must be made by the individual assigned the card. City Employee will ensure measures have been taken for the fuel card to avoid confusing them with any other personal card. City fuel cards must not be used for personal fuel purchases.

Credit card spending limits are recommended by the Department Director and may differ from employee to employee depending on their purchasing responsibility. Maximum single purchase limit and maximum monthly limit are set for each card. The timeframe for a monthly limit is the 30-day billing cycle.

The credit card contractor has established an authorization process, whereby, in most cases, the merchant has a system set for each time the employee uses the card, those purchase limits are within the dollar limit of your single purchase and 30-day limit. If the single amount of the purchase is over your single purchase limit, the purchase will be declined.

You have been selected by your Department Head or Division Manager to have an assigned Fuel Card and are responsible for the use and requirements/limitations thereof. In the event the Fuel card is lost/stolen you must immediately notify your immediate Supervisor, or Department Director which will notify City Administration or Finance Dept. designated /assigned personnel that can cancel the card and reissue a replacement.

### **CARDHOLDER RESPONSIBILITIES**

### **Cardholder**

The Cardholder is responsible for:

- Security of the assigned Fuel Card
- 2. Appropriate use of the assigned Fuel Card
- 3. Compliance with Purchasing Policies and Procedures
- 4. Use of the credit card for other than official City purposes is expressly prohibited, will result in immediate cancellation of your purchasing card, and may result in disciplinary action. You will be personally liable to the City for the amount of the purchase.

### **Approver**

The approver (usually the Department Director (or designee)/Finance Director - budgetary responsibility)

- 1. Review all charges
- 2. Ensure all purchases are appropriate
- 3. Ensure no prohibited items or amounts

### **Use Policy**

Use of the City credit card does not relieve the cardholder from adherence to all City and Department acquisition regulations, policies, and procedures.

### TRAVEL EXPENSES:

The fuel card may be used to offset approved travel expenses such as refueling a rental car (if driving a City vehicle, you may never use the fuel card for personal vehicle fuel). Please refer to the Travel Policy for details pertaining to travel.

### CHANGE/LOST OR STOLEN CARDS:

Immediately notify City Hall Administration (530) 846-5695, and immediate supervisor for lost or stolen cards or if you believe that your account number has been compromised in any way. Please provide the following information: your complete name and card number, the date of notification and any fuel purchases made on the day the card was lost or stolen. Under most circumstances, a new card with a new account number will be issued to the employee. The card PIN# may be changed, should be delivered to the City's Administration Department who will forward it to the Department Director who will meet with the employee and provide a new card.

### RECONCILIATION AND REVIEW

### **Payment and Invoice Procedures**

Fuel card payments will be made by the Finance Department on a monthly basis. Prior to payment, all purchases must be verified. Timely processing of payments is required to avoid late payment penalties.

The Department Director is responsible for obtaining, reviewing transactions for cardholders within their department. The Department Director shall review statements for accuracy and conformance to policy and shall work with cardholders to resolve any questions or errors.

It is the Finance Department Staff assigned to process invoices responsibility to verify all cardholder Statements are approved and submitted to Finance and paid timely to avoid penalties

### Cardholder on Travel or Out of the Office.

It is the responsibility of each cardholder to provide the Department Director with their receipts (if any) within the specified timeframe and confirm use activity is city related.

### Approval

Department Directors are required to review and approve each cardholder's activity because of their knowledge of the job responsibilities of cardholders and departmental budget. Approval shall include a determination that all activity is for official use in accordance with City policy and the instructions provided. Disciplinary action resulting from the misuse of credit cards is the responsibility of the Human Resource Department and/or Department Director.

### **Disputed Charges**

The Department Director is responsible for immediately addressing any discrepancies on the monthly Statement of Account.

If the problem is not resolved by the end of the current billing cycle. The Director must notify the Finance Department Accounts Payable Department. Cardholders must also respond promptly to any inquiries, or the claim may be dropped, and the charge will become due and payable or result in disciplinary action.

**Important:** Remember to always maintain a high degree of ethics in use of the card. The fuel cards can be a very useful business tool and should be used in accordance with this policy. The Finance Director and Department Purchasing Supervisor (Department Director) has the authority in determining the issuance or continuance of cards. It is up to the Cardholder to utilize the fuel card in a responsible auditable way. If you have any questions regarding the appropriate use of the Fuel Card policy, contact your immediate Supervisor, Department Director, and/or Human Resources, Finance Department.

### FREQUENTLY ASKED QUESTIONS

### <u>General</u>

### Who Do I Call?

The Department Director is the Purchasing Supervisor, who can respond to procedural questions, assist with dispute resolution, and perform Cardholder account maintenance.

### Who is the Approver?

The Approver is typically your Supervisor or Department Director with direct line of authority over the Cardholder. The Department Director is responsible for auditing the Cardholder Statement of Account, ensuring the Cardholder has assigned the correct card, has attached all the necessary backup documentation (if any), and the purchase is not in violation of any Purchasing policies and procedures.

### What Do I Do if my Fuel Card is Lost or Stolen or Request a Change?

If your Fuel Card is lost or stolen, you should immediately report the missing card to the Department Director, they will notify the Finance Director and/or Administration at (530) 846-5695:

- Be prepared to give your name and account (card) number.
- List the day's transactions prior to the card loss.
- If a change the reason for the change.

### **Making Purchases**

### When Can I use the Fuel Card?

The CAL-Card is used for low dollar purchases. When practical, use the CAL-Card before using petty cash or advance check request.

### Do I Need to Fill Out a Requisition and Obtain Signatures Prior to using the card?

No, the Fuel Card merchant will submit a monthly statement to the Finance Department. The statement will be forwarded to your department for review.

### Can my Co-worker Borrow my Fuel Card?

No, Fuel Cards are issued to individual City employees only. Cardholders are responsible for the physical security of their card and for all charges appearing on their monthly Statement of Account. If your co-worker does not have their fuel card, they must notify the supervisor and have them confirm the use is for a city vehicle and activity.

### **Travel Expenses**

# Do I Still Need to Fill Out a *Travel Authorization and Expense Report* when using my fuel card for business related travel?

You must **only** use the fuel card for city vehicles. If you are using your own vehicle, you must request a mileage reimbursement form from your Department Director. The form will be forwarded to the City Finance Department for processing.

### **Billing Issues**

### What Do I Do if fuel use on my activity is incorrect or was not purchased by me?

Contact your Department Director so they may notify the Finance Department of the discrepancy. The Finance Department will contact the merchant. Employees are not responsible for merchant errors or charges after a card has been reported lost, stolen, or fraudulently used. In the case of suspected fraud, immediately notify your Supervisor or Department Director.

### **FUEL CARD POLICY DEFINITIONS**

<u>Approver</u> -The Approver is the Department Director or his/her designee. The Approver is a critical checkpoint for internal control purposes. The Approver reviews the monthly bank statements to verify that all purchases are necessary and for official City purposes only. The Approver notifies the Finance Department if there are disputed transactions. The Approver must have working knowledge of various purchasing methods and be familiar with City procurement policies and procedures. The Approver must have knowledge of the job responsibilities of his/her designated cardholder and should be the cardholder's Supervisor or Department Director. An employee may not be an Approver. The Approver can have authority over any number of cardholders.

<u>Accounts Payable Clerk</u> - After the Approver reviews the invoice, the Accounts Payable Clerk (finance staff designee) is responsible for collecting the approved information and entering for payment in the finance software system in a timely manner.

<u>Cardholder</u> -The cardholder is the employee whose name is on the fuel card. The cardholder is authorized to make purchases of fuel on behalf of their department and should be familiar with City procurement policies and procedures.

<u>Cardholder Statement</u> -The monthly Statement of Account is the summary of all fuel detail invoicing. The invoices listed are separated by department. The Statement of Account and invoices are forwarded to Department Directors for review and approval at the end of the monthly billing cycle.

<u>Department Director</u> -The Department Director or assigned designee, and City's Finance Director or assigned designee serve as the focal point for coordination of fuel cards, either requesting new cards or modification to existing cards, and destruction of cards; ensures existing procurement regulations are not circumvented; is responsible for all external correspondence relative to the policy. The Department Directors coordinate with the Finance Director the establishment of the local procedures for controlling and using cards.

# FUEL CARD POLICY CITY OF GRIDLEY AGREEMENT

AGREEMENT BETWEEN THE CITY OF GRIDLEY AND FUEL CARDHOLDER

The undersigned employee submits to this affidavit:

- 1. I have received a copy of the Fuel Card Policy for the allowed use the City of Gridley Fuel Card and agree to abide by them for use for purchase fuel for City vehicles.
- 2. I understand, the Fuel Card is for "Official use Only" and must not be used for fuel for personal vehicles. Intentional use of the card for other than official City purposes will result in immediate cancellation of my fuel card and disciplinary action as authorized by applicable City policies.
- 3. If my authorization or employment is terminated, I must return my card to my approving official immediately.
- 4. I will keep my card secure at all times, and immediately notify the City of Gridley, if theft, or fraudulent use of the card occurs.
- 5. The Fuel Card is issued in my name and cannot be loaned or given to any other person for use.

CARDHOLDER: Department:	
Assigned Fuel Card#	
SIGNATURE:	DATE:

### **REQUEST FOR FUEL CARD**

TO:	City Administration / Finance Department	ent
DEPARTME	ENT: DAT	TE:
SUBJECT:	REQUEST FOR NEW FUEL	_ CARD
	Request for Replacement	(circle one) YES or NO
	Reason: Not Functioning	LOST/STOLE
	quest that the following employee be issurchases for city vehicles.	sued a City Fuel Card to be used to
Employee F	ull Name:	Date:
Signature: _		-
Title:		_
Approval D	epartment Director or Designee:	
Director/Des	signee Name:	Date:
Signature: _		
Title:		

### City Council Agenda Item #7

Staff Report

Date: September 6, 2022

**To:** Mayor and City Council

From: Elisa Arteaga, Finance Director

**Subject:** Reinvestment of City Funds

Х	Regular
	Special
	Closed
	Emergency

### Recommendation

Staff respectfully requests the City Council provide direction and approve re-investing the CD Ally Bank reaching maturity 9/6/2022 into another federally insured CD.

### **Background**

In 2016, it was determined and approved by City Council at that time to allow the Finance Director engage Time Value Investments (TVI) to increase the interest in revenue for the city through investments for an amount not to exceed one (1) million dollars in FDIC insured CDs. At no additional costs to the City except for banking fees, the firm Time Value Investments, Inc. has been historically assisting the City of Gridley with those investments of City funds to increase earnings. TVI assisted with the set-up of the securities custody account with US Bank and placed the one million into four different CDs to ensure all funds remained fully FDIC insured. Since that time, the city has been reviewing reinvesting as each CDs mature.

On December 6<sup>th</sup>, 2021, staff received approval to continue the practice of reinvesting one million dollars in federally insured CDs as they reach maturity. Staff is requesting direction and approval to reinvest a CD that will reach maturity on September 6<sup>th</sup>, 2022.

Below are the current CDs in the City's portfolio. The one that recently matured has been highlighted below:

### The City's four CDs are as follows:

1. \$247,000 Ally Bank 09/6/2022 (Reaching Maturity)

\$247,000 BMW Bank
 \$249,000 Sallie Mae Bank
 \$249,000 Texas Exchange Bank
 \$04/30/2025

The City has a CD maturing 9/6/2022:

\$247,000 Ally Bank Rate 1.80 Maturity 9/6/2022

Below are the best available CD options for reinvestment consideration in 2-5 years.

CUSIP Asset	Mdy/S&P Underlying	Issue Description	Coupon	Maturity ▲ Next Call
14042RTZ4 CD <u>Px Hist</u>	FedFIS 3.185	Capital One Na Death Put     COF   Semi-Annual Pay	3.400%	09/09/2024
744562AJ8 CD <u>Px Hist</u>	FedFIS -	Public Svc Cr Un Death Put     PUBSVC   Monthly Pay	3.400%	09/08/2025
14042RUA7 CD <u>Px Hist</u>	FedFIS 3.185	Capital One Na Death Put     COF   Semi-Annual Pay	3.500%	09/08/2026
14042RUB5 CD <u>Px Hist</u>	FedFIS 3.185	Capital One Na Death Put     COF   Semi-Annual Pay	3.550%	09/08/2027

Due to the California Local Agency Investment Fund (LAIF) earning at lower rate (.75%) TVI has provided the following options above: 2 yr. @ 3.4% or a 3 yr. @ 3.4%, 4 yr. @3.5%, and 5 yr. @3.55%.

Staff recommends the conservative approach of reinvesting the recently matured CD (highlighted expired) for the 2-year @3.4% (higher than LAIF), into another investment to maintain the portfolio and generate returns above LAIF.

### **Financial Impact**

Financial reporting requirements being met by approval, there are no direct costs associated with approval of the report only reinvestment of current funds historically earmarked for investment activity which results in higher return of city funds.

### **Attachment**

None

# City Council Agenda Item #8 Staff Report

Date: September 6, 2022

To: Mayor and City Council

**From:** Finance Director, Elisa Arteaga

**Subject:** Request for Acceptance and Approval of FY 19-20 Audit Reports

х	Regular
	Special
	Closed
	Emergency

### Recommendation

Staff respectfully requests that the Mayor and City Council accept the attached FY 19-20 Financial Statements & Independent Auditors Report, Single Audit and Successor Agency auditors reports for the City of Gridley.

### **Background**

As previously reported to the City Council by Finance Management, the FY 19-20 audit reports have been delayed due to city staff turnover, low staffing during the COVID-19 pandemic and the implementation of the financial software conversion project. Eide Bailly Accounting Service Staff has been assisting the department to date. Joint efforts have been taken in the last two years for a major overview of past and current financial processes to include the following:

- Review and correct deficiencies in finance processes
- Implementation of new software systems (to address repeat findings)
- Implementation of an internal closing fiscal year end process
- Review and reassignments in daily operations
- Restructure staff to include cross training
- Improving efficiency and new customer service procedures
- Provide direction to staff regarding expectations of daily operations, audit prep work, internal finance processes
- Review of all finance policies and organize a list of policies requiring updates
- Grant training for staff, assigned schedule of tasks with timelines
- Implemented internal financial records review processes and approvals to include bank reconciliation
- Review reporting procedures to City Council and other government entities

The Finance Department has received the financial audit for FY 19-20 and has reviewed the findings and recommendations made by our independent auditors. Finance staff concurs with findings and recommendations. Corrective efforts are currently under review by the entire Finance Team and some measures have been implemented. The new software financial system has new modules and control processes for inventory, timecard entry, accounts payable, bank reconciliation, capital fixed assets, project management and an array of new reports that will be fundamental in providing information during future audits.

The Finance Department Staff will bring to Council for future consideration, new and amended policies and procedures that will address previous repeat findings. These new controls allow for review of supporting documentation and the ability to scan supporting documentation directly to finance entries. Staff with the assistance of Eide Bailly has outlined an internal year end closing process checklist which will assist meeting required deadlines, reconcile grant reporting, prepare reconciling schedules, and journal entries prior to audit review.

The FY 20-21 audit prework has begun and field visits are scheduled for September 19-20, 2022. Staff is reviewing and considering additional methods and software for budget building, grant reporting, and debt management that will assist with new requirements under GASB 87 and GASB 96.

The cities Independent Auditor, Mann, Urritia, Nelson CPAs & Associates firm will provide a verbal overview of the FY 19-20 financial audit reports.

### **Compliance with City Council Strategic Plan or Budget Goals**

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions.

### **Attachments:**

City of Gridley FY 19-20 Financial Statements & Independent Auditors Report, GANN Appropriation Limit Calculation, Single Audit and Successor Agency Auditors Reports



# To the City Council and Management City of Gridley, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gridley as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Gridley'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 the City of Gridley's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Gridley's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be control deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We have issued a separate report dated August 25, 2022 which contains our communication of material weaknesses and significant deficiencies in the City's internal controls. This report does not affect our report dated August 25, 2022 on the financial statements of the City of Gridley.

We consider the following deficiencies to be control deficiencies:

### Credit Card Receipts

- During our test of controls over credit cards, out of the 4 months and 6 employees selected for testing, we noted 5 instances in which a receipt was missing from the supporting documentation.
- Management should ensure employees provide supporting receipts for all credit card purchases prior to approving the statements.

### Timecard Approval

- During our test of controls over the payroll process, we noted on 2 out of 40 timecards tested, the employee signed as their own supervisor.
- Management should ensure all employees submit their timecard to someone in a higher position for approval.

### Bank Reconciliations - Repeat Finding

- During our review of a sample of bank reconciliations throughout the fiscal year, we identified that the reconciling items consisting of deposits-it-transit was based on a monthly accumulated balance of differences between the deposits received by the bank and deposits recorded in the GL system. As such, we were unable to identify the specific deposits that comprise the deposits-in-transit in the bank reconciliation; nor were we able to identify if there were any long outstanding deposits-in-transit.
- City management should review and match deposits to cash receipts recorded in the fiscal year and determine if there are
  any long outstanding deposits that need to be written-off. Alternatively, if management is not able to identify what the
  reconciling items represent, identified amounts should be written off.

### Journal Entries

- During our review of a sample of journal entries throughout the year, we noted 1 out of 14 journal entries was missing the signed journal entry cover sheet. As such, we are unable to determine if the journal entry was properly approved before it was posted to the system.
- City management should maintain documentation showing review and approval for all journal entries.

### Accounts Receivable - Repeat Finding

- During our review of accounts receivable balances as of fiscal year end, we noted several accounts that had not fluctuated since the prior year. Upon inquiry, management provided journal entries to correct accounts receivable.
- Management should prepare reconciling schedules that agree to the ending accounts receivable balances and should be reviewed by a secondary personnel and any adjustments should be posted prior to the start of the annual audit.

### Inventory - Repeat Finding

- The City of Gridley was not able to substantiate cost of items with proper supporting documentation for several inventory items selected for testing. In some instances, the supporting documentation provided did not agree to inventory schedule. Also, quotes were provided for items selected instead of an actual invoice. Part of the cause is due to limited staffing resources who do not readily update the master inventory cost sheet on a frequent basis.
- This is a repeat finding from the prior year. We recommend the City re-evaluate each item of inventory and its related cost to be updated based on its historic purchase price or current market cost and maintain cost schedule that is regularly update by staff involved in purchasing process.

### Capital Assets - Repeat Finding

- During our audit procedures over capital assets, we noted there is inconsistency with how many months of depreciation is recorded in the year an asset is acquired. Sometimes the asset is depreciated starting at the beginning of the month and other times at the end of the month.
- Management should implement a formal capitalization policy to ensure there is a consistent method of depreciation applied to all capital assets.

### Interfund Balances

- During our review of the interfund balances as of fiscal year end, we identified the remaining "Due-to/Due-from" balances were long outstanding and the nature of these balances are unknown to the City accounting and management staff.
- We recommended the City verify if these are valid outstanding balances with proper intentions to be paid back to "Due from" funds and identify if valid agreements are still in existence, or write-off the balances if they are determined to be not valid.

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

Mann, Urrutia, Nelson CPAs & Associates, LLP

Mann Unsufic Nelson CPAS

Sacramento, California

August 25, 2022

August 25, 2022

To the City Council City of Gridley, 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 City of Gridley (the City) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *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 June 19, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial 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:

Allowance for Doubtful Accounts: Management's estimate of the allowance for doubtful accounts is based on historical loss levels and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Capital Asset Lives: Management's estimate of the expected useful lives of capital assets impacts the computation of depreciation expense for the year. We evaluated the useful lives of capital assets for reasonableness and consistency. The resulting depreciation expense computations were reviewed for reasonableness in relation to the financial statements taken as a whole.

Net Pension Liability and Other Post-Employment Benefits (OPEB) Liability: Management's estimate of the net pension and OPEB liabilities is based on actuarially determined information. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

### Difficulties Encountered in Performing the Audit

The completion of our audit was delayed due to personnel turnover and the fact that processes utilized for closing and reporting of financial activity for the fiscal year were not effective. The year-end audit for the June 30, 2020 fiscal year-end began in February 2021 and in July 2021, the City provided a revised version of the trial balance to be audited.

### 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. Attachment A summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole. The material misstatements in Attachment B were detected as a result of audit procedures and were corrected by management.

### Disagreements with Management

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

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 25, 2022.

### Management Consultations with Other Independent Accountants

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

### Other Audit Findings or Issues

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

### Other Matters

We applied certain limited procedures to management's discussion and analysis; the general fund and major special revenue funds budgetary comparison schedules; and the net pension and total OPEB liability required schedules, 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 the non-major combining financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with 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 City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mann, Urrutia, Nelson CPAs & Associates, LLP

Mann, Ursution Nelson CPAS

# CITY OF GRIDLEY SUMMARY OF PASSED AUDIT ADJUSTMENTS June 30, 2020

	Effect - Increase (Decrease)										
Description		Assets		Liabilities		Equity		Revenue		Expenses	
<u>Current Year Differences</u>											
Record unrealized loss on Certificates of Deposit	\$	(31,758)	\$	-	\$	-	\$	(31,758)	\$		
Adjust OPEB liability		-		(9,809)		1		1,2		(9,809)	
Total Income Statement Effect						(21,949)	\$	(31,758)	\$	(9,809)	
Balance Sheet Effect	\$	(31,758)	\$	(9,809)	\$	(21,949)					

### CITY OF GRIDLEY SUMMARY OF AUDIT ADJUSTMENTS June 30, 2020

	Effect - Increase (Decrease)								
Description		Assets	-	Liabilities		Equity		Revenue	Expenses
Current Year Differences									
Correct compensated absences liability	\$	(100,785)	\$	(167,430)	\$	- 1	\$	n de	\$ (66,645
Correct prepaid expenses		(6,474)		-		-		-	6,474
Write-off old outstanding checks		2,219		2,219		-		4	
Reverse and correct reclass of utility recovery write- off, true-up variance in pooled cash and correct principal payment		(62,573)		-		÷		-	62,573
Correct beginning net position due to recording of debt payments in funds 204 & 206 and the debt balances in fund 976		•		*		(62,406)		9	(62,406
Correct utility accounts receivable and revenue		(761,530)				-		(761,530)	
Correct due from other governments and grant revenue		(22,024)		-		ý		(22,024)	
Correct prior year sales tax receivable		(230,680)		-		25		(230,680)	
Record sales tax receivable		222,134		1.5		-		222,134	1 _ 5
Total Income Statement Effect						(732,096)	\$	(792,100)	\$ (60,004
Balance Sheet Effect	\$	(959,713)	\$	(165,211)	\$	(794,502)			



CITY OF GRIDLEY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

# CITY OF GRIDLEY FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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### CITY OF GRIDLEY FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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#### INDEPENDENT AUDITOR'S REPORT

To the City Council of the City of Gridley Gridley, California

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gridley (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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

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

#### Auditor's Responsibility

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gridley, as of June 30, 2020, 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.

#### **Other Matters**

#### Required Supplementary Information

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

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gridley's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### Other Reporting Required by Government Auditing Standards

Manu Ussutia Nelson CPAS

In accordance with Government Auditing Standards, we have also issued our report dated August 25, 2022, on our consideration of the City of Gridley'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 of Gridley'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 of Gridley's internal control over financial reporting and compliance.

Sacramento, California August 25, 2022

This section of the City's Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$34,341,734 (net position). Of this amount, the City has an unrestricted balance of \$13,198,015, \$2,761,343 is restricted for special revenue, and \$18,382,376 is the net investment in capital assets.
- The City's total net position increased by approximately \$92,978, from \$24,888,140 to \$34,341,734.
- The Governmental fund balance (comprising all governmental funds) is \$10,049,792 as of June 30, 2020.

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

The financial section of this report consists of five parts:

- Independent Auditor's Report;
- · Management's Discussion and Analysis (this section);
- Basic Financial Statements that include:
  - · Government-Wide Financial Statements
  - · Fund Financial Statements
  - Notes to Basic Financial Statements
- Required Supplementary Information
- · Supplementary Information.

The basic financial statements include two kinds of statements that present different views of the City.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the components (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) presented as "net position". Over time, increases or decreases in net position may serve as a useful indicator of the City's financial improvement or deterioration.

The Statement of Activities presents information showing how the government's net position changed during the past year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue, "governmental activities", from other functions that are intended to recover all or a significant portion of their costs through users fees and charges, "business-type activities". The governmental activities of the City of Gridley include general government, public safety, streets and public works, community development, and parks and recreation. The business-type activities of the city are the electric, water, sewer, drainage, solid waste, and transit operations.

#### **FUND FINANCIAL STATEMENTS**

A "fund" is a group of related accounts that is used to maintain control over resources that that have been segregated for specific activities or objectives. The City of Gridley, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Gridley can be divided into three categories:

- Governmental Funds
- · Proprietary Funds
- Fiduciary Funds

Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike those statements, the focus in these statements is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Gridley maintains several individual governmental funds organized according to their type (special revenue, debt service, etc). The fund financial statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented in a single column. Supplementary schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues expenditures and changes in fund balances for the following major funds:

- General Fund
- 08-HOME-4987 Grant Fund
- Block Grants Fund
- · Grant Related Funds

Data from the remaining nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of "combining statements" starting on page 66.

Proprietary funds are generally used to account for services for which the City charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund, consisting of enterprise funds, as described below.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for electric, water, sewer, drainage, solid waste, and transit operations.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

#### Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

#### **Required Supplementary Information**

This report presents required supplementary information concerning the City of Gridley's progress in its obligation to provide pension and other post-employment benefits to its employees, and budgetary comparison information for the City's general fund and major special revenue funds.

#### Supplementary Information

This final section of the report includes combining and individual fund statements and schedules for the City's non-major funds, agency funds, and general funds.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The fiscal year ended June 30, 2020 is the fourteenth year in which the City of Gridley has presented its financial statements under the reporting model required by the Governmental Accounts Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. A comparative analysis of government-wide data is included in this report.

#### ANALYSIS OF NET POSITION

With the consolidation of government-wide net position into one statement and other changes such as the exclusion of fiduciary funds, net position may now serve as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$34.34 million in FY 2020.

#### Statement of Net Position As of June 30, 2020 and 2019 (in thousands)

	Gover	nmental Ad	tivities	Busin	ess-Type A	ctivities	Total Government				
	2020	2019	Net Change	2020	2019	Net Change	2020	2019	Net Change		
ASSETS									100000		
Current and other											
assets	\$ 20,156	\$ 9,823	\$ 10,333	\$ 11,963	\$ 9,850	\$ 2,113	\$ 32,119	\$ 19,673	\$ 12,446		
Capital assets	9,906	10,310	(404)	12,728	13,338	<u>(610</u> )	22,634	23,648	(1,014)		
Total Assets	30,062	20,133	9,929	24,691	23,188	1,503	54,753	43,321	11,432		
DEFERRED											
<b>OUTFLOWS OF</b>											
RESOURCES	3,606	1,716	1,890	2,596	1,125	1,471	6,202	2,841	3,361		
LIABILITIES											
Long-term liabilities	13,407	9,867	3,540	11,406	9,429	1,977	24,813	19,296	5,517		
Other liabilities	640	614	26	534	673	(139)	1,174	1,287	(113)		
Total Liabilities	14,047	10,481	3,566	11,940	10,102	1,838	25,987	20,583	5,404		
DEFERRED											
INFLOWS OF											
RESOURCES	261	308	(47)	<u>365</u>	384	(19)	626	<u>692</u>	(66)		
NET POSITION											
Net investment in											
capital assets	9,906	10,310	(404)	8,477	9,955	(1,478)	18,383	20,265	(1,882)		
Restricted	2,761	2,857	(96)	-	-		2,761	2,857	(96)		
Unrestricted	6,693	(2,106)	8,799	5,553	3,872	1,681	12,246	1,766	10,480		
Total Net	4 43 444	1		4					1		
Position	\$ <u>19,360</u>	\$ <u>11,061</u>	\$ <u>8,299</u>	\$ <u>14,030</u>	\$ <u>13,827</u>	\$ <u>203</u>	\$ <u>33,390</u>	\$ <u>24,888</u>	\$ <u>8,502</u>		

The City reported positive balances in all three categories of net position, as well as for its separate governmental and business-type activities. The primary components of the City's net position include:

The \$18.38 million (55.1%) in net investment in capital assets (e.g., land, buildings, other improvements, construction in progress and equipment), less any outstanding related debt used to acquire these assets. The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position is comprised of \$2.76 million (8.3%) in special revenue programs.

The remaining unrestricted balance is \$12.25 million (36.7%) and may be used to meet the government's ongoing obligations to citizens and creditors.

### Statement of Activities For the Years Ended June 30, 2020 and 2019 (in thousands)

Net Change
\$ 797
189
(28)
958
4
(175)
10
1
(10)
(469)
829
10
200
\$ <u>1,158</u>

The governmental activities total revenues were \$6.12 million and business-type activity revenues were \$11.85 million for the year ended June 30, 2020. For governmental activities, this represented an increase of \$0.22 million and for business-type activities this represented an increase of \$0.94 million. The increase in governmental activities and business-type activities is due to grant payoffs and the FEMA site lease.

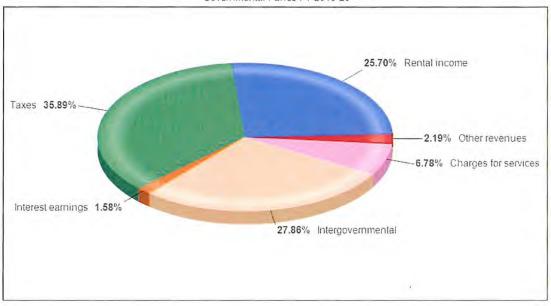
Program revenues include charges for services and grants and contributions. Program revenues provided \$2.12 million (34.6%) for governmental activities and \$11.74 million (99.0%) for business type activities.

General revenues include, among other things, taxes and intergovernmental revenues. General revenues provided \$4.00 million (65.4%) for governmental activities and \$116 thousand (1.0%) for business-type activities. The majority of general revenues came from property, sales, and other taxes and rental income.

The fiscal year ended June 30, 2020 revenues are reflected graphically as follows:

#### 2020 Governmental Revenues

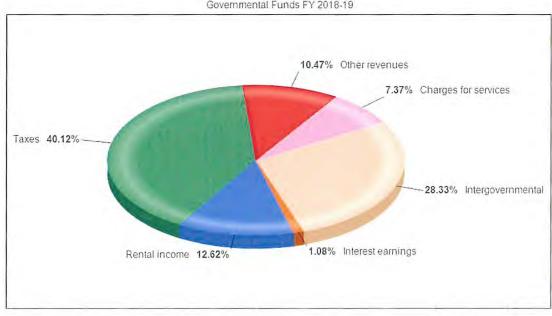
Governmental Funds FY 2019-20



The fiscal year ended June 30, 2019 revenues are reflected graphically as follows:

#### 2019 Governmental Revenues

Governmental Funds FY 2018-19



### Statement of Activities For the Years Ended June 30, 2020 and 2019 (in thousands)

	Gover	nmental Ac	tivities	Busine	ess-type A	ctivities	<b>Total Government</b>			
	2020	2019	Net Change	2020	2019	Net Change	2020	2019	Net Change	
Expenses:										
Governmental activities General government	\$ 382	\$ 409	\$ (27)	c	\$ -	\$ -	\$ 382	\$ 409	\$ (27)	
Public safety Streets and public	5,497	4,161	1,336	Ψ -	φ - -	Ψ -	5,497	4,161	1,336	
works	1,593	1,438		-		-	-	-		
Community	450	400	040				450	400	240	
development	450	138	312		7	-	450	138	312 52	
Parks and recreation Interest on long-term	464	412	52	•	- 5	-	464	412	52	
liabilities	10.	-	•	-	-	-	-	•	-	
Business-type activities				C 407	E 004	200	C 407	E 004	200	
Electric Water	-	-	-	6,187	5,901	286	6,187	5,901	286	
Sewer	-	-	-	1,168 1,914	1,425 2,013	(257) (99)	1,168 1,914	1,425 2,013	(257) (99)	
Other	-		-	230	234	(4)	230	2,013	(4)	
Total Expenses	8,386	6,558	1,673	9,499	9,573	$\frac{(4)}{(74)}$	16,292	14,693	1,599	
Excess (deficiency)										
before transfers	(2,262)	(656)	(1,451)	2,355	1,345	1,010	1,686	2,127	(441)	
Transfers										
Transfers	1,200	1,400	(200)	(1,200)	(1,400)	200				
Change in net position	_(1,062)	744	(1,806)	1,155	<u>(55</u> )	_1,210	93	689	(596)	
Net position - beginning of										
year	11,061	10,318	743	13,827	13,881	(54)	24,888	24,199	689	
Restatement	9,361		9,361				9,361		9,361	
Net position - beginning of year, restated	20,422	10,318	10,104	13,827	13,881	(54)	34,249	24,199	10,050	
Net position - end of year	\$ <u>19,360</u>	\$ <u>11,062</u>	\$ 8,298	\$ <u>14,982</u>	\$ <u>13,826</u>	\$ <u>1,156</u>	\$ <u>34,342</u>	\$ <u>24,888</u>	\$ <u>9,454</u>	

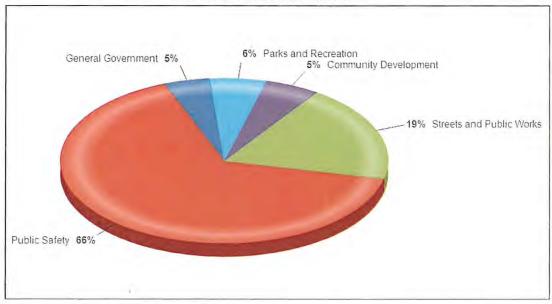
#### **EXPENSES**

Expenses for the City totaled \$16.29 million for year ended June 30, 2020. Governmental activities incurred \$8.39 million in expenses and business type activities incurred \$9.50 million in expenses during the year. Governmental activities expenses were 25.29% funded by program revenues, with the remainder of the funding from general revenues and transfers. Business type activities expenses were 100% funded by program revenue.

The fiscal year ended June 30, 2020 expenses are reflected graphically as follows:

#### 2020 Governmental Expenses

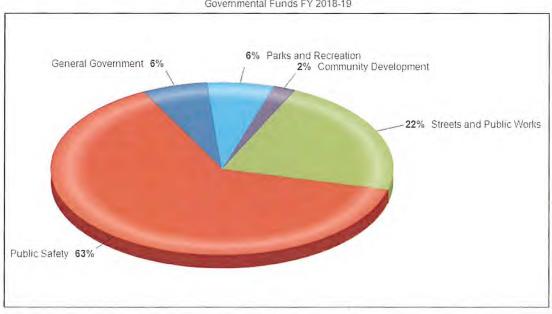
Governmental Funds FY 2019-20



The fiscal year ended June 30, 2019 expenses are reflected graphically as follows:

#### 2019 Governmental Expenses

Governmental Funds FY 2018-19



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

The City of Gridley uses fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

#### **GOVERNMENTAL FUNDS**

The focus of the City's governmental funds is to provide information on near term inflows, outflows and balances of resources that are available to provide services and capital project construction. In particular, unassigned fund balance may serve as a useful measure of a government's net spendable resources. At the end of FY 2019-20, the City's governmental funds reported combined fund balances of \$10.05 million, an increase of \$1.03 million in comparison with the prior fiscal year. The City has \$2.90 million fund balances in non-spendable, restricted or committed to indicate that it is not available for new spending because it has been earmarked for prior year commitments and other specific requirements in accordance with GASB 54. Further breakdown of these fund balances are found in Note 9 of the Financial Statements.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

General Government expenditures increased \$1.6 million from the prior fiscal year. The City continues to strive to maintain the same level of service to the public. Due to safety position vacancies, there were additional costs to the general fund in order to meet all shift coverage per the safety guidelines for patrol. There were expense increases in Community Development and Parks and Recreation due to ongoing project planning..

#### CAPITAL ASSET AND DEBT ADMINISTRATION

#### CAPITAL ASSETS

The capital assets reported reflect the re-evaluation of capital asset balances reported in 2019-20 to conform to GASB Statement No. 34 reporting requirements.

#### Asset Type

		Governmen	ntal /	Activities		Business-ty	pe.	Activities		To	tals	
		2020		2019		2020		2019		2020		2019
Capital assets, not being depreciated:					Ī			1.000				
Land	\$	417,778	\$	417,778	\$	921,793	\$	921,793	\$	1,339,571	\$	1,339,571
Construction in										The state of the s		
Progress		-		-		47,441		30,778		47,441		30,778
Depreciable capital assets, net:												
Infrastructure Buildings and		4,497,729		4,768,245		3,949,331		4,111,395		8,447,060		8,879,640
improvements		1,322,996		1,435,905		249,774		274,728		1,572,770		1,710,633
Improvements other than												
buildings		2,402,115		2,328,678		5,561,156		5,820,118		7,963,271		8,148,796
Vehicles and equipment	_	1,265,028	-	1,359,791	_	1,998,806		2,179,226		3,263,834	_	3,539,017
Capital assets	\$_	9,905,646	\$_	10,310,397	\$_	12,728,301	\$_	13,338,038	\$_	22,633,947	\$_	23,648,435

The City's investment in capital assets for its governmental and business type activities as of June 30, 2020, was \$22.63 million (net of accumulated depreciation). This investment in capital assets includes: land, buildings, improvements other than buildings, equipment, and construction in progress. The City's investment in capital assets, net of accumulated depreciation as reported on the Statement of Net Position for the fiscal year ended June 30, 2020 decreased by \$1.01 million.

For government wide financial statement presentation, all depreciable capital assets are depreciated from the acquisition date over their useful lives. Governmental fund financial statements record capital asset purchases as expenditures.

Additional information on the City of Gridley's capital assets can be found in Note 5 on pages 41 - 42 of this report.

#### **DEBT ADMINISTRATION**

At the end of FY 2019-20, the City of Gridley had long term liabilities of \$0.23 million and \$3.42 million for governmental activities and business-type activities, respectively. Additional information about the City's long term obligations can be found in Note 6 on pages 43 - 44 of this report.

#### Long Term Liabilities Outstanding Balances As of June 30, 2020

#### Governmental

		Activ	ities	5	Business-ty	pe Activities	Totals			
	2	020		2019	2020	2019	2020	2019		
USDA Rural Development										
Loan	\$	- 2	\$	-	\$1,008,000	\$1,041,000	\$ 1,008,000	\$ 1,041,000		
USDA Rural Development Loan- Waste Water										
Treatment Plant		-		-	2,291,000	2,342,000	2,291,000	2,342,000		
Compensated absences	_ 22	6,670	2	84,145	121,436	284,272	348,106	568,417		
Totals	\$ 22	6,670	\$ 2	84,145	\$ <u>3,420,436</u>	\$ <u>3,667,272</u>	\$ <u>3,647,106</u>	\$ 3,951,417		

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City having witnessed and provided mutual aid during the unfortunate event of the 2018 Paradise Camp Fire, has continued to focus on effectively maintaining a hiring freeze, reducing discretionary spending, and working towards meeting the long-term goal of conservative spending in the General Fund. The City will continue to focus on long term goals as well as bring in infrastructure projects that provide funding mechanisms to further reduce costs.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Gridley's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Gridley Finance Department at 685 Kentucky Street, Gridley, CA 95948, phone (530) 846-5695.

#### CITY OF GRIDLEY STATEMENT OF NET POSITION JUNE 30, 2020

	G	overnmental Activities	В	usiness-type Activities	_	Total
ASSETS		1 222		.12.12.1		
Cash and investments (Note 2)	\$	9,353,138	\$	10,710,791	\$	20,063,929
Accounts receivable, net		119,067		573,304		692,371
Interest receivable		12,859		11,298		24,157
Taxes receivable		65,411		-		65,411
Inventory		111111111		634,134		634,134
Loans receivable (Note 3)		9,586,209		-		9,586,209
Due from other governments		498,948		26,346		525,294
Prepaid items		93,549		6,878		100,427
Advances to fiduciary fund (Note 4)		426,868		-		426,868
Capital assets (Note 5)						
Non-depreciable		417,778		952,571		1,370,349
Depreciable, net		9,487,868	_	11,775,730	_	21,263,598
Total capital assets	_	9,905,646	_	12,728,301	_	22,633,947
Total Assets	_	30,061,695	-	24,691,052	-	54,752,747
DEFERRED OUTFLOWS OF RESOURCES						
Related to net pension liability (Note 7)		1,470,585		1,021,297		2,491,882
Related to total OPEB liability (Note 8)	-	2,134,990	_	1,574,646	_	3,709,636
<b>Total Deferred Outflows of Resources</b>	-	3,605,575	_	2,595,943	·	6,201,518
LIABILITIES						
Accounts payable and accrued expenses		395,851		183,849		579,700
Accrued payroll and benefits		104,747		-		104,747
Accrued interest payable		<u>-</u>		25,239		25,239
Unearned revenue		19,100		5,001		24,101
Deposits payable		350		192,155		192,505
Accrued compensated absences (Note 6):						
Due within one year		120,428		41,794		162,222
Due in more than one year		106,242		79,642		185,884
Long-term liabilities (Note 6):		1441-1-		/		
Due within one year				86,000		86,000
Due in more than one year		2		3,213,000		3,213,000
Net pension liability (Note 7):				0,210,000		0,2.0,000
Due in more than one year		7,441,596		4,317,302		11,758,898
Other postemployment benefits (Note 8)		1,111,000		1,011,002		11,100,000
Due in more than one year	_	5,858,882	_	3,795,559		9,654,441
Total Liabilities		14,047,196	_	11,939,541		25,986,737
DEFERRED INFLOWS OF RESOURCES						
Related to net pension liability (Note 7)	-	260,557	_	365,237	_	625,794
NET POSITION						
Net investment in capital assets		9,905,646		8,476,730		18,382,376
Restricted for:						
Special revenue programs		2,761,343		1 (a) (b)		2,761,343
Unrestricted	-	6,692,528	-	6,505,487	_	13,198,015
Total Net Position	\$	19,359,517	\$	14,982,217	_	34,341,734

#### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

				Program Revenues						Net (Expense) Revenue and Changes in Net Position				
										Primary G	ove	ernment		
Functions/Programs PRIMARY GOVERNMENT	Expenses			Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		Governmental Activities		Business- type Activities		Total
Governmental activities:														
General government Public safety Streets and public works	\$	382,626 5,497,396 1,593,002	\$	29,445 37,426 152,157	\$	854,140 684,097	\$	80,459	\$	(353,181) (4,605,830) (676,289)	\$		\$	(353,181) (4,605,830) (676,289)
Community development Parks and recreation	_	449,541 463,831	_	118,520 77,546	_	2,698 61,005		23,369		(304,954) (325,280)	_		_	(304,954) (325,280)
Total governmental activities	-	8,386,396	_	415,094	_	1,601,940		103,828	_	(6,265,534)	-		_	(6,265,534)
Business-type activities: Electric		6,186,440		8,878,399		_		_				2,691,959		2,691,959
Water		1,168,017		1,146,635		-		-		D-1		(21,382)		(21,382)
Sewer		2,005,268		1,473,115				C+		O+)		(532,153)		(532,153)
Other proprietary		139,139		10,256	_	229,761			_			100,878		100,878
Total business-type activities	_	9,498,864	1.5	11,508,405	_	229,761			_		-	2,239,302	_	2,239,302
Total primary government	\$_	17,885,260	\$_	11,923,499	\$_	1,831,701	\$	103,828	_	(6,265,534)	_	2,239,302	-	(4,026,232)
		neral revenue Property taxes								516,892		-		516,892
		Sales and use	tax	ces						1,200,740		-		1,200,740
		Motor vehicle		gas taxes						294,271		1-		294,271
		Occupancy ta								36,097		-		36,097
		Franchise tax								150,157				150,157
		ner revenue								133,653		25,234		158,887
		ntal income		J. J. & G. Co.						1,574,281		-		1,574,281
		erest and inve		ent earnings						97,277		90,608		187,885
		ansfers (Note							_	1,200,000	-	(1,200,000)	_	
		l otal general	reve	enues and trar	sters	S			-	5,203,368	-	(1,084,158)	_	2,544,929
		Change in ne	t po	sition						(1,062,166)		1,155,144		92,978
		t position - Ju		, 2019 nent (Note 15)						11,061,067 9,360,616		13,827,073		24,888,140 9,360,616
		t position - Ju								20,421,683	-	13,827,073	=	34,248,756
= + -	Ne	t position - Ju	ne 3	30, 2020					\$_	19,359,517	\$_	14,982,217	\$_	34,341,734

#### CITY OF GRIDLEY BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

	General Fund	08-HOME- 4987 Grant Fund	Block Grants Fund	Grant Related Funds	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 6,872,717	\$ 3,784	\$ 184,984	\$ 152,722	\$ 2,138,931	\$ 9,353,138
Accounts receivable	106,590		-	-	12,477	119,067
Interest receivable	7,848	6	618	845	3,542	12,859
Taxes receivable	65,411	-			-	65,411
Notes receivable		5,000,000	2,486,945	2,099,264	-	9,586,209
Due from other funds	2,542,501	-		-		2,542,501
Due from other governments	395,714	-	22,775	-	80,459	498,948
Prepaid items	93,549		·			93,549
Advances to fiduciary fund	176,868	-	250,000			426,868
Total Assets	\$ <u>10,261,198</u>	\$5,003,790	\$ <u>2,945,322</u>	\$ <u>2,252,831</u>	\$ 2,235,409	\$ 22,698,550
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable and accrued						
liabilities	\$ 387,401	\$ -	\$ 4,799	\$ -	\$ 3,651	\$ 395,851
Accrued payroll and benefits	99,667	_	,,,,,	-	5,080	104,747
Unearned revenue	19,100	2	2	2	-	19,100
Deposits payable	350	2	_	-	-	350
Due to other funds					2,542,501	2,542,501
Total Liabilities	506,518		4,799	<u> </u>	2,551,232	3,062,549
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues -		2 202 202	0.00000	6.002.027		7 207 210
housing loans		5,000,000	2,486,945	2,099,264		9,586,209
FUND BALANCES (DEFICITS)						
Nonspendable	93,549	_		-	4	93,549
Restricted		3,790	453,578	153,567	2,150,408	2,761,343
Committed	40,488		-	200		40,488
Assigned	3,246,298	-				3,246,298
Unassigned	6,374,345		·		(2,466,231)	3,908,114
Total Fund Balances						
(Deficits)	9,754,680	3,790	453,578	153,567	(315,823)	10,049,792
Total Liabilities, Deferred						
Inflows of Resources, and Fund Balances (Deficits)	\$ 10,261,198	\$ 5,003,790	\$2,945,322	\$2,252,831	\$ 2,235,409	\$ 22,698,550

### CITY OF GRIDLEY RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2020

Total fund balances of governmental funds	\$	10,049,792
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 governmental funds, net of accumulated depreciation of \$11,005,599.		9,905,646
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds.		9,586,209
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period		1,470,585
Deferred outflows of resources related to changes in the OPEB liability are not applicable to the current period		2,134,990
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Compensated absences		(226,670)
Net pension liability		(7,441,596)
Total OPEB liability		(5,858,882)
Deferred inflows of resources related to changes in the net pension liability are not applicable to the current period		(260,557)
Net position of governmental activities	\$_	19,359,517

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	08-HOME- 4987 Grant Fund	Block Grants Fund	Grant Related Funds	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and assessments License, permits, and fees Fines and forfeitures Use of money and property	\$ 2,596,188 9,725 6,027 126,757	\$ - - 46	\$ - - 4,731	\$ - - - 4,051	\$ 446,428 50,230 19,739 27,377	\$ 3,042,616 59,955 25,766 162,962
Program income Intergovernmental Charges for services	63 1,717,471 679,961	-	136,943	151,135 -	80,559 37,510	137,006 1,949,165 717,471
Recreation and event fees Insurance proceeds Other revenues	116,913 17,305 3,723				2,594 - 2,411	119,507 17,305 <u>6,134</u>
Total Revenues	5,274,133	46	141,674	155,186	666,848	6,237,887
EXPENDITURES						
Current:						
General administration Public safety	107,432 4,059,151	-	5,039		259 10,411	112,730 4,069,562
Streets and public works Community development	286,883 63,005	-	218,169	-	818,799 171,234	1,105,682 452,408
Parks and recreation Capital outlay	163,973 161,380				136,323 209,808	300,296 371,188
Total Expenditures	4,841,824		223,208		1,346,834	6,411,866
Excess (Deficiency) of Revenues over Expenditures	432,309	46	<u>(81,534</u> )	<u>155,186</u>	(679,986)	(173,979)
OTHER FINANCING SOURCES (USES)						
Transfers in Transfers out	1,235,000		:	(35,000)		1,235,000 (35,000)
Total Other Financing Sources (Uses)	1,235,000			(35,000)		1,200,000
Net Change in Fund Balances (Deficits)	1,667,309	46	(81,534)	120,186	(679,986)	1,026,021
Fund Balances (Deficits) - July 1, 2019	8,087,371	3,744	535,112	33,381	364,163	9,023,771
Fund Balances (Deficits) - June 30, 2020	\$ <u>9,754,680</u>	\$3,790	\$ <u>453,578</u>	\$ <u>153,567</u>	\$(315,823)	\$10,049,792

#### RECONCILIATION OF THE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2020

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$	1,026,021
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset purchases		265,016
Depreciation expense		(669,767)
Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.  Loan program receipts		(113,657)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued compensated absences		57,475
Pension expense related to deferred outflows and inflows of resources		1,458,166
Other postemployment benefits		(3,085,420)
Change in net position of governmental activities	\$_	(1,062,166)

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

	Business-type Activities - Enterprise Funds									
		Electric		Water		Sewer		Other Interprise Funds	Totals	
ASSETS	-	Licotific	_	Water		Ocwei	_	Tullus	Totals	
Current Assets										
Cash and investments	\$	3,748,407	\$	1,920,243		4,908,984	\$	133,157	\$ 10,710,791	
Accounts receivable, net		573,304				-			573,304	
Interest receivable		1,919		2,275		6,898		206	11,298	
Prepaid items		3,439		3,439		-		-	6,878	
Inventory		549,909		82,319		1,906		-	634,134	
Due from other governments	-	26,346	-				-		26,346	
<b>Total Current Assets</b>	_	4,903,324	-	2,008,276		4,917,788	-	133,363	11,962,751	
Capital Assets										
Non-depreciable		724,543		613		227,415			952,571	
Depreciable, net	_	2,663,015	_	2,886,444		6,199,730	-	26,541	11,775,730	
Total Capital Assets	_	3,387,558	_	2,887,057		6,427,145	_	26,541	12,728,301	
Total Assets	_	8,290,882		4,895,333		11,344,933	_	159,904	24,691,052	
DEFERRED OUTFLOWS OF RESOURCES										
Related to net pension liability		528,489		218,561		222,315		51,932	1,021,297	
Related to OPEB liability	_	766,447	_	404,099		404,100	_	12776	1,574,646	
Total Deferred Outflows of Resources		1,294,936	_	622,660		626,415	_	51,932	2,595,943	
LIABILITIES										
Current Liabilities										
Accounts payable		32,512		6,310		44,403		586	83,811	
Accrued expenses		80,003		11,430		3,007		5,598	100,038	
Accrued interest payable		-		-		25,239		-	25,239	
Deposits payable		192,155		-		-		-	192,155	
Unearned revenue		-				- 2000 A <del>-</del>		5,001	5,001	
Compensated absences - current		22,712		5,946		13,136		-	41,794	
Long-term liabilities - current	-		-	-		86,000	_	-	86,000	
<b>Total Current Liabilities</b>		327,382	_	23,686		171,785	_	11,185	534,038	
Non-Current Liabilities										
Compensated absences		1,040		22,311		51,714		4,577	79,642	
Long-term liabilities - non-current		-		-		3,213,000		-	3,213,000	
Net pension liability		2,270,102		905,804		923,972		217,424	4,317,302	
Total OPEB obligation	_	1,605,954	-	1,094,801		1,094,804	_	-	3,795,559	
<b>Total Non-Current Liabilities</b>	_	3,877,096	_	2,022,916		5,283,490	_	222,001	11,405,503	
Total Liabilities	12	4,204,478		2,046,602		5,455,275		233,186	11,939,541	
DEFERRED INFLOWS OF RESOURCES										
Related to net pension liability	_	186,351	_	78,585		80,040	_	20,261	365,237	
NET POSITION:										
Net investment in capital assets		2,663,015		2,886,444		2,900,730		26,541	8,476,730	
Restricted for debt service		724,543		613		227,415		10 10 10 10 10 10 10 10 10 10 10 10 10 1	952,571	
Unrestricted	_	1,807,431	-	505,749		3,307,888	_	(68,152)	5,552,916	
Total Net Position	\$_	5,194,989	\$_	3,392,806	9	6,436,033	\$_	(41,611)	\$ <u>14,982,217</u>	

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds								
	Electric		Water		Sewer	E	Other Enterprise Funds		Totals
OPERATING REVENUES							Value.		100000000
Charges for services	\$ 8,878,399	\$	1,146,635	\$	1,473,115	\$	10,256	\$	11,508,405
Intergovernmental revenues Other revenue	930	_	1,465	_	15,002	_	229,761 7,837	_	229,761 25,234
<b>Total Operating Revenue</b>	8,879,329	_	1,148,100	_	1,488,117	_	247,854	-	11,763,400
OPERATING EXPENSES									
Salaries and benefits	1,773,478		539,844		642,312		97,095		3,052,729
Materials, supplies, and operational expenses	384,645		196,606		392,401		7,291		980,943
Repairs and maintenance	287,067		49,788		31,758		2,362		370,975
Power and utilities	3,195,680		190		95,492		100		3,291,362
Contractual services	15,003		22,134		124,996		143		162,276
Administration	295,233		152,040		120,002		25,613		592,888
Bad debt expense (recovery)	56,755		6,657		(4,574)		-		58,838
Miscellaneous	-		-		14,342		-		14,342
Depreciation and amortization	178,579		200,758	_	497,369	_	6,635	-	883,341
<b>Total Operating Expenses</b>	6,186,440	_	1,168,017	_	1,914,098	_	139,139	_	9,407,694
Operating Income (Loss)	2,692,889		(19,917)		(425,981)		108,715	_	2,355,706
NON-OPERATING REVENUES									
(EXPENSES)									
Interest income	17,020		17,983		53,997		1,608		90,608
Interest expense		_	-	_	(91,170)	_		-	(91,170)
Total Non-Operating	30,417		10000						4000
Revenues (Expenses)	17,020	-	17,983	-	(37,173)	-	1,608	-	(562)
Income (Loss) Before Transfers	2,709,909	-	(1,934)		(463,154)	-	110,323	_	2,355,144
TRANSFERS									
Transfers out	(1,200,000	_		_		-		-	(1,200,000)
Total Transfers	(1,200,000	_		_	-	_			(1,200,000)
Change in net position	1,509,909		(1,934)		(463,154)		110,323		1,155,144
Net Position - July 1, 2019	3,685,080	-	3,394,740	_	6,899,187	_	(151,934)		13,827,073
Net Position - June 30, 2020	\$5,194,989	\$_	3,392,806	\$_	6,436,033	\$	(41,611)	\$_	14,982,217

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds							
	Electric	Water	Sewer	Other Enterprise Funds	Totals			
CASH FLOWS FROM OPERATING								
ACTIVITIES								
Cash received from customers	\$ 8,705,827	\$ 1,249,334		\$ 247,854	\$ 11,774,079			
Cash paid to suppliers	(4,337,560)	(443,959)	(838,248)	(35,369)	(5,655,136)			
Cash paid to employees	(1,389,370)	(464,877)	(485,709)	(92,240)	(2,432,196)			
Net Cash Provided by Operating								
Activities	2,978,897	340,498	247,107	120,245	3,686,747			
CASH FLOWS FROM NON- CAPITAL FINANCING ACTIVITIES								
Transfers to other funds	(1,200,000)				(1,200,000)			
Net Cash Used for Non-Capital								
Financing Activities	(1,200,000)				(1,200,000)			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition of capital assets	(189,744)	(29,073)	(54,787)	, <del>-</del>	(273,604)			
Principal paid on capital debt		-	(84,000)	-	(84,000)			
Interest paid on capital debt		-	(91,846)		(91,846)			
Net Cash Used for Capital and								
Related Financing Activities	(189,744)	(29,073)	(230,633)		(449,450)			
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest and dividends	34,685	18,427	50,775	1,708	105,595			
Net Cash Provided by Investing								
Activities	34,685	18,427	50,775	1,708	105,595			
Net Increase (Decrease) in Cash and Cash Equivalents	1,623,838	329,852	67,249	121,953	2,142,892			
Cash and Cash Equivalents - July 1, 2019	2,124,569	1,590,391	4,841,735	11,204	8,567,899			
Cash and Cash Equivalents - June 30, 2020	\$ <u>3,748,407</u>	\$ <u>1,920,243</u>	\$ <u>4,908,984</u>	\$ <u>133,157</u>	\$ <u>10,710,791</u>			

# CITY OF GRIDLEY STATEMENT OF CASH FLOWS (continued) PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

		Business-type Activities - Enterprise Funds								
		Electric		Water		Sewer	1	Other Enterprise Funds		Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				2000						
Operating Income (Loss)	\$	2,692,889	\$	(19,917)	\$	(425,981)	\$	108,715	\$	2,355,706
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:										
Depreciation		178,579		200,758		497,369		6,635		883,341
Pension expense		117,563		(59,459)		16,960		7,602		82,666
OPEB expense		313,058		164,255		164,255		-		641,568
Changes in assets and liabilities: (Increase) decrease in:										
Accounts receivable		(178,671)		101,234		82,947		-		5,510
Inventory		15,316		(5,192)		405		-		10,529
Prepaid expenses Increase (decrease) in:		2,025		(2,559)		-		-		(534)
Accounts payable		(120,518)		(8,793)		(64,236)		40		(193,507)
Deposits payable		5,169		-		-		-		5,169
Accrued expenses		47,551		6,712		1,750		3,122		59,135
Compensated absences	_	(94,064)	_	(36,541)	_	(26,362)	_	(5,869)	-	(162,836)
Net Cash Provided by Operating Activities	2	2,978,897	2	340,498	•	247,107	2	120,245	•	3,686,747

### CITY OF GRIDLEY STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2020

	Private Purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and investments (Note 2) Restricted cash and investments (Note 2)	\$ 537,369 377,843	
Interest receivable	20	1
Prepaid items	1,332	
Capital assets, non-depreciable	1,302,116	
Total Assets	\$ <u>2,218,680</u>	\$ <u>557</u>
LIABILITIES		
Accounts payable and other liabilities	\$ 48	\$ -
Interest payable	262,970	e e e
Advances from the City	426,868	
Long-term liabilities	4,292,762	
Deposits in trust		557
Total Liabilities	\$ <u>4,982,648</u>	\$ <u>557</u>
NET POSITION		
Held in trust for private purposes	\$(2,763,968	) \$

# CITY OF GRIDLEY STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

		Private Purpose Trust Fund
ADDITIONS		
Property taxes Use of money and property Other revenues		\$ 517,276 395 
Total Additions		517,880
DEDUCTIONS		
Administrative expense Interest costs	3	18,562 294,672
Total Deductions		313,234
Changes in Net Position		204,646
Net Position - July 1, 2019		(2,968,614)
Net Position - June 30, 2020		\$ <u>(2,763,968)</u>

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Gridley (the "City") is a municipal corporation organized under the constitution and laws of the State of California. The City operates under a Council-Administrator form of government and provides the following services: public safety (police, fire, and animal regulation), street, sanitation, transportation and social services, recreation, public improvements, planning and zoning, water, sewer, electrical, and general administrative services.

The voters of the City give authority and responsibility for operations to the City Council. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget, which is adopted annually by the City Council.

#### A. The Reporting Entity

The accompanying basic financial statements present the financial activities of the City along with the financial activities of its blended component unit, which is an entity for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although it is a separate legal entity, the blended component unit is in substance part of the City's operations and is reported as an integral part of the City's financial statements. The City's component unit, which is described below, is blended.

#### Gridley Public Financing Authority

The Gridley Public Financing Authority (the "Authority"), established February 4, 2008, is a joint powers authority created by the City of Gridley and the former Gridley Redevelopment Agency. The creation of the Authority is authorized under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the California Government Code. The City and the Authority are separate legal entities. For financial reporting purposes, the Authority is reported as a part of the City's operations because the five (5) members of the City Council also act as the governing body of the Authority. The purpose of the Authority is to assist in the financing of public capital improvements. No separate financial statements are issued for the Authority.

#### **B.** Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These standards require that the financial statements described below be presented.

#### Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service activities. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflow of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The fund types of the financial reporting entity are described below:

#### **Governmental Funds**

<u>General Fund</u> - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

<u>Special Revenue Funds</u> - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

#### **Proprietary Funds**

<u>Enterprise Funds</u> - Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

#### Fiduciary Funds (not included in government-wide statements)

Private-Purpose Trust Funds - The Successor Agency fund was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to dissolve the Agency. The Main Trust Fund is used to account for trust arrangements where the balances and activity benefit individuals and organizations other than the City.

**Agency Funds** - These funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the City as an agent for other governmental units or individuals.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Major Funds**

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

<u>General Fund</u> - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the general fund includes such activities such as public safety, public ways and facilities, parks and recreation services, and economic development services.

<u>08-HOME-4987 Grant Fund</u> - The 08-HOME-4987 Grant Fund is a special revenue fund used to account for the activities of the U.S. Department of Housing and Urban Development Block Grant.

Block Grants Fund - The block grants fund is a Community Development Block Grant (CDBG) Revolving Loan program and Economic Development Block Grant (EDBG) Program. The City participates in this federally funded program that is utilized to fund housing activities, community facilities and public service projects serving lower income private parties and businesses. Eligible activities include funding housing activities (single/multi-family) rehabilitation, rental housing acquisition, homeownership assistance, or new construction. Interest may vary depending on the loan terms and interest may be deferred until the related property is refinanced or sold. The repayment of the loans results in program income, which is deposited into the Housing Rehabilitation Revolving loan fund (RLF) program for public benefit projects, general administration, and program delivery functions (preapproved ratios to the funds loaned).

<u>Grant Related Funds</u> - These special revenue funds house grants which have requirements for their own tracking mechanisms. In the case of Fiscal Year 2019-20, approximately fourteen sub-funds fell into this category. They were mostly grants from the State of California (transportation, planning, and COPS grants). All funds in this category have requirements to remain segregated from other City funds.

The City reports the following major proprietary funds in the accompanying financial statements:

Electric Fund - The electric fund is used to account for the activities of the City's electric generation and distribution operations.

Water Fund - The water fund is used to account for the activities of the City's water treatment and distribution operations.

Sewer Fund - The sewer fund is used to account for the activities of the City's sewage collection and treatment operations.

#### C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources, generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

#### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. In addition, all fiduciary funds use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Property Taxes

The County of Butte levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year or levy, due to the adoption of the "alternate method of property tax distribution", known as the Teeter Plan, by the City and the County of Butte. The Teeter Plan authorizes the Auditor/Controller of the County of Butte to allocate 100% of the secured property taxes billed, but not yet paid. The County of Butte remits tax monies to the City in three installments as follows:

50% remitted in December 45% remitted in April 5% remitted in June

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County of Butte for the secured and unsecured property tax rolls. Under the provisions of Article XIIIA of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

#### E. Cash and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. Accounts and Interest Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are recorded as deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

#### G. Prepaid Expenses and Inventory

Inventories are stated at cost (average cost per unit) for governmental and proprietary funds. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are consumed, rather than purchased. Inventories of governmental funds are offset by nonspendable fund balance to indicate they do not constitute resources available for future appropriation.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

#### H. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### Government-wide Statements

In the government-wide financial statements, infrastructure with an aggregate cost of \$25,000 or more and land, buildings, machinery, vehicles, and equipment with a cost of \$5,000 or more and a useful life of two years are capitalized. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure and buildings 20 - 50 years Improvements 10 - 30 years Equipment and vehicles 3 - 20 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of debt financed capital assets of business-type activities is included as part of the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### I. Compensated Absences and Sick Leave

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. Employees may accumulate sick leave without limits. The City's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds and the Statement of Net Position for proprietary funds as appropriate. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2020. Accumulated unpaid vacation and sick pay are accrued when earned. In addition, those employees who have reached the age of retirement may cash out sick leave upon retirement. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. In December of each year, management personnel are allowed to convert unused sick leave earned within the previous 12 months, in excess of 9 days, to vacation. The general fund and enterprise funds are used to liquidate compensated absences. The sick leave balance as of June 30, 2020 was \$158,422.

#### J. Deferred Outflows/Inflow of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of 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 so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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.

#### K. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, 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. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### L. Pensions

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

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liabilities and asset information with certain defined timeframe's. For this report, the following timeframe's are used:

Valuation Date Measurement Date Measurement Period June 30, 2019 June 30, 2020 July 1, 2019 to June 30, 2020

#### N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

#### O. Equity Classifications

#### Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

- a. Net investment in capital assets Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

#### **Fund Statements**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

 Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Restricted Amounts that are restricted for specific purposes when constraints placed on the use of resources are either

   (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned Amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted or committed.
- Unassigned Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 9.

#### P. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

#### Q. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2019, the City implemented the following accounting and financial reporting standards:

#### Government Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The City adopted this accounting guidance for its June 30, 2020 year-end.

#### R. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2020 or later. The City has not determined the effects on the financial statements.

#### Government Accounting Standards Board Statement No. 84

In February 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Additionally, this Statement describes four fiduciary funds that should be reported, as well as provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this Statement is effective for the City's fiscal year ending June 30, 2021.

#### Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, Leases. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financing's of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

#### Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, Majority Equity Interests an amendment of GASB Statements No. 14 and 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

#### Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

#### Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

#### Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The City has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the City's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the City's fiscal year ending June 30, 2022.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

#### Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

#### Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the City's fiscal year ending June 30, 2022.

#### Government Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the City's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the City's fiscal year ending June 30, 2024.

#### Government Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100 Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the City's fiscal year ending June 30, 2024.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101 Compensated Absences. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the City's fiscal year ending June 30, 2025.

#### S. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

#### **NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2020 were classified in the accompanying financial statements as follows:

	Cash and Investments		Restricted Cash and Investments		_	Total
Governmental activities Business-type activities	\$	9,353,138 10,710,791	\$		\$	9,353,138 10,710,791
Total government-wide cash and investments		20,063,929	_		_	20,063,929
Fiduciary activities	-	537,925		377,843	_	915,768
Total cash and investments	\$_	20,601,854	\$	377,843	\$_	20,979,697

Cash and investments were carried at fair value as of June 30, 2020 and consisted of the following:

Cash on hand	\$ 560
Cash in banks	13,943,178
Total cash	13,943,738
Local Agency Investment Fund (LAIF)	6,658,116
California Asset Management Program (CAMP)	377,843
Total investments	7,035,959
Total cash and investments	\$ 20,979,697

#### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### Authorized Investments of the City

The table below identifies the investment types that are authorized by the City's investment policy. This table does not address investments of debt proceeds held by bond trustees 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Local Agency Bonds	5 years	None	10%
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper - Select Agencies	270 days	25%	10%
Commercial paper - Other Agencies	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	30%
CD Placement Service	5 years	30%	30%
Repurchase Agreements	1 year	None	10%
Reverse Repurchase Agreements and Securities			
Lending Agreements	92 days	20%	10%
Medium-Term Notes	5 years	30%	10%
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass - Through Securities	5 years	20%	None
Bank/Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million/account
Voluntary Investment Program Fund	N/A	None	None

The City complies with the provisions of California Government Code (or the City's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statues pertaining to public deposits and investments.

#### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees 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 by bond trustees. 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
Local agency bonds	None	None	None
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Banker's acceptances	365 days	None	None
Commercial paper	270 days	None	None
Federal Funds	365 days	None	None
Unsecured Certificates of Deposit	365 days	None	None
Time Deposits	365 days	None	None
Cash Sweep Accounts	None	None	None
Money market funds	N/A	None	None
Mortgage-backed securities	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million/account

#### **Investment Valuation**

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period.

The City's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate.

At June 30, 2020, the City had the following recurring fair value measurements:

	Fair Value Measurements Using							
Investments	Level 1 Inputs		evel 1 Inputs Level 2 inputs		Level 3 inputs		Fair Value	
Local Agency Investment Fund	\$	-	\$	-	\$	-	\$	6,658,116
Held by bond trustee: Investment pool (CAMP)	* -						_	377,843
Total Investments	\$	_	\$		\$		\$_	7,035,959

#### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### Disclosure 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. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2020:

	Remaining Maturity								
	1:	2 months or less	_	1-5 years	Fair Value				
Local Agency Investment Fund Held by bond trustee:	\$	6,658,116	\$	9	\$	6,658,116			
Investment pool (CAMP)	-	377,843	_		_	377,843			
*	\$	7,035,959	\$_	(4	\$_	7,035,959			

#### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2020.

#### 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 investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

			Rating	as of Fiscal Y	ear End
		Total	S&P	_ Moody's	N/A
Local Agency Investment Fund Held by bond trustee:	\$	6,658,116			Not rated
Investment pool (CAMP)	-	377,843	AAAm		
	\$	7,035,959			

#### **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 collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) 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 investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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 government 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's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

#### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2020, the carrying amount of the City's deposits was \$13,943,178 and bank balances were \$14,234,956, of which \$750,000 was insured.

#### 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. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire 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 is recorded on an amortized cost basis.

#### Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

#### **NOTE 3: LOANS RECEIVABLE**

The following is a summary of loans receivable at June 30, 2020:

Governmental Activities		Balance uly 1, 2019		Additions		etirements/ djustments	Ju	Balance ne 30, 2020
Governmental Funds								
Home program CalHome program CDBG program	\$	7,806,591 19,264 1,874,011	\$	-	\$	(14,774) - (98,883)	\$	7,791,817 19,264 1,775,128
Total Loans Receivable	\$	9,699,866	\$_	<del></del>	\$	(113,657)	\$_	9,586,209
Fiduciary	J	Balance uly 1, 2019	_	Additions		etirements/ djustments	Ju	Balance ne 30, 2020
Construction Loan	\$	678,000	\$	-	\$	-	\$	678,000
Less Allowance for Loans Receivable	_	(678,000)				-	_	(678,000)
Total Loans Receivable, net	\$		\$_		\$_		\$_	-

The City participates in the Home Investment Partnerships (HOME) program, the Community Development Block Grant (CDBG) Revolving Loan program and the CalHome program Under these programs, grants or loans are provided under favorable terms to homeowners, developers, or businesses who agree to spend these funds in accordance with the City's terms.

The balance of the loans receivable have been offset in the governmental fund financial statements by deferred inflows of resources as they are not deemed measurable and available within 60 days. In the government-wide financial statements, the loans are not offset in accordance with the accrual basis of accounting.

#### **NOTE 4: INTERFUND TRANSACTIONS**

#### Interfund Receivables/Payables

Interfund long-term advances due after one year at June 30, 2020 were as follows:

Advances to	Advances from	Description		Amount
Successor Agency Successor Agency	Block Grant Fund General Fund	Reimbursement agreement RDA loan	\$_	250,000 176,868
		Total Interfund Receivables/Payables	\$_	426,868

Reimbursement agreement - Pursuant to Resolution No. 2003.RDA-05, the former Redevelopment Agency agreed to reimburse the City of Gridley for infrastructure improvements within the Agency's industrial park up to \$250,000. No interest accrues on the amount due to the City.

The Successor Agency agreed to reimburse the City's General Fund for the formation of the RDA in the amount of \$176,868. Repayment is to be made as funds are available. No interest accrues on the amount due to the City.

The composition of interfund balances as of June 30, 2020 was as follows:

Payable Fund	Receivable Fund	Description	Amount
Non-Major Governmental Fu	<u>inds</u>		
Public Financing Authority	General Fund	Temporary pooled cash adjustment	\$ 258
Recreation Related Fund	General Fund	Temporary pooled cash adjustment	1,396,046
Gas Tax Fund	General Fund	Temporary pooled cash adjustment	205,151
Traffic Safety Fund	General Fund	Temporary pooled cash adjustment	53,374
Planning and Development	General Fund	Temporary pooled cash adjustment	830,017
Solid Waste Fund	General Fund	Temporary pooled cash adjustment	57,646
04-STBG-1961	General Fund	Temporary pooled cash adjustment	9
	Total Non-Major Gove	ernmental Funds	2,542,501
		Total Interfund Payables/Receivables	\$ 2,542,501

#### **Interfund Transfers to/from Other Funds**

Transfers between funds during the fiscal year ended June 30, 2020 were as follows:

Transfer From	Transfer To	Description of Transfer	Amount
Governmental Funds			
Grant-Related Funds	General Fund	Police Operations	\$ 35,000
	Total Major Governmen	tal Funds	35,000
Enterprise Funds Electric fund	General Fund	Unfunded City operations	1,200,000
	Total Enterprise Funds		1,200,000
		Total Interfund Transfer	s \$ 1,235,000

#### NOTE 5: CAPITAL ASSETS

#### Governmental activities:

	-	Balance at July 1, 2019		Additions	R	etirements	J	Balance at une 30, 2020
Capital assets not being depreciated	•	447 770	\$		•		•	417 770
Land	Φ	417,778	Φ_		<b>p</b>		Φ_	417,778
Total capital assets not being depreciated	-	417,778			_		-	417,778
Capital assets being depreciated								
Infrastructure		7,999,087		4		-		7,999,087
Buildings and improvements		3,654,840				-		3,654,840
Improvements other than buildings		3,198,570		185,245		-		3,383,815
Vehicles and equipment	-	5,410,963	-	79,771	_	(35,009)	-	5,455,725
Total capital assets being depreciated	_	20,263,460		265,016	_	(35,009)	-	20,493,467
Less accumulated depreciation								
Infrastructure		(3,230,842)		(270,516)		-		(3,501,358)
Buildings and improvements		(2,218,935)		(112,909)		-		(2,331,844)
Improvements other than buildings		(869,892)		(111,808)				(981,700)
Vehicles and equipment	-	(4,051,172)	-	(174,534)		35,009	-	(4,190,697)
Total accumulated depreciation	_	(10,370,841)	-	(669,767)	_	35,009	_	(11,005,599)
Total capital assets being depreciated, net	_	9,892,619	-	(404,751)	_		_	9,487,868
Total capital assets, net	\$	10,310,397	\$_	(404,751)	\$		\$_	9,905,646

Depreciation was charged to functions of the City's governmental activities based on their usage of the related assets as follows:

General Government	\$	68,366
Public Safety		159,232
Streets and Public Works		337,920
Parks and Recreation	_	104,249
Total governmental activities depreciation expense	\$_	669,767

#### NOTE: CAPITAL ASSETS (CONTINUED)

#### **Business-type activities:**

		Balance at July 1, 2019		Additions	Re	etirements		Balance at June 30, 2020
Capital assets not being depreciated Land	s	921,793	\$		¢		\$	921,793
Construction-in-progress	<b>-</b>	30,778	Φ_	16,663	\$		φ_	47,441
Total capital assets not being depreciated	_	952,571		16,663	_		_	969,234
Capital assets being depreciated								
Infrastructure		6,340,384		-		-		6,340,384
Buildings and improvements		1,139,545		-		_		1,139,545
Improvements other than buildings		8,972,961		120,678		-		9,093,639
Vehicles and equipment	_	7,253,659	_	136,263	_	(58,318)	_	7,331,604
Total capital assets being depreciated	_	23,706,549		256,941		(58,318)	_	23,905,172
Less accumulated depreciation								
Infrastructure		(2,228,989)		(162,064)		-		(2,391,053)
Buildings and improvements		(864,817)		(24,954)		-		(889,771)
Improvements other than buildings		(3,152,843)		(379,640)		-		(3,532,483)
Vehicles and equipment	_	(5,074,433)	_	(316,683)	_	58,318	_	(5,332,798)
Total accumulated depreciation	_	(11,321,082)	_	(883,341)	_	58,318	_	(12,146,105)
Total capital assets being depreciated, net	_	12,385,467	_	(626,400)	-		_	11,759,067
Total capital assets, net	\$	13,338,038	\$_	(609,737)	\$		\$_	12,728,301

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Electricity	\$	178,579
Water		200,758
Sewer		497,369
Other enterprise	-	6,635
Total business-type activities depreciation expense	\$	883,341

#### **NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2020:

		Balance at uly 1, 2019	4	Additions	R	eductions	Jı	Balance ine 30, 2020		Current Portion
Governmental activities:		500000								C 2 C E
Compensated absences	\$_	284,145	\$_	373,715	\$	(431,190)	\$_	226,670	\$_	120,428
Total Governmental activities	\$_	284,145	\$_	373,715	\$	(431,190)	\$	226,670	\$_	120,428
		Salance at uly 1, 2019	4	Additions	R	eductions	Jı	Balance ine 30, 2020		Current Portion
Business-type activities:	-	, .,	-		-				_	
USDA Rural Development Loan USDA Rural Development Loan Compensated Absences	\$	1,041,000 2,342,000 284,272	\$	161,764	\$	(33,000) (51,000) (324,600)	\$	1,008,000 2,291,000 121,436	\$	34,000 52,000 41,794
Total Business-type activities	\$	3,667,272	\$	161,764	\$	(408,600)	\$	3,420,436	\$	127,794

#### A. Business-type Activities

#### **USDA Rural Development Loans**

On February 12, 2001, the City of Gridley executed a long-term loan agreement with the United States Department of Agriculture (USDA) Rural Development. The purpose of this loan was to repay the interim sewer project financing provided by U.S. Bank. The interim financing repayment total consisted of \$1,478,141 in principal and \$9,529 in accrued interest. Interest on the new loan, at the rate of 3.250%, is payable semiannually. Annual principal payments, ranging from \$18,670 to \$65,000, are also required. This loan will be completely repaid on September 1, 2040. This loan is secured by the revenues of the City's sewer fund. As of June 30, 2020, the balance on the loan is \$1,008,000.

On April 15, 2009, the City of Gridley entered into a loan/grant agreement with the USDA Rural Development. The purpose of this agreement is for the rehabilitation and upgrade of the City's existing wastewater treatment plant. The agreement consists of a loan of \$3,100,000 with a subsequent grant of \$1,000,000. Interest, at the rate of 2.500%, is payable annually. This loan will be completely repaid on April 1, 2050. As of June 30, 2020, the balance on the loan is \$2,291,000.

Business-Type Long-Term Liabilities Amortization

For the Year Ending June 30		Principal		Interest	_	Total
2021	\$	34,000	\$	32,208	\$	66,208
2022		35,000		31,086		66,086
2023		36,000		29,933		65,933
2024		38,000		28,730		66,730
2025		39,000		27,479		66,479
2026 - 2030		214,000		117,326		331,326
2031 - 2035		252,000		79,528		331,528
2036 - 2040		295,000		35,180		330,180
2041	_	65,000	_	1,056	_	66,056
Total	\$	1,008,000	\$	382,526	\$_	1,390,526

#### NOTE 6: LONG-TERM LIABILITES (CONTINUED)

**USDA Rural Development Loan** For the Year **Ending June 30** Principal Total Interest 2021 \$ 52,000 \$ 57,275 109,275 \$ 2022 54,000 55,975 109,975 2023 55.000 54.625 109.625 2024 56,000 53,250 109,250 2025 58,000 51,850 109,850 2026 - 2030 311,000 236,825 547,825 2031 - 2035 352,000 547.950 195.950 2036 - 2040 400,000 149,625 549,625 2041 - 2045 451,000 548,125 97,125 2046 - 2050 502,000 37,925 539,925 Total 2,291,000 990,425 3,281,425

#### NOTE 7: DEFINED BENEFIT PENSION PLAN

#### A. General Information about the Pensions Plan

#### Plan Description

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

#### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), 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.

#### NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

		Miscellaneous		Sa	fety
	Tier I	Tier II	PEPRA	Tier I	PEPRA
	Prior to	Prior to	On or after	Prior to	On or after
Hire Date	January 1, 2013				
Benefit Formula	2% @ 55	2% @ 55	2% @ 62	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years service				
Benefit Payments	Monthly for life				
Retirement Age	55	55	62	50	57
Monthly Benefits, as a % of					
Eligible Compensation	2%	2%	2%	3%	2%
Required Employee					
Contribution Rates	7.00%	7.00%	6.25%	9.00%	11.50%
Required Employer					
Contribution Rates*	41.97%	11.62%	8.12%	54.51%	14.72%

<sup>\*</sup>The employer contribution rate is the sum of the Plan's employer normal cost rate plus the employer unfunded accrued liability.

#### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ended June 30, 2020 were \$1,128,141.

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

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$11,758,898.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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 plan 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, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.11472 %
Proportion - June 30, 2019	0.11476 %
Change - Increase (Decrease)	0.00004 %

#### NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2020, the City recognized pension expense of \$1,946,746. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	3.7	Deferred Outflows of Resources		Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$	1,128,141	\$	-
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution		17,837		(20,512)
Differences between actual and expected experience		797,966		(39,056)
Changes in assumptions		530,578		(158,688)
Adjustment due to differences in proportions		17,360		(218,730)
Net differences between projected and actual earnings on plan investments	-		-	(188,808)
Total	\$_	2,491,882	\$_	(625,794)

\$1,128,141 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

752,379
162,551)
110,429
37,690

#### **Actuarial Assumptions**

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study Report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website.

Other significant actuarial assumptions used in the June 30, 2018 valuation were based on the results of the actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates.

#### NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. 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 expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all of 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Assumed Asset Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
50.0%	4.80%	5.98%
28.0%	1.00%	2.62%
0.0%	0.77%	1.81%
8.0%	6.30%	7.23%
13.0%	3.75%	4.93%
1.0%	0.00%	(0.92%)
	50.0% 28.0% 0.0% 8.0% 13.0%	Allocation         Years 1-10 (a)           50.0%         4.80%           28.0%         1.00%           0.0%         0.77%           8.0%         6.30%           13.0%         3.75%

- (a) An expected inflation of 2.00% used for this period
- (b) An expected inflation of 2.92% used for this period

#### Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the 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 or 1-percentage point higher than the current rate:

Net Pension Liability	Discount Rate -1% (6.15%)	Curr	rent Discount Rate (7.15%)	 Discount Rate +1% (8.15%)
Net Pension Liability	\$ 16,642,602	\$	11,758,898	\$ 7,738,886

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

#### NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB)

#### Description of the Plan

The City sponsors and administers a single-employer health care plan for its employees. The plan provides medical, dental, and vision coverage. Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. The City sets its contribution rates for health insurance on behalf of active employees according to the PEMHCA statutory minimum. The amounts are indexed (increased) in all future years according to the rate of medical inflation. The excess of the designated City contribution for healthcare (the second highest premium available in the 95948 zip code area) over the PEMHCA statutory minimum is contributed to a Cafeteria Plan and the employee may elect to have some or all of this excess contributed on his or her behalf to CalPERS as an "employee contribution" towards healthcare benefits. As the City 's OPEB benefits are administered by City personnel, no separate financial statements are issued.

Management employees are subject to PERS' "100/90 State Contribution Formula" under which the City's contribution is determined based upon the weighted average of the four most popular medical plan options under PEMHCA, as announced each year by CalPERS.

The City offers the same medical plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverage's offered under PEMHCA.

Employees become eligible to retire under PEMHCA and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City's contribution on behalf of all non-Management retirees is based on PERS' "Unequal Contribution Method" and equals 5% of the statutory minimum (\$40 per month for 2018) multiplied by the number of years the City has participated in PEMHCA.

Management retirees receive a City contribution according to a vested percentage of the "100/90 State Contribution Formula" applicable to Management employees (this is not available for Management employees hired after December 31, 2012). The percentage is 50% after 10 years of service, increased by 5% per year to 100% after 20 years of service. Management employees first hired or promoted to a management position after 2005 are automatically subject to this formula; those hired or promoted in 2005 or before may elect to be covered under this option.

The City pays a 0.45% of premium administrative charge on behalf of all active employees and retirees.

#### Employees covered

As of the July 1, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan.

Active employees	5
Inactive employees currently receiving benefits	8
Total	13

#### Contributions

The City's policy is to fully fund the annual required contribution, which is determined by an actuary. The City makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2020, the City paid contributions of \$160,371. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

#### NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

#### Total OPEB Liability

The City's total OPEB liability ("NOL") was measured as of June 30, 2020 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated July 1, 2019 based on the following actuarial methods and assumptions.

Discount Rate	2.21 %
Year 1 inflation	4.50 %
Year 2 inflation	9.50 %
Ultimate inflation rate	5.00 %
Salary increases per annum	2.00 %
Healthcare trend rates	
2020	4.50 %
2021	9.50 %
Decrement	0.50 %
Ultimate Trend	5.00 %
Year Ultimate Trend is Reached	2030
Mortality rates	SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Rate 2006)

#### Discount Rate

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20 year AA municipal bond rate as of June 30, 2020.

#### Significant Changes from the Previous Actuarial Valuation

- Decreasing the discount rate from 3.58% to 2.21%.
- Trend rates were advanced, and the current year trend rate was adjusted to reflect actual experience.
- Mortality assumption changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2017 (Base Rate 2006) to SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Rate 2006).
- Morbidity factors were adjusted to reflect rates that better reflect expected underlying costs.
- Retirement and termination assumptions were changed to reflect rates used by the California Public Employees' Retirement System.

#### Changes in the Total OPEB liability

	 otal OPEB Liability
OPEB Liability Balance at July 1, 2019	\$ 4,580,098
Service cost Interest Change in Assumptions Difference Between Actual and Expected Experience Benefit Payments	 171,325 206,796 2,456,638 2,401,492 (161,908)
Net change during 2019-20	 5,074,343
Balance at June 30, 2020	\$ 9,654,441

#### NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the Total OPEB Liability of the City, calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2020:

		Current						
	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%					
Total OPEB Liability	\$ 11,915,354	\$ 9,654,441	\$7,935,317					

#### Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2020:

		Current Healthcare Cost Trend					
	1% Decrease 3.50%	Rate 4.50%	1% Increase 5.50%				
Total OPEB Liability	\$7,808,916	\$ 9,654,441	\$ <u>12,105,646</u>				

#### Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes of total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are recognized in future OPEB expense.

		Deferred Inflows of Resources		
Differences between actual and expected experience Changes in assumptions	\$	1,833,763 1,875,873	\$	
Total	\$	3,709,636	\$	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

_	Measurement Period Ended June 30,	_	
	2021	\$	1,148,494
	2022		1,148,494
	2023		1,148,494
	2024		264.154

#### **OPEB Expense**

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$1,516,826.

#### **NOTE 9: FUND BALANCE**

As prescribed by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent.

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

As of June 30, 2020, fund balances were distributed as follows:

	General Fund		08-HOME-4987 Grant Fund		- E	Block Grant Funds		Grant Related Funds		Non-Major Funds		Total
Nonspendable: Prepaid items	\$	93,549	\$		\$		\$		\$		\$	93,549
r repaid items	Ψ	35,543	Ψ	1 2	Ψ		Ψ	7	Ψ	7	Ψ	35,543
Restricted:												
Redevelopment		-		2		-		2		984,692		984,692
Grants		-		3,790		453,578		153,567		466,751		1,077,686
Taxes & fees		-		-		-		_		654,644		654,644
Capital projects		-		-		_		2		39,963		39,963
Contributions		-		-		-		-		4,358		4,358
Committed: Infrastructure reserve		40,488		14				(4)		-		40,488
Assigned:												
Bond reserve		284,379		4		4		-		1.00		284,379
Sick payout												
reserve		176,364		-				-				176,364
Equipment replacement Building		2,526,705		-		-		-				2,526,705
maintenance		258,850		42		2,		32		•		258,850
Unassigned	_	6,374,345	_		_		_		_	(2,466,231)	\ <u></u>	3,908,114
Total	\$	9,754,680	\$	3,790	\$_	453,578	\$_	153,567	\$_	(315,823)	\$_	10,049,792

#### NOTE 9: FUND BALANCE (CONTINUED)

#### Fund Balance/Net Position Deficits

As of June 30, 2020, the following funds had a deficit:

Fund	Fund Balance Deficit	Net Position Deficit			
Public Financing Authority	\$ 258	\$			
Traffic Safety	49,905		1.2		
Planning and Development	830,232		-		
Solid Waste - Recreation	57,646		-		
Gas Tax	127,002				
04-STBG-1961	9		-		
Recreation Related	1,401,179		-		
Senior Taxi Fund	<del> </del>	-	45,293		
	\$ <u>2,466,231</u>	\$_	45,293		

The fund deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

#### NOTE 10: RISK MANAGEMENT

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with twenty other northern California cities. The NCCSIF is a joint powers authority (JPA) organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The NCCSIF provides claims processing, administrative services, risk management services, and actuarial studies. A member from each city governs the NCCSIF. The City Council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The NCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA become insolvent, the City is responsible only to the extent of any deficiency in its equity balance. The audited financial statements of the JPA are available at the NCCSIF's office.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City provides property, liability, and worker's compensation insurance through Northern California Cities Self Insurance Fund a public entity risk pool currently operating as a common risk management and insurance program for several Northern California municipalities. Annual deposits are paid by member cities and are adjusted retrospectively to cover costs.

The NCCSIF establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

#### NOTE 10: RISK MANAGEMENT (CONTINUED)

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

Amount	Coverage Provider	Payment			
General Liability:					
\$0 - \$50,000	Self-insured	Banking layer			
\$50,001 - \$450,000	Northern California Cities Self Insurance Fund	Shared risk			
\$450,001 - \$40,000,000	California Joint Powers Risk Management Authority	Shared risk (to \$5 mil, excess insurance after that)			
Workers' Compensation					
\$0 - \$100,000	Self-insured	Banking layer			
\$100,001 - \$400,000	Northern California Cities Self Insurance Fund	Shared risk			
\$400,001 - statutory	CSAC-EIA	Shared risk and Excess Insurance			

Property insurance - The City's standard deductible is \$5,000 for coverage. The coverage limit for fiscal year 2020 was \$1,000,000,000 blanket real and personal property.

Performance and Public Employee Dishonesty Bonds - The City has \$25,000 in performance bond coverage for the City Clerk, \$100,000 performance bond coverage for the City Treasurer, and \$3,000,000 in coverage for public employee dishonesty with a deductible of \$5,000.

Audited condensed financial information for the NCCSIF for the fiscal year ended June 30, 2020 was as follows:

Total Assets	\$ 71,377,660
Total Liabilities	 46,831,765
Net Position	\$ 24,545,895
Total Revenues	\$ 23,891,566
Total Expenses	21,175,207
Change in Net Position	\$ 2,716,359

#### NOTE 11: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and/or transfers in excess of appropriations in the following amounts for the year ended June 30, 2020:

200		Excess
Fund	<u>Ex</u>	penditures
Block Grant Funds	\$	205.056

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues and expenditure reductions.

#### **NOTE 12: RELATED ORGANIZATIONS**

The City is a member of various joint powers authorities that provide goods or services to the City and other authority members. The City does not have sufficient authority, influence or accountability over these entities to incorporate them in this annual report. Additionally, the City has determined that it has no ongoing financial interest or responsibility for any of these organizations. The names and general functions of these joint powers are as follows:

#### Northern California Power Agency (NCPA)

Membership consists of 12 municipal electric utilities, one Rural Electric Cooperative, an irrigation district, and a public utility district. The NCPA is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. Members participate in the projects of NCPA on an elective basis. A Commission comprised of one representative for each member governs the NCPA.

The City is currently involved in several hydroelectric, geothermal, and other energy-related projects as a member of this agreement. The NCPA is financed by contributions from member cities, government grants, and debt. The City is committed to provide substantial additional financial support for its portion of the actions and projects of the NCPA.

The NCPA holds certain funds under a separate member custodial agreement - the general operating reserve. The purpose of the reserve is to allow members to fund all, or a portion, of the contingent liabilities that the NCPA faces at any given time, while providing the individual member with the flexibility to draw upon their part of the reserve, as each member individually deems appropriate. The NCPA requires agency members to maintain at least 90% of the annual general operating reserve. The calculated reserve amount for June 30, 2020 is \$139,744, 90% of the reserve amount totals \$125,770. The City has maintained the required reserve amount during the fiscal year ending 2020. Due to the nature of the reserve held by NCPA, payments made to the reserve are expensed as purchased power. The financial statements are available online at www.ncpa.com.

#### Transmission Agency of Northern California (TANC)

Members include eleven cities, one electric co-op, two irrigation districts, and one public utility district. The Agency was created to provide electric transmission or other facilities, including real property and rights of way, for the use of its members. A Commission comprised of one representative appointed by each member governs the Agency. The City has authorized its participation in the project up to 1% of the total. The financial statements are available online at http://tanc.us/financials.html.

#### **NOTE 13: DEFERRED COMPENSATION**

The City of Gridley offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits employees to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets and liabilities of these plans have been excluded from the accompanying financial statements.

#### **NOTE 14: CONTINGENCIES AND COMMITMENTS**

#### Litigation

The City is party to various claims, legal actions and complaints that arise in the normal operation of business. Management and the City's legal counsel believe that there are no material loss contingencies that would have a material adverse impact on the financial position of the City. One of the pending lawsuits relates to transfers of funds from the City's utility enterprise fund to the City General fund.

#### Grants

The City participates in various federal and state assisted grant programs. These programs are subject to compliance audits by the grantors. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the agreements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

#### Public Health Emergency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the City.

#### NOTE 15: PRIOR PERIOD RESTATEMENT

During the year ending June 30, 2020, the City restated beginning net position for governmental activities to correct a previously reported error in financial reporting related to the conversion of the deferred outflows of resources for unavailable revenues to the government-wide statements. The cumulative effect of the error was recorded as an adjustment to beginning net position as follows:

Opinion Unit	Account	Previously Reported	Restatement			Restated		
Governmental Activities	Notes Receivable	\$ 339,250	\$	9,360,616	\$	9,699,866		
Governmental Activities	Net Position	11,061,067		9,360,616		20,421,683		

#### REQUIRED SUPPLEMENTARY INFORMATION

#### **GENERAL FUND**

#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgetet	J AI	nounts	•		Variance with Final		
	Original		Final		Actual Amounts		Budget Positive (Negative)	
\$	2,316,194 9,049 10,549 64,856	\$	2,316,194 9,049 10,549 64,856	\$	2,596,188 9,725 6,027 126,757 63	\$	279,994 676 (4,522) 61,901 63	
	1,623,736 621,226 61,117 974		1,623,736 621,226 61,117 974		1,717,471 679,961 116,913 17,305		93,735 58,735 55,796 16,331	
-	Avail and	-		-	1. 197	-	3,489	
-	4,707,933	-	4,707,935	-	5,274,133	-	566,198	
	586,084 4,301,534 489,806 10,000 164,439 127,000	, <del>-</del>	586,084 4,301,534 489,806 10,000 164,439 127,000	_	107,432 4,059,151 286,883 63,005 163,973 161,380	_	478,652 242,383 202,923 (53,005) 466 (34,380)	
-	5,678,863	-	5,678,863	-	4,841,824	_	837,039	
-	(970,928)	-	(970,928)		432,309	-	1,403,237	
_	4,520 -	· <u>-</u>	4,520 	-	1,235,000	_	(4,520) 1,235,000	
	4,520	_	4,520	-	1,235,000		1,230,480	
\$_	(966,408)	\$_	(966,408)		1,667,309	\$_	2,633,717	
				1	8,087,371			
				\$_	9,754,680			
		\$ 2,316,194 9,049 10,549 64,856 1,623,736 621,226 61,117 974 234 4,707,935 \$ 586,084 4,301,534 489,806 10,000 164,439 127,000 5,678,863 (970,928) 4,520	\$ 2,316,194 \$ 9,049 10,549 64,856 621,226 61,117 974 234 4,707,935 \$ 586,084 4,301,534 489,806 10,000 164,439 127,000 5,678,863 (970,928) \$ 4,520	\$ 2,316,194 \$ 2,316,194 9,049 9,049 10,549 10,549 64,856 64,856 1,623,736 621,226 61,117 61,117 974 974 234 234 4,707,935 4,707,935 \$ 586,084 4,301,534 489,806 489,806 10,000 10,000 164,439 164,439 127,000 127,000 5,678,863 5,678,863 (970,928) (970,928) 4,520 4,520 4,520 4,520	Original         Final           \$ 2,316,194         \$ 2,316,194         \$ 9,049           \$ 9,049         \$ 10,549         \$ 10,549           \$ 64,856         \$ 64,856         \$ 621,226           \$ 61,117         \$ 61,117         \$ 61,117           \$ 974         \$ 974         \$ 234           \$ 4,707,935         \$ 4,707,935         \$ 4,707,935           \$ 489,806         \$ 489,806         \$ 10,000           \$ 164,439         \$ 164,439         \$ 127,000           \$ 5,678,863         \$ 5,678,863         \$ (970,928)           \$ 4,520         \$ 4,520         \$ 4,520           \$ (966,408)         \$ (966,408)         \$ (966,408)	Original         Final         Actual Amounts           \$ 2,316,194         \$ 2,316,194         \$ 2,596,188           9,049         9,049         9,725           10,549         10,549         6,027           64,856         64,856         126,757           -         -         63           1,623,736         1,623,736         1,717,471           621,226         621,226         679,961           61,117         61,117         116,913           974         974         17,305           234         234         3,723           4,707,935         4,707,935         5,274,133           586,084         586,084         107,432           4,301,534         4,301,534         4,059,151           489,806         489,806         286,883           10,000         10,000         63,005           164,439         163,973           127,000         127,000         161,380           5,678,863         5,678,863         4,841,824           (970,928)         (970,928)         432,309           4,520         4,520         1,235,000           4,520         4,520         1,235,000	Original         Final         Actual Amounts         (f)           \$ 2,316,194         \$ 2,316,194         \$ 2,596,188         \$ 9,049         9,725         10,549         10,549         6,027         64,856         126,757         63         1,623,736         1,623,736         1,717,471         621,226         621,226         679,961         61,117         116,913         974         974         17,305         234         234         3,723           4,707,935         4,707,935         5,274,133         5,274,133         5,274,133         10,000         63,005         164,439         163,973         127,000         161,380         10,000         63,005         164,439         164,439         163,973         127,000         127,000         161,380         5,678,863         5,678,863         4,841,824         4,520         -         -         -         -         1,235,000         -         -         -         1,235,000         4,520         -         -         1,667,309         \$         8         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         8,087,371         1,000         1,000         1,000         1,000	

### 08-HOME-4987 GRANT - SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budge	Budgeted Amounts				
	Original	* Fii		Actual Amounts		iance Final dget sitive jative)
REVENUES						
Use of money and property	\$	\$		46	\$	46
Total Revenues	\$	\$		46	\$	46
EXPENDITURES						
Total Expenditures	+3 <u></u>					
Net change in fund balance	\$	\$		46	\$	46
Fund balance - July 1, 2019			_	3,744		
Fund balance - June 30, 2020			\$	3,790		

<sup>\*</sup> The City did not adopt a budget for the 08-HOME-4987 Grant Fund for the year ended June 30, 2020.

# CITY OF GRIDLEY BLOCK GRANT FUNDS - SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	0	Budgeted	mA b	ounts	-			
		Original		Final		Actual Amounts	١	Variance with Final Budget Positive Negative)
REVENUES								
Use of money and property Program income	\$	23,060	\$	23,060	\$	4,731 136,943	\$_	4,731 113,883
Total Revenues	-	23,060	-	23,060	-	141,674	_	118,614
EXPENDITURES								
Current:								
General administration Community development	_	18,152	_	18,152	_	5,039 218,169	_	(5,039) (200,017)
Total Expenditures	_	18,152	-	18,152	_	223,208	_	(205,056)
Net change in fund balance	\$	4,908	\$	4,908	_	(81,534)	\$_	(86,442)
Fund balance - July 1, 2019					_	535,112		
Fund balance - June 30, 2020					\$_	453,578		

# GRANT RELATED FUNDS - SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	-	Budgeted	d An	nounts	_			/ariance
		Original	_	Final	_/	Actual Amounts	W	variance vith Final Budget Positive Negative)
REVENUES								
Use of money and property Intergovernmental	\$	213 106,206	\$_	213 106,206	\$_	4,051 151,135	\$	3,838 44,929
Total Revenues	_	106,419	-	106,419	_	155,186	- 2-	48,767
EXPENDITURES								
Current:				3401533				-2/04
Public safety Capital outlay		35,000 65,000	_	35,000 65,000	_		_	35,000 65,000
Total Expenditures	_	100,000	_	100,000			_	100,000
Excess (deficiency) of revenues over expenditures	_	6,419	_	6,419	_	155,186	_	148,767
OTHER FINANCING SOURCES (USES)								
Transfers out	-		į į		_	(35,000)	_	(35,000)
Total Other Financing Sources (Uses)	_		_		_	(35,000)	4	(35,000)
Net change in fund balance	\$	6,419	\$_	6,419	_	120,186	\$	113,767
Fund balance - July 1, 2019					_	33,381		
Fund balance - June 30, 2020					\$_	153,567		

## CITY OF GRIDLEY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY ACCOUNTING AND CONTROL

FOR THE YEAR ENDED JUNE 30, 2020

The City Council establishes budgets for all governmental funds on a basis consistent with Generally Accepted Accounting Principles, with the exception of capital projects which are budgeted on a project length basis. Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each fiscal year. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts.

Department heads submit a proposed budget to the City Administrator. The City Administrator submits a proposed budget to the City Council for the following year beginning July 1. The preliminary budget may or may not be amended by the City Council after public hearings are held and is adopted by City Council resolution prior to July 1 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. The City Administrator is authorized to transfer budgeted amounts within an object or purpose within any department. However, the City Council must approve revisions that alter the total expenditures of any department. Budgetary control is legally maintained at the fund level.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations.

#### REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, Cost Sharing Defined Benefit Pension Plan
As of June 30
Last 10 Years\*

					Measuremen	t Period		
	_	2019	_	2018	2017	2016	2015	2014
Proportion of the net pension liability		0.11476 %		0.11472 %	0.11218 %	0.11162 %	0.12004 %	0.12501 %
Proportionate share of the net pension liability	\$	11,758,898	\$	11,054,726	\$ 11,125,054	\$ 9,658,560	\$ 8,238,421	\$ 7,778,821
Covered payroll	\$	3,112,973	\$	3,406,797	\$ 3,365,579	\$ 3,283,720	\$ 3,173,477	\$3,173,477
Proportionate share of the net pension liability as a percentage of covered payroll		377.74 %		324.49 %	330.55 %	294.13 %	259.60 %	245.12 %
Plan fiduciary net position as a percentage of the total pension liability		75.30 %		73.69 %	73.29 %	74.06 %	78.40 %	79.82 %

#### Notes to Schedule:

<u>Changes in assumptions</u> - In 2019, there were no changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent. In 2017, the discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

<sup>\*</sup> Schedule is intended to show information for ten years. Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

# REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN Prepared for the City's Miscellaneous and Cost Sharing Plan, Cost Sharing Defined Benefit Pension Plan As of June 30 Last 10 Years\*

						Fiscal Yea	r-E	nd				
		2020		2019	0_	2018		2017		2016		2015
Contractually required contribution (actuarially determined)	\$	1,128,141	\$	1,023,639	\$	947,355	\$	866,010	\$	701,624	\$	676,873
Contributions in relation to the actuarially determined contributions	-	1,128,141	-	1,023,639	-	947,355	-	866,010	-	701,624	_	706,315
Contribution deficiency (excess)	\$_		\$_		\$_		\$_		\$_	-	\$_	(29,442)
Covered payroll	\$	4,428,698	\$	3,112,973	\$	3,406,797	\$	3,365,579	\$	3,283,720	\$3	3,173,477
Contributions as a percentage of covered payroll		25.47 %		32.88 %		27.81 %		25.73 %		21.37 %		22.26 %

<sup>\*</sup> Schedule is intended to show information for ten years. Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS For the Measurement Periods Ended June 30

#### Last 10 Years\*

		M	eas	urement Peri	bo	
		2020		2019		2018
Total OPEB liability						40.404
Service cost	\$	171,325	\$	12,650	\$	12,401
Interest		206,796		159,756		158,069
Assumption changes		2,456,638		40040		04.540
Difference between actual and expected experience		2,401,492		16,042		21,513
Benefit payments	_	(161,908)	_	(141,637)	_	(148,050)
Net change in total OPEB liability		5,074,343		46,811		43,933
Total OPEB liability, beginning	-	4,580,098	-	4,533,287	_	4,489,354
Total OPEB liability, ending	\$	9,654,441	\$_	4,580,098	\$	4,533,287
Covered employee payroll	\$	826,218	\$	2,780,632	\$	2,726,110
City's total OPEB liability as a percentage of covered-employee payroll		11.69 %		1.65 %		1.66 %

#### Notes to Schedule:

<u>Changes in assumptions</u> - In 2020, the discount rate was changed from 3.58% to 2.21%, the trend rate was adjusted to reflect actual experience, mortality assumptions changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2017 (Base RAte 2006) to SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Rate 2006) and retirement and termination assumptions were changed to reflect rates used by CalPERS.

<sup>\*</sup> Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only three years are shown. Additional years' information will be displayed as it becomes available.



#### NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

#### SPECIAL REVENUE FUNDS

#### **FEMA Reserve**

This fund is used to account for the FEMA lease revenue.

#### General Impact Fee

The source of funding is a portion of the impact fees on new developments calculated in the City Fee Schedule. This fund is used for the CIP project per council approval.

#### Development Agreement Fee

The source of revenue is a portion of the impact fees on new developments calculated in a City fee schedule. The funds will be appropriated for CIP projects upon council approval.

#### M. Vierra Park

This fund is used to account for the grant funding for the development of M. Vierra Park.

#### Public Financing Authority

The Council members are the officers of the Public Financing Authority. It was established to review and authorize the issuance of bonds. The fund has de minimis activities.

#### SB 325

This fund is used to account for receipts and expenditures of monies apportioned for street and road sweeping, repairs, maintenance and other street projects under the street and highway code 2105, 2016, 2107 and 2107.5 of the State of California.

#### <u>SB 1</u>

This fund is used to account for receipts and expenditures of gas tax funds for road repair and maintenance under the California rehab program.

#### Traffic Safety

This fund is used to account for receipts of motor vehicle-fines and forfeitures expended for traffic projects.

#### Railroad Maintenance

This fund is used to account for expenses related to repairs for the railroad and intersecting streets.

#### Public Safety Augmentation

This fund is used to account for receipts and expenditure related to safety expenses.

#### Planning and Development

This fund is used to account for the City's participation in the Community Development Block Grant programs, which provides loans to rehab low income housing and First Time home buyers (generally low income).

#### Solid Waste - Recreation

This fund is used for purchasing beverage trash containers located throughout the City right-of-way and public parks.

#### Gas Tax

This fund is used to account for receipts and expenditures of monies apportioned for street and road sweeping, repairs, maintenance and other street projects under the street and highway code 2105, 2016, 2107 and 2107.5 of the State of California.

#### Butte Interagency Narcotics Task Force (BINTF)

This fund is used to account for the contribution of funds and service to BINTF.

#### NON-MAJOR GOVERNMENTAL FUNDS

#### Maintenance Districts

The funds are used to account for the receipts and expenditures of four districts within the City limit. The assessment of districts is the source of funding.

#### 04-STBG-1961

This fund is used to account for CDBG rehab projects.

#### 05-PTAA-1446

This fund is used to account for Planning and Technical Assistance Grant projects (Visitors Center and Electrical Distribution Studies).

#### Police Explorer

The fund is used to pay the expenditures related to youth program. Donations and fund raising is the source of funding.

#### K-9 - Donations & Expenses

The fund is used to account for City donation's and expenses.

#### Recreation Related

The fund is used to pay the expenditures related to recreational activities funded through the annual budget.

#### CITY OF GRIDLEY NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEETS JUNE 30, 2020

( <u></u>	FEMA Reserve		General npact Fee		relopment greement Fee	N	l. Vierra Park	Fin	Public nancing nthority
\$	466,027	\$	700,866	\$	11,908	\$	28,883	\$	-
	700		4 077		- 40		-		
	123		1,077		19		39		-
1.		_	<del></del>	-		-		-	
\$_	466,750	\$	701,943	\$	11,927	\$	28,922	\$	
\$	-	\$	-	\$	-	\$		\$	-
	-		-		-		-		-
10		_		_		-		1	258
_		1		)-	-	_		-	258
	466,750		701,943		11,927		28,922		-
- 9	-	-		- 0	-	-		_	(258
_	466,750	_	701,943	_	11,927	_	28,922	_	(258
•	400 750	•	704.040	•	44.007	•	00.000	•	
	\$ - \$_	\$ 466,027 723 	\$ 466,027 \$ 723 \$ 466,750 \$ 466,750 466,750	\$ 466,027 \$ 700,866 723 1,077 	\$ 466,027 \$ 700,866 \$ 723	\$ 466,027 \$ 700,866 \$ 11,908  723	\$ 466,027 \$ 700,866 \$ 11,908 \$ 723	\$ 466,027 \$ 700,866 \$ 11,908 \$ 28,883 723 1,077 19 39 \$ 466,750 \$ 701,943 \$ 11,927 \$ 28,922 \$ 466,750 701,943 11,927 28,922 466,750 701,943 11,927 28,922	\$ 466,027 \$ 700,866 \$ 11,908 \$ 28,883 \$ 723 1,077 19 39 \$ 39 \$ 11,927 \$ 28,922 \$ \$ \$ \$ 466,750 701,943 11,927 28,922 \$ 466,750 701,943 11,927 28,922 \$ \$ 466,750 701,943 11,927 28,922

#### NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEETS (continued) JUNE 30, 2020

				Sp	ecia	Revenue F	und	s		
	_	SB 325	3 325		Traffic Safety			Railroad intenance		blic Safety gmentation
ASSETS Cash and investments	\$	309,976	\$	238,163	\$		\$	11,024	\$	92,313
Accounts receivable Interest receivable Due from other governments	_	677 -	_	9,008 337		3,469	_	17		83
Total Assets	\$_	310,653	\$_	247,508	\$_	3,469	\$_	11,041	\$	92,396
LIABILITIES AND FUND BALANCES (DEFICITS)										
LIABILITIES:										
Accounts payable	\$	68	\$		\$	-	\$	-	\$	-
Accrued payroll and benefits  Due to other funds	_		_		_	53,374	_		_	
Total Liabilities	_	68	_		_	53,374	_		_	-
FUND BALANCES (DEFICITS): Restricted		310,585		247,508		_		11,041		92,396
Unassigned		-	-	-	_	(49,905)	-		_	-
Total Fund Balances (Deficits)	_	310,585	_	247,508	_	(49,905)	_	11,041	_	92,396
Total Liabilities and Fund Balances (Deficits)	\$_	310,653	\$_	247,508	\$	3,469	\$	11,041	\$	92,396

# CITY OF GRIDLEY NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEETS (continued) JUNE 30, 2020

				Spe	cial	Revenue Fi	unds			
		anning and evelopment		lid Waste - ecreation		Gas Tax	Int	Butte eragency arcotics sk Force		intenance Districts
ASSETS										223 123
Cash and investments	\$	· •	\$	-	\$	-	\$	4,155	\$	271,193
Accounts receivable		-		-		200		-		405
Interest receivable		-		-		399		-		165
Due from other governments	-		-		-	80,459	-		1	
Total Assets	\$_		\$_		\$_	80,858	\$	4,155	\$_	271,358
LIABILITIES AND FUND BALANCES (DEFICITS)										
LIABILITIES:										
Accounts payable	\$	215	\$	-	\$	2,709	\$	-	\$	535
Accrued payroll and benefits								-		1
Due to other funds	-	830,017	_	<u>57,646</u>	-	205,151	_		-	
Total Liabilities		830,232	_	57,646	_	207,860	_		_	536
FUND BALANCES (DEFICITS):										2000 000
Restricted								4,155		270,822
Unassigned	-	(830,232)	-	(57,646)	-	(127,002)	-		-	-
Total Fund Balances (Deficits)	_	(830,232)	_	(57,646)	_	(127,002)	_	4,155	_	270,822
Total Liabilities and Fund	•		•		•	00.050	•	4.455	•	074 050
Balances (Deficits)	\$_		<b>5</b> _		<b>\$</b> _	80,858	\$	4,155	\$_	271,358

#### NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEETS (continued) JUNE 30, 2020

	Special Revenue Funds											
		STBG- 961		PTAA- 446	-	olice plorer	K-9 Donations & Expenses		Recreation Related			Total Non-major overnmental Funds
ASSETS												
Cash and investments	\$		\$	1	\$	654	\$	3,698	\$	70	\$	2,138,931
Accounts receivable Interest receivable				-		- 1		5		-		12,477 3,542
Due from other governments	_				_		_				_	80,459
Total Assets	\$		\$	1	\$	655	\$	3,703	\$	70	\$_	2,235,409
LIABILITIES AND FUND BALANCES (DEFICITS)												
LIABILITIES:												
Accounts payable	\$	-	\$		\$	-	\$	-	\$	124	\$	3,651
Accrued payroll and benefits		-		-		-		-		5,079		5,080
Due to other funds	-	9	-		_		_		1,	396,046	_	2,542,501
Total Liabilities	_	9			_		_		1,4	401,249	_	2,551,232
FUND BALANCES (DEFICITS):												
Restricted		-		1		655		3,703				2,150,408
Unassigned	-	<u>(9)</u>	-		_		-		(1,4	401,179)	-	(2,466,231)
<b>Total Fund Balances</b>		75.54				144.35						
(Deficits)	-	<u>(9)</u>		1	_	655	_	3,703	(1,4	401,179)	_	(315,823)
Total Liabilities and Fund	<b>c</b>		s	4	œ	GEE	œ	2 702	c	70	<b>C</b>	2 225 400
Balances (Deficits)	Φ		Φ		Φ_	655	Φ_	3,703	Φ_	70	Φ_	2,235,409

## CITY OF GRIDLEY NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds													
	FEMA Reserve	General Impact Fee	Development Agreement Fee	M. Vierra Park	Public Financing Authority									
REVENUES	•	<b>c</b>	•	•	•									
Taxes and assessments	\$ -	\$ -	\$ -	<b>5</b> -	\$ -									
Licenses, permits, and fees Fines and forfeitures	-	-		-	-									
Use of money and property	5,312	8,355	144	289										
Intergovernmental	0,012	0,333	144	209	-									
Charges for services		37,510	1.2		- 2									
Contributions	- 13	37,310	- 18											
Other revenue														
Other revenue	-				-									
Total Revenues	5,312	45,865	144	289										
EXPENDITURES														
Current:		0.00												
General administration		259	4	-	1.9									
Public safety	-	•	-		-									
Streets and public works		-	-	-	-									
Community development	-	-		-										
Parks and recreation	-		-		-									
Capital outlay		13,957												
Total Expenditures	<del></del>	14,216												
Net change in fund balances	5,312	31,649	144	289	1									
Fund balances (deficits) - July 1, 2019	461,438	670,294	11,783	28,633	(258									
Fund balances (deficits) - June 30, 2020	\$466,750	\$ 701,943	\$11,927	\$ 28,922	\$(258									

# CITY OF GRIDLEY NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued) FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds												
REVENUES	1	SB 325	SB 1		Traffic Safety	Railroad Maintenance	Public Safety Augmentation						
Taxes and assessments	\$		\$	125,798	\$ -	\$ -	\$ -						
Licenses, permits, and fees	Ψ	1	Ψ	125,790	Ψ -	Ψ -	21,606						
Fines and forfeitures				_	19,739	_	21,000						
Use of money and property		5,304		2,557	4	133	661						
Intergovernmental		-		-,001		-	-						
Charges for services		<u>-</u>		2	2	-	2						
Contributions		-		_	_	_	-						
Other revenue		-	-										
Total Revenues	_	5,304	_	128,355	19,743	133	22,267						
EXPENDITURES													
Current:													
General administration		-		-	-	-	-						
Public safety		-			22.02.		-						
Streets and public works		320,327		735	22,556	-	-						
Community development		-		-	-	-							
Parks and recreation		-		-	-	-	-						
Capital outlay	-		_				-						
Total Expenditures	_	320,327	_	735	22,556								
Net change in fund balances		(315,023)		127,620	(2,813)	133	22,267						
Fund balances (deficits) - July 1, 2019	_	625,608	_	119,888	(47,092)	10,908	70,129						
Fund balances (deficits) - June 30, 2020	\$_	310,585	\$_	247,508	\$ <u>(49,905)</u>	\$11,041	\$ 92,396						

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)

FOR THE YEAR ENDED JUNE 30, 2020

		Spe	cial Revenue F	unds	
2300c	Planning and Development	Solid Waste - Recreation	Gas Tax	Butte Interagency Narcotics Task Force	Maintenance Districts
REVENUES		•	A 400 470	•	0 450 457
Taxes and assessments Licenses, permits, and fees	\$ - 9,580	\$ -	\$ 168,473	\$ -	\$ 152,157
Fines and forfeitures	-	_	_	_	_
Use of money and property	5		3,084	1	1,487
Intergovernmental		- 2 <u>-</u>	80,459	1 2	_
Charges for services	104	_	_	4	-
Contributions	-:	-	-		_
Other revenue			<del></del>		-
Total Revenues	9,585		252,016	1	153,644
EXPENDITURES					
Current:					
General administration	-	-	-		
Public safety	•	-	-	4,155	440.044
Streets and public works	474 004		361,837	-	113,344
Community development Parks and recreation	171,234		-	-	-
Capital outlay			6,317		
Total Expenditures	171,234		368,154	4,155	113,344
Net change in fund balances	(161,649)	7-	(116,138)	(4,154)	40,300
Fund balances (deficits) - July 1, 2019	(668,583)	(57,646)	(10,864)	8,309	230,522
Fund balances (deficits) - June 30, 2020	\$ <u>(830,232</u> )	\$ <u>(57,646</u> )	\$ <u>(127,002)</u>	\$ <u>4,155</u>	\$270,822

# CITY OF GRIDLEY NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued) FOR THE YEAR ENDED JUNE 30, 2020

			S	pec	ial Re	evenue	Funds			
	04-STBG- 1961		05-PTAA- 1446			olice olorer	K-9 Donations & Expense	Recreation Related		Total Non-major overnmental Funds
REVENUES			_					2		
Taxes and assessments	\$	-	\$	-	\$	-	\$ -	\$ -	\$	446,428
Licenses, permits, and fees		-		-		-		19,044		50,230
Fines and forfeitures		- ·		-		-	_			19,739
Use of money and property		-		-		9	31	1		27,377
Intergovernmental				-		-	100	· ·		80,559
Charges for services		-		-		-		a de la		37,510
Contributions		-		-		-		2,594		2,594
Other revenue	-		_		-	-	2,411		-	2,411
Total Revenues				_=	_	9	2,542	21,639	_	666,848
EXPENDITURES										
Current:										
General administration		- 2		-		-		. 4		259
Public safety		-		-			6,256	· -		10,411
Streets and public works		-		-		4	-	-		818,799
Community development				4		-		4		171,234
Parks and recreation		-		-		-	_	136,323		136,323
Capital outlay				_=	-		-	189,534	1	209,808
Total Expenditures				_	_		6,256	325,857	_	1,346,834
Net change in fund balances		-		-		9	(3,714	(304,218)		(679,986)
Fund balances (deficits) - July 1,										
2019		(9)	-	1	_	646	7,417	(1,096,961)	_	364,163
Fund balances (deficits) - June 30, 2020	\$	(9)	\$	1	\$	655	\$3,703	\$(1,401,179)	\$	(315,823)

#### COMBINING STATEMENT OF NET POSITION NON-MAJOR ENTERPRISE FUNDS JUNE 30, 2020

	Drain	age Fund		id Waste Fund	Se	enior Taxi Fund		Totals
ASSETS	-							
Current Assets								
Cash and investments	\$	2,728	\$	5,942	\$	124,487	\$	133,157
Interest receivable		4	-	9	_	193	_	206
Total Current Assets	1	2,732		5,951	_	124,680	_	133,363
Capital Assets								
Depreciable, net			-		_	26,541	-	26,541
Total Capital Assets			_		-	26,541	_	26,541
Total Assets		2,732	_	5,951	_	151,221	_	159,904
DEFERRED OUTFLOWS OF RESOURCES								
Related to net pension liability	-				-	51,932	-	51,932
LIABILITIES								
Current Liabilities								
Accounts payable						586		586
Accrued expenses						5,598		5,598
Unearned revenue	-		-	5,001	_		-	5,001
Total Current Liabilities			-	5,001	_	6,184	-	11,185
Non-Current Liabilities								
Compensated absences		-		-		4,577		4,577
Net pension liability	-		_		_	217,424	-	217,424
<b>Total Non-Current Liabilities</b>	-				_	222,001	_	222,001
Total Liabilities	-		_	5,001	_	228,185	_	233,186
DEFERRED INFLOWS OF RESOURCES								
Related to net pension liability			-		_	20,261	_	20,261
NET POSITION								
Net investment in capital assets		-		-		26,541		26,541
Unrestricted	-	2,732	_	950	_	(71,834)	_	(68,152)
Total Net Position	\$	2,732	\$	950	\$	(45,293)	\$	(41,611)

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NON-MAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Drain	nage Fund	2.000	d Waste und	S	enior Taxi Fund		Totals
OPERATING REVENUES	\$	2 700	•		•	7.556	œ	10.256
Charges for services	Þ	2,700	\$	-	\$	7,556 229,761	\$	10,256 229,761
Intergovernmental revenues		-						
Other revenue	-		_	<del></del> -	_	7,837	-	7,837
<b>Total Operating Revenue</b>	_	2,700	-		_	245,154		247,854
OPERATING EXPENSES								
Salaries and benefits		4.0		_		97,095		97,095
Materials, supplies, and operational expenses		-		-		7,291		7,291
Repairs and maintenance		-		1.4		2,362		2,362
Contractual services		4 ( ) ( ) ( )		- 4		143		143
Administration				-		25,613		25,613
Depreciation and amortization			_		_	6,635	_	6,635
<b>Total Operating Expenses</b>					_	139,139	4	139,139
Operating Income		2,700		-	_	106,015	_	108,715
NON-OPERATING REVENUES								
Interest income	-	32		71	_	1,505	_	1,608
<b>Total Non-Operating Revenues</b>	-	32		71	_	1,505	_	1,608
Change in net position		2,732		71		107,520		110,323
Net Position - July 1, 2019	_			879		(152,813)	_	(151,934)
Net Position - June 30, 2020	\$	2,732	\$	950	\$	(45,293)	\$_	(41,611)

#### COMBINING STATEMENT OF CASH FLOWS NON-MAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	<u>Drair</u>	nage Fund	So	lid Waste Fund	S	enior Taxi Fund	_	Totals
Cash received from customers Cash paid to suppliers Cash paid to employees	\$	2,700	\$	-	\$	245,154 (35,369) (92,240)	\$	247,854 (35,369) (92,240)
Net Cash Provided by Operating Activities	_	2,700	-		_	117,545	_	120,245
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest and dividends		28		62	_	1,618	_	1,708
Net Cash Provided by Investing Activities	· -	28	_	62		1,618	_	1,708
Net Increase in Cash and Cash Equivalents		2,728		62		119,163		121,953
Cash and Cash Equivalents - July 1, 2019			_	5,880	_	5,324	_	11,204
Cash and Cash Equivalents - June 30, 2020	\$	2,728	\$	5,942	\$	124,487	\$	133,157
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
Operating income	\$	2,700	\$	-	\$	106,015	\$	108,715
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation		-		-		6,635		6,635
Pension expense		-		-		7,602		7,602
Changes in assets and liabilities: Increase in accounts payable		_		_		40		40
Increase in accrued expenses		-		2		3,122		3,122
Decrease in compensated absences	-		_		-	(5,869)	-	(5,869)
Net Cash Provided by Operating Activities	\$	2,700	\$		\$	117,545	\$	120,245

# CITY OF GRIDLEY COMBINING STATEMENT OF FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS JUNE 30, 2020

	_ Main Trust			Successor Agency	-	otal Private Irpose Trust Funds
<u>ASSETS</u>						
Cash and investments (Note 2)	\$	12,806	\$	524,563	\$	537,369
Restricted cash and investments (Note 2)				377,843		377,843
Interest receivable		20		-		20
Prepaid items				1,332		1,332
Capital assets, non-depreciable			_	1,302,116	_	1,302,116
Total Assets	\$	12,826	\$_	2,205,854	\$_	2,218,680
LIABILITIES						
Accounts payable and other liabilities	\$	14:	\$	48	\$	48
Interest payable		-		262,970		262,970
Advances from the City		-		426,868		426,868
Long-term liabilities		4		4,292,762		4,292,762
Total Liabilities	\$		\$_	4,982,648	\$_	4,982,648
NET POSITION						
Held in trust for private purposes	\$	12,826	\$_	(2,776,794)	\$_	(2,763,968)

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE PURPOSE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Main Trus	<u> </u>	Successor Agency		otal Private urpose Trust Funds
ADDITIONS					
Property taxes Use of money and property Other revenues	\$ 1	- \$ 52 <del>-</del>	517,276 243 209	\$	517,276 395 209
Total Additions	1	52	517,728	_	517,880
DEDUCTIONS			14		
Administrative expense Interest costs		<u>-</u>	18,562 294,672	_	18,562 294,672
Total Deductions		_	313,234	_	313,234
Changes in Net Position	1	52	204,494		204,646
Net Position - July 1, 2019	12,6	74	(2,981,288)	_	(2,968,614)
Net Position - June 30, 2020	\$ <u>12,8</u>	<u>26</u> \$	(2,776,794)	\$_	(2,763,968)

# CITY OF GRIDLEY COMBINING STATEMENT OF NET POSITION AGENCY FUNDS JUNE 30, 2020

11222	Gridley	Bid Fund	oital JPA tration Fund	Totals		
ASSETS Current Assets						
Cash and investments Interest receivable	\$	61 	\$ 495 1	\$	556 1	
Total Assets	\$	61	\$ 496	\$	557	
LIABILITIES						
Deposits in trust	-	61	 496		557	
Total Liabilities	\$	61	\$ 496	\$	557	

# CITY OF GRIDLEY STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

		lance 1, 2019	Add	itions	Deletions		alance e 30, 2020
Gridley Bid Fund							
ASSETS		00	•	-	•	•	0.4
Cash and investments	\$	60	\$	1	\$	\$	61
Total Assets	\$	60	\$	1	\$	\$	61
LIABILITIES							
Deposits in trust	\$	60	\$	1	\$	\$	61
Total Liabilities	\$	60	\$	1	\$	\$	61
Hospital JPA Administration Fund							
ASSETS							
Cash and investments	\$	490	\$	5	\$	- \$	495
Interest receivable	-			1	-	<u> </u>	1
Total Assets	\$	490	\$	6	\$	\$	496
LIABILITIES							
Deposits in trust		490		6		-	496
Total Liabilities	\$	490	\$	6	\$	\$	496

#### CITY OF GRIDLEY GENERAL FUND COMBINING BALANCE SHEET JUNE 30, 2020

	_	General Fund	G	F Reserve Fund	v	/ell Fund		City Hall serve Fund	_	Equipment Reserve Fund		ick Leave Payout serve Fund	-	Total General Fund
ASSETS						42.522								
Cash and investments	\$	3,586,408	\$	283,938	\$	40,425	\$	262,998	\$	2,522,859	\$	176,089	\$	6,872,717
Accounts receivable		106,590				-		-				-		106,590
Interest receivable		2,814		441		63		409		3,846		275		7,848
Taxes receivable		65,411		-		-		-		-		-		65,411
Due from other funds		2,542,501		-		-		-		-		-		2,542,501
Due from other governments		395,714		-		-		L-		-		1.65		395,714
Prepaid items		93,549						-		-				93,549
Advances to fiduciary fund	_	176,868	) <del>-</del>		_	<del></del>	-	<del></del>	-		-		_	176,868
Total Assets	\$_	6,969,855	\$	284,379	\$	40,488	\$	263,407	\$_	2,526,705	\$	176,364	\$_	10,261,198
LIABILITIES AND FUND BALANCES														
LIABILITIES														
Accounts payable and accrued liabilities	\$	382,844	\$	-	\$		\$	4,557	\$		\$	-	\$	387,401
Accrued payroll and benefits		99,667		-		, <del>-</del>		-		, <u>-</u>		, <del>-</del>		99,667
Unearned revenue		19,100		-		-		-		-		-		19,100
Deposits payable	_	350	_		_		_	<u>-</u>	_		_		_	350
Total Liabilities	_	501,961	_		_		_	4,557	_		_		_	506,518
FUND BALANCES														
Nonspendable		93,549		1.2		_		-		_		12		93,549
Committed		_		-		40,488		-		-		-		40,488
Assigned		4		284,379		_		258,850		2,526,705		176,364		3,246,298
Unassigned	_	6,374,345	_	-	_		_		-		_		-	6,374,345
Total Fund Balances	\$_	6,467,894	\$	284,379	\$	40,488	\$	258,850	\$_	2,526,705	\$	176,364	\$_	9,754,680
Total Liabilities and Fund Balances	\$_	6,969,855	\$_	284,379	\$	40,488	\$	263,407	\$_	2,526,705	\$_	176,364	\$_	10,261,198

# CITY OF GRIDLEY GENERAL FUND COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

		General Fund	G	F Reserve Fund	w	ell Fund		City Hall serve Fund	_ E	Equipment Reserve Fund		ck Leave Payout serve Fund		Total General Fund
REVENUES														
Taxes and assessments	\$	2,596,188	\$	-	\$	-	\$	-	\$	-	\$	1 <del>2</del>	\$	2,596,188
License, permits, and fees		9,725				-		-		-		-		9,725
Fines and forfeitures		6,027		-										6,027
Use of money and property		87,610		3,425		488		3,173		29,936		2,125		126,757
Program Income		63		r <del>=</del> 1		-		-		-		-		63
Intergovernmental		1,717,471		-		-		-		-		-		1,717,471
Charges for services		679,961		-		-		-				-		679,961
Recreation and event fees		116,913		-		-		-		-		-		116,913
Insurance proceeds		17,305		-		-		1.5				-		17,305
Other revenues	-	3,723	_		-		_		_		_		_	3,723
Total Revenues	_	5,234,986	_	3,425		488	_	3,173	_	29,936		2,125	_	5,274,133
EXPENDITURES														
Current:														
General administration		107,385		-		-		47		0.00				107,432
Public safety		4,059,151		-		-		-		-		Y-		4,059,151
Streets and public works		286,883		, <u>-</u>		, <del>-</del> ,		1.0		1.0		- 1 € C		286,883
Community development		63,005		-		-		10.0		-		-		63,005
Parks and recreation		163,973				d-		-		-		-		163,973
Capital outlay		88,772	_			-	_	71,482	_	1,126	_	-	-	161,380
Total Expenditures	_	4,769,169	_		_	-	_	71,529	_	1,126	_		_	4,841,824
Excess (Deficiency) of Revenues over														
Expenditures	_	465,817	_	3,425	_	488	_	(68,356)	_	28,810	_	2,125	_	432,309
OTHER FINANCING SOURCES (USES)														
Transfers in	_	1,235,000	-				_		-	-	_	-	-	1,235,000
Total Other Financing Sources (Uses)		1,235,000	_		_		_	-	-		_		_	1,235,000
Net Change in Fund Balances		1,700,817		3,425		488		(68,356)		28,810		2,125		1,667,309
Fund Balances - July 1, 2019		4,767,077	_	280,954		40,000		327,206	_	2,497,895		174,239	_	8,087,371
Fund Balances - June 30, 2020	\$_	6,467,894	\$_	284,379	\$	40,488	\$	258,850	\$_	2,526,705	\$	176,364	\$_	9,754,680

CITY OF GRIDLEY APPROPRIATIONS LIMIT CALCULATION AS OF JUNE 30, 2020

MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP 1760 CREEKSIDE OAKS DRIVE, SUITE 160 SACRAMENTO, CALIFORNIA 95833

#### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Town Council of the City of Gridley Gridley, California

We have performed the procedures enumerated below, which were agreed to by the City of Gridley, (the City), on the agreed-upon appropriations limit calculation of the City of Gridley as of June 30, 2020. The City of Gridley's management is responsible for the appropriations limit calculation. The sufficiency of these procedures is solely the responsibility of the City of Gridley. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained the completed internal calculations and compared the limit and annual adjustment factors included in those calculations to the limit and annual adjustment factors that were adopted by a resolution of the City Council. We compared the population and inflation options included in the aforementioned calculations to those that were selected by a recorded vote of the City Council.

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

2. For the Appropriations Limit Calculation, we added June 30, 2019's appropriations limit to the annual permitted adjustments and agreed the resulting amount to the June 30, 2020 appropriations limit.

Finding: We noted the City used the incorrect inflation adjustment factor in the calculation resulting in a difference of \$55,131.

We compared current year information presented in the appropriations limit calculation to supporting worksheets.

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

4. We compared the June 30, 2019 appropriations limit presented in the appropriations limit calculation to the prior year appropriations limit adopted by the City Council during the prior year.

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by Article XIIIB of the California Constitution.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Sacramento, California August 25, 2022

Mann, Ussutia, Nelson CPAS

## APPROPRIATIONS LIMIT CALCULATION JUNE 30, 2020

	Amount	Source
A. Prior year's appropriations limit (at June 30, 2019)	\$ 20,315,508	
<ul><li>B. Adjustment factors for the current fiscal year:</li><li>1. Population change</li><li>2. Inflation (per capita personal income change)</li></ul>	1.0010 1.0367	* State Finance * State Finance
Total adjustment	1.0377	* [(B1xB2)-1.0]
C. Annual adjustment	766,853	AxB
D. Other Adjustments Lost responsibility (-) Transfer to fees (-) Assumed responsibility (+)		
E. Total adjustments	766,853	C+D
F. Current year's appropriations limit (at June 30, 2020)	\$21,082,361	A+E

<sup>\*</sup> Rounded to the nearest ten thousandth

CITY OF GRIDLEY SINGLE AUDIT AND OTHER REPORTS FOR THE YEAR ENDED JUNE 30, 2020

MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP 1760 CREEKSIDE OAKS DRIVE, SUITE 160 SACRAMENTO, CALIFORNIA 95833

#### CITY OF GRIDLEY SINGLE AUDIT AND RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED

IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council of the City of Gridley Gridley, 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 the City of Gridley, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Gridley's basic financial statements, and have issued our report thereon dated August 25, 2022.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Gridley'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 the City of Gridley's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Gridley's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003 to be significant deficiencies.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Gridley'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*.

#### City of Gridley's Response to Findings

City of Gridley's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Gridley's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### 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.

Sacramento, California August 25, 2022

Mann, Ursutio, Nelson CPAS

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

To the City Council of the City of Gridley Gridley, California

#### Report on Compliance for Each Major Federal Program

We have audited the City of Gridley's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gridley's major federal programs for the year ended June 30, 2020. City of Gridley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gridley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Gridley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Gridley's compliance.

#### Opinion on Each Major Federal Program

In our opinion, City of Gridley 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, 2020.

#### Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-004 and 2020-005. Our opinion on each major federal program is not modified with respect to these matters.

City of Gridley's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Gridley's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

#### Report on Internal Control Over Compliance

Management of the City of Gridley, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gridley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Gridley's internal control over compliance.

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

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

#### Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Gridley, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Gridley's basic financial statements. We issued our report thereon dated August 25, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Mann, Ussatio, Nelson CPAS Sacramento, California August 25, 2022

#### CITY OF GRIDLEY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor Program	Federal CFDA Number	Pass-Through Entity Identifying Number/Grant Number	Federal Expenditures
U.S Department of Housing and Urban Development			
Pass-Through State of California Department of Housing and Community Development Block Grant: Community Development Block Grants HOME Investment Partnership Program	14.228 14.239	Beginning Loan Balance Beginning Loan Balance	\$ 2,600,602 7,080,000
Total U.S. Department of Housing and Urban Development			9,680,602
Total Expenditures of Federal Awards			\$ 9,680,602

## CITY OF GRIDLEY NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2020

#### **NOTE 1: REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Gridley. The City of Gridley reporting entity is defined in Note 1 of the City's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

#### **NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

#### NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's basic financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the governmental funds.

#### **NOTE 4: CLAIMS**

The City of Gridley has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

#### NOTE 5: INDIRECT COSTS

The City elected not to use the 10% de minimus indirect cost rate, and did not charge indirect costs to federal grants during the year ended June 30, 2020.

#### **NOTE 6: LOANS OUTSTANDING**

The programs listed below had the following aggregate Federally funded loans outstanding as of June 30, 2020:

Federal CFDA Number	Program Title		Amount Outstanding
14.228	Community Development Block Grants	\$	2,600,602
14.239	HOME Investment Partnership Program	1	7,080,000
		\$	9,680,602

#### **CITY OF GRIDLEY** SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

#### **SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements** 

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(es) identified? 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 section 200.516 of the Uniform Guidance?

Yes

Identification of Major Programs:

HOME Investment Partnerships Program, CFDA - 14.239

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

Auditee qualified as low-risk auditee? No

#### SECTION II: FINANCIAL STATEMENT FINDINGS

Findings related to the financial statements which are required to be reported in accordance with Generally Accepted *Government Auditing Standards*:

#### Finding 2020-001 Financial Close (Material Weakness)

#### Criteria

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulation.

#### Condition

During the performance of the audit, processes utilized for closing and reporting of financial activity for the fiscal year were not effective, which contributed to the delayed accounting close of the City's trial balances and unpreparedness for the audit. The year-end audit for the June 30, 2020 fiscal year-end began in February 2021 and in July 2021, the City provided a revised version of the trial balance to be audited.

#### Cause

Due to personnel turnover, the City did not have adequate controls in place to ensure accounting records were closed timely and accurately.

#### Effect

The financial statements as presented to the auditors contained material misstatements that required adjustments.

#### Recommendation

We recommend the City institute a program to methodically identify and document its significant operational and accounting processes. Documenting a process involves identifying and gaining an understanding of the events or transactions that trigger performance of the process, the automated or manual procedures used in performing the process, the person(s) or positions(s) responsible for performing the procedures, the source documents used or generated, the procedures for approval, review, and correction of any errors detected, and the financial or operational entries or reports summarizing the result of the process.

We further recommend the City develop checklists or other guidance documents over the City's closing process to ensure all closing entries are captured in the City's general ledger in a timely manner, and supporting schedules agree and reconcile to respective account balances prior to the trial balance being provided for the audit.

#### Views of Responsible Officials

Management agrees. City now has sufficient staff and support from outside accountants in order to facilitate a more timely close.

#### Finding 2020-002 Negative pooled cash balances (Significant Deficiency - Repeat Finding)

#### Criteria

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulation.

#### Condition

During our audit procedures to test cash and pooled cash balances, we identified the following:

- We noted 28 funds as of year-end which contained negative pooled cash balances. Sixteen of these funds
  reported the same negative pooled cash balance in the prior year. This resulted in management proposing a
  significant number of adjustments to record due to/due from entries to offset the negative pooled cash
  balances and many of these adjustments were repeat adjustments from the prior year.
- We noted a difference between pooled cash reported in the Pooled Cash fund and the total pooled cash reported in all other funds combined.

#### Cause

The City does not have adequate controls in place to effectively monitor pooled cash balances for individual funds.

#### **Effect**

The financial statements as presented to the auditors contained misstatements that required adjustments.

#### Recommendation

- Management needs to perform procedures to review all funds with negative pooled cash balances and determine if the negative balances and due to/due from entries are appropriate. A due to/due from balance should only be recorded for less than one year. If a due to/due from is recorded for longer than one year, the due to/due from needs to be converted to a formal loan agreement between the funds.
- Management needs to improve the City's pooled cash reconciliation process to ensure that pooled cash reported in the Pooled Cash fund is equally offset by pooled cash reported in all other funds combined..

#### Views of Responsible Officials

Management agrees. Management is in the process of evaluating each fund and the relevant activities to ensure that cash balances are no longer overdrawn at the fund level.

## Finding 2020-003 Funds with negative fund balances and no current year activity (Significant Deficiency - Repeat Finding)

#### Criteria

GASB 54: Fund Balance Reporting and Governmental Fund Type Definitions, defines special revenue funds as funds used to report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than capital projects or debt service. In addition, per paragraph 31, a government should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

#### Condition

During our audit procedures, we noted that the City's general ledger contains multiple funds designated as special revenue funds which either have had no activity for multiple years, have negative pooled cash balances, have a negative fund balance, or a combination of these three issues. There are several special revenue funds which have one or more of these characteristics.

#### Cause

The City did not assess the requirements of GASB 54 as they apply to special revenue funds.

#### Effect

The financial statements as presented to the auditors contained misstatements that required adjustments. The City's financial statement also may not be in compliance with GASB 54.

#### Recommendation

Management needs to perform procedures to review all open funds in the City and close funds which no longer have activity or a purpose. If there are special revenue funds with negative cash balances which should remain open, management needs to determine if the revenue source for which the fund was opened still exists, or if the General Fund is inappropriately financing the activity of the fund. If the City no longer expects that a substantial portion of the inflows will derive from restricted or committed resources, the fund should be closed and the remaining resources should be reported in the general fund.

#### Views of Responsible Officials

Management agrees. Management has initiated a process for reviewing each fund in the upcoming fiscal year to ensure that all reporting funds have an appropriate restricted or committed revenue stream that meets the definition of a special revenue fund.

#### SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs for Federal Awards, which includes audit findings and defined in Section 200.516 of the Uniform Guidance.

#### Finding 2020-004 Federal Grant Procedures Manual (Uniform Guidance Compliance - Repeat Finding)

#### Criteria

Office of Management and Budget (OMB), Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart D, sections 200.317 - 200.326.

#### Condition

The City has not updated their procurement policy in accordance with the Uniform Guidance standards.

#### Cause

City management was unaware of the Uniform Guidance procurement requirements and implementation dates.

#### **Effect**

The City's procurement policies and procedures are not in compliance with the Uniform Guidance.

#### Recommendation

We recommend the City review the Uniform Guidance procurement requirements and update their policy.

#### Views of Responsible Officials

Management agrees. Management is currently working on updating the City's procurement policy to reflect changes that are associated with the Uniform Guidance.

#### Finding 2020-005 Financial Reporting Timeliness (Uniform Guidance Compliance)

#### Criteria

In accordance with CFR section 200.512 of the Uniform Guidance, the audit must be completed and the data collection form and reporting package must be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period. In accordance with OMB Memo M-20-26, and due to the coronavirus, an extension of six months beyond the normal due date was granted for submission of the audit, data collection form, and reporting package.

#### Condition

The 2020 Single Audit reporting package and data collection form have not been submitted to the Federal Audit Clearinghouse by the original deadline of March 31, 2021, nor the extended deadline of November 30, 2021.

#### Cause

There were various issues which caused delays in the completion of the 2020 annual audit.

#### **Effect**

The filing of the Single Audit Reporting package and data collection form is past the due date.

#### Recommendation

As noted in recommendation 2020-001, we recommend the City strive to close the year-end with properly prepared reconciliations within 3 - 4 months after year-end in order to complete the annual financial audit timely.

#### Views of Responsible Officials

Management agrees. The City now has sufficient staff and support from outside accountants in order to facilitate a more timely close.

## CITY OF GRIDLEY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS JUNE 30, 2020

#### Finding 2019-001 Negative pooled cash balances (Significant Deficiency - Repeat Finding)

#### Condition

During our audit procedures to test cash and pooled cash balances, we identified the following:

We noted 20 funds as of year-end which contained negative pooled cash balances. Many of these funds
reported the same negative pooled cash balance in the prior year. This resulted in management proposing
a significant number of adjustments to record due to/due from entries to offset the negative pooled cash
balances. Many of these adjustments were repeat adjustments from the prior year.

#### Recommendation

- Management needs to improve the City's year-end financial close procedures to review pooled cash balances to ensure funds which should not have pooled cash entries do not contain such balances.
- Management needs to perform procedures to review all funds with negative pooled cash balances and
  determine if the negative balances and due to/due from entries are appropriate. A due to/due from balance
  should only be recorded for less than one year. If a due to/due from is recorded for longer than one year,
  the due to/due from needs to be converted to a formal loan agreement between the funds.

#### Status

Not implemented

## <u>Finding 2019-002</u> Funds with negative fund balances and no current year activity (Significant Deficiency - Repeat Finding)

#### Condition

During our audit procedures, we noted that the City's general ledger contains multiple funds designated as special revenue funds which either have had no activity for multiple years, have negative pooled cash balances, have a negative fund balance, or a combination of these three issues. There are 15 special revenue funds which have one or more of these characteristics.

#### Recommendation

Management needs to perform procedures to review all open funds in the City and close funds which no longer have activity or a purpose. If there are special revenue funds with negative cash balances which should remain open, management needs to determine if the revenue source for which the fund was opened still exists, or if the General Fund is inappropriately financing the activity of the fund. If the City no longer expects that a substantial portion of the inflows will derive from restricted or committed resources, the fund should be closed and remaining resources should be reported in the general fund or another fund type.

#### Status

Not Implemented.

## CITY OF GRIDLEY SCHEDULE OF PROIR YEAR FINDINGS AND QUESTIONED COSTS (continued) JUNE 30, 2020

#### Finding 2019-003 Federal Grant Procedures Manual (Uniform Guidance Compliance)

#### Condition

The City has not updated their procurement policy in accordance with the Uniform Guidance standards.

#### Recommendation

We recommend the City review the Uniform Guidance procurement requirements and update their policy.

#### Status

Not Implemented.

# SUCCESSOR AGENCY TO THE GRIDLEY REDEVELOPMENT AGENCY (A PRIVATE-PURPOSE TRUST FUND OF THE CITY OF GRIDLEY, CALIFORNIA) WITH INDEPENDENT AUDITOR'S REPORT JUNE 30, 2020

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#### INDEPENDENT AUDITOR'S REPORT

To the City Council Oversight Board of the Successor Agency to the Gridley Redevelopment Agency Gridley, California

#### Report on the Financial Statements

We have audited the accompanying basic financial statements of the Successor Agency to the Gridley Redevelopment Agency of the City of Gridley (the "Agency") as of and for the year ended June 30, 2020, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

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

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

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Successor Agency to the Gridley Redevelopment Agency of the City of Gridley as of June 30, 2020, and the results of its operations for the year ended June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

#### 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 opinion on the basic financial statements is not affected by this omitted information.

#### Other Reporting Required by Government Auditing Standards

Mana, Usivia, Nelson CPA,

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022, on our consideration of the Successor Agency to the Gridley Redevelopment Agency of the City of Gridley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Successor Agency to the Gridley Redevelopment Agency of the City of Gridley's internal control over financial reporting and compliance.

Sacramento, California August 25, 2022

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private- Purpose Trust Fund
<u>ASSETS</u>	
Cash and investments (Note 2) Restricted cash and investments (Note 2) Prepaid items Note receivable, net of allowance (Note 3) Capital assets, non-depreciable (Note 4)	\$ 524,563 377,843 1,332 - 1,302,116
Total Assets	2,205,854
LIABILITIES	
Accounts payable Interest payable Advances from City (Note 5) Long-term liabilities (Note 6):	48 262,970 426,868
Due within one year  Due in more than one year	70,000 <u>4,222,762</u>
Total Liabilities	4,982,648
NET POSITION	
Held in trust for private purposes	\$ <u>(2,776,794)</u>

#### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Private- Purpose Trust <u>Fund</u>
ADDITIONS	
Property taxes Use of money and property Investment income	\$ 517,276 243 
Total Additions	517,728
DEDUCTIONS	
Administrative expenses Interest costs	18,562 294,672
Total Deductions	313,234
Change in Net Position	204,494
NET POSITION - JULY 1, 2019	(2,981,288)
NET POSITION - JUNE 30, 2020	\$ <u>(2,776,794)</u>

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. The Reporting Entity

The Gridley Redevelopment Agency (the "former RDA") was created pursuant to the California Community Redevelopment Law of the California Health and Safety Code. The former RDA was created to revitalize and upgrade a significant area of the community for the purpose of increasing sales and business tax revenues, assuring coordinated growth and stability, and improving the qualify of life for residents of the City of Gridley (City).

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provided for the dissolution of all redevelopment agencies in the State of California as of January 17, 2012, at which time the City of Gridley elected to take over as the Successor Agency (the "Agency").

The assets and liabilities of the former RDA were transferred to the Successor Agency on January 17, 2012 as a result of the dissolution. The Successor Agency acts in a fiduciary capacity to wind down affairs of the former RDA which includes disposing of the assets and liabilities, and its activities are reported in the fiduciary private-purpose trust fund.

#### B. Basis of Presentation

#### Fiduciary Funds:

<u>Private-Purpose Trust Funds</u> - Private Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. As a Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to dissolve the Agency.

#### C. Basis of Accounting

The financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

#### D. Cash and Investments

Cash and investments held at June 30, 2020 with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year end. All investments not required to be stated at fair value are stated at cost or amortized cost.

#### E. Capital Assets

Capital assets owned by the Agency are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. It is the Agency's policy to capitalize structures and improvements greater than \$10,000.

#### F. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020

#### **NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

	 Cash		Investments		Total
Fiduciary activities	\$ 524,563	\$	377,843	\$	902,406

#### Authorized Investments of the Agency

The table below identifies the investment types that are authorized by the Agency's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
Local Agency Bonds	5 years	None	10%
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA And Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper - Select Agencies	270 days	25%	10%
Commercial paper - Other Agencies	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	30%
CD Placement Service	5 years	30%	30%
Repurchase Agreements	1 year	None	10%
Reverse Repurchase Agreements and Securities			
Lending Agreements	92 days	20%	10%
Medium-Term Notes	5 years	30%	10%
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass - Through Securities	5 years	20%	None
Bank/Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None

The Agency complies with the provisions of California Government Code (or the Agency's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The Agency will continue to monitor compliance with applicable statues pertaining to public deposits and investments.

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized by bond trustees. 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
Local agency bonds	None	None	None
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Banker's acceptances	365 days	None	None
Commercial paper	270 days	None	None
Federal Funds	365 days	None	None
Unsecured Certificates of Deposit	365 days	None	None
Time Deposits	365 days	None	None
Cash Sweep Accounts	None	None	None
Money market funds	N/A	None	None
Mortgage-backed securities	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

#### Disclosure 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. One of the ways that the Agency's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity as of June 30, 2020:

			Remaining	Maturit	У	
-	12 months or less		1-5 years		_ Fair Value	
Held by bond trustee: Investment pool (CAMP)	\$	377,843	\$		\$	377,843
	\$	377,843	\$		\$	377,843

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Agency had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2020.

#### 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 investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

		Rating	as of Fiscal Yea	ar End
	Total	S&P	Moody's	N/A
Held by bond trustee: Investment pool (CAMP)	\$377,843	AAAm		

#### **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. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) 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 Agency investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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 government 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 Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

#### Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

#### Investment in Investment Pool

The Agency is a voluntary participant in the California Asset Management Program, (CAMP), a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by CAMP for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which is recorded on an amortized cost basis.

#### Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 3: NOTE RECEIVABLE

The former RDA engaged in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans were provided under favorable terms to businesses, homeowners or developers who agreed to spend these funds in accordance with the Agency's terms.

The Agency's note receivable, including interest, at June 30, 2020 is explained in detail below:

	Less: Note Allowance for Receivable Doubtful Note Total
Washington Court Apartments Affordable Housing Project Construction Loan	678,000(678,000)
Total	\$ <u>678,000</u> \$ <u>(678,000)</u> \$ <u>-</u>

#### A. Washington Court Apartments Affordable Housing Project Construction Loan

The former RDA assisted Gridley Pacific Associates with its acquisition and development of the Washington Court Apartments Affordable Housing Project by providing \$678,000 in the form of cash in return for a note bearing simple interest at a rate of 3% per year, secured by a deed of trust on the Project.

#### B. Allowance for Doubtful Notes

The former RDA had several programs under which it extended loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. The remaining loan, issued to the Washington Court Apartments, has a forgiveness clause if the developer complies with all the tersm of the loan over its full term. The former RDA had provided an allowance of 100% for thel note receivable subject to forgiveness provision of this loan. Per long-term monitoring reviews, all terms have been met by the developer for the loan as of June 30, 2020.

#### **NOTE 4: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance at July 1, 2019		Additions		Retirements		Balance at June 30, 2020	
Capital assets not being depreciated Land	\$	1,302,116	\$		\$	<u> </u>	\$	1,302,116
Total capital assets	\$	1,302,116	\$		\$		\$	1,302,116

#### NOTE 5: ADVANCES FROM CITY

Pursuant to Agency Resolution No. 2003-RDA-05, the Agency agreed to reimburse the City's Block Grant fund for the infrastructure improvements within the Agency's industrial park up to \$250,000. Repayment is to be made as funds are available and approved on the recognized obligation payment schedule. No interest accrues on the amount due to the City.

The Agency agreed to reimburse the City's General Fund for the formation of the RDA in the amount of \$176,868. Repayment is to be made as funds are available. No interest accrues on the amount due to the City.

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 6: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions related to for the year ended June 30, 2020:

	Balance at July 1, 2019	Additions	Reductions/ Adjustments	Balance at June 30, 2020	Due Within One Year	
Tax allocation bonds, Series 2008	\$ <u>4,480,000</u>	\$	\$(70,000)	\$ 4,410,000	\$ 70,000	
Less: Unamortized bond discounts	(124,832)		7,594	(117,238)		
Total Long-term liabilities	\$ <u>4,355,168</u>	\$ <u>-</u>	\$ (62,406)	\$ 4,292,762	\$ 70,000	

A description of the long-term liabilities at June 30, 2020 follows:

#### A. Tax Allocation Bonds, Series 2008A (Taxable) and 2008B (Tax Exempt)

In 2002, the former RDA issued \$4,750,000 of tax allocation bonds, Series 2008A (Taxable) and Series 2008B (Tax Exempt). A total of \$2,980,000 of Series 2008A bonds were issued and \$1,770,000 of Series 2008B bonds.

The proceeds of the Series 2008A bonds issued were used to repay a significant portion of the loans from the City of Gridley to the Agency. The bonds bear annual interest at varying rates between 7.00% and 7.50%. The bonds were issued in fully registered form without coupons in denominations of \$5,000. Interest is payable semi-annually, due on August 1st and February 1st. Principal is paid in annual installments beginning August 1, 2014 and ending August 1, 2038 in amounts ranging from \$45,000 to \$250,000.

The proceeds from the Series 2008B bonds issued were for capital improvements within the project area. The bonds bear annual interest at 5.00%. The bonds were issued in fully registered form without coupons in denominations of \$5,000. Interest is payable semi-annually, due on August 1st and February 1st. Principal is paid in annual installments beginning August 1, 2014 and ending August 1, 2043 in amounts ranging from \$5,000 to \$345,000.

#### B. Bonds Payable Debt Service Requirements

Future debt service requirements are shown below:

For the Year Ending, June 30		Principal	Interest		
2021	\$	70,000	\$	286,875	
2022		80,000		281,750	
2023		85,000		276,000	
2024		90,000		269,750	
2025		100,000		263,125	
2026 - 2030		605,000		1,197,500	
2031 - 2035		870,000		940,000	
2036 - 2040		1,235,000		570,250	
2044 - 2045	-	1,275,000	-	163,500	
Total	\$_	4,410,000	\$_	4,248,750	

## 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 City Council Oversight Board of the Successor Agency to the Gridley Redevelopment Agency Gridley, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Successor Agency to the Gridley Redevelopment Agency of the City of Gridley, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the basic financial statements and have issued our report thereon dated August 25, 2022.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Gridley'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Gridley's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Gridley's internal control.

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

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Successor Agency to the Gridley Redevelopment Agency of the City of Gridley'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.

Many, Ursutis, Nelson CPAS Sacramento, California

August 25, 2022