

AGENDA

**TEHACHAPI CITY COUNCIL SPECIAL MEETING,
TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY SPECIAL MEETING,
TEHACHAPI PUBLIC FINANCING AUTHORITY SPECIAL MEETING, AND
TEHACHAPI CITY FINANCING CORPORATION SPECIAL MEETING
TUESDAY, JANUARY 21, 2014 - 6:00 P.M.**

Persons desiring disability-related accommodations should contact the City Clerk no later than ten days prior to the need for the accommodation. A copy of any writing that is a public record relating to an open session item of this meeting is available at City Hall, 115 South Robinson Street, Tehachapi, California, 93561.

CALL TO ORDER

ROLL CALL

INVOCATION

Participation in the invocation is strictly voluntary. Each City Councilmember, city employee, and each person in attendance may participate or not participate as he or she chooses.

PLEDGE TO FLAG

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT

All items listed with an asterisk (*) are considered to be routine and non-controversial by city staff. Consent items will be considered first and may be approved by one motion if no member of the council or audience wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in listed sequence with an opportunity for any member of the public to address the city council concerning the item before action is taken. Staff recommendations are shown in caps. Please turn all cellular phones off during the meeting.

AUDIENCE ORAL AND WRITTEN COMMUNICATIONS

The City Council welcomes public comments on any items on the agenda. We respectfully request that this public forum be utilized in a positive and constructive manner. Persons addressing the Council should first state their name and area of residence and the organization or persons represented, if any. To ensure accuracy in the minutes, please fill out a speaker's card at the podium. Comments and questions should be made at the time the item is called for discussion by the Mayor. The Council reserves the right to limit the speaking time of individual speakers and the time allotted for public presentations.

CITY CLERK REPORTS

Tehachapi City Council Unassigned Res. No. 01-14
Tehachapi City Council Unassigned Ord. No. 14-01-715
Tehachapi Redevelopment Successor Agency Unassigned Res. No. 01-14
Tehachapi Public Financing Authority Unassigned Res. No. 01-14

TEHACHAPI CITY COUNCIL REGULAR MEETING,
TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY REGULAR MEETING,
TEHACHAPI PUBLIC FINANCING AUTHORITY REGULAR MEETING, AND
TEHACHAPI CITY FINANCING CORPORATION REGULAR MEETING
TUESDAY, JANUARY 21, 2014 - 6:00 P.M. - PG. 2

- *1. **ALL ORDINANCES SCHEDULED FOR INTRODUCTION OR ADOPTION AT THIS MEETING SHALL BE READ BY TITLE ONLY**
- *2. Minutes for the Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority, and the Tehachapi City Financing Corporation regular meeting on December 16, 2013– **APPROVE AND FILE**

FINANCE DIRECTOR REPORTS

- *3. Disbursements, bills, and claims for December 12, 2013 through January 16, 2014 – **AUTHORIZE PAYMENTS**
- *4. City of Tehachapi Treasurer’s Report through December 2013 – **RECEIVED REPORT**
- 5. Annual financial report for the year ended June 30, 2013 - **RECEIVE REPORT**

POLICE CHIEF REPORTS

- 6. Chief Kermode to give a report on crime statistics – **VERBAL REPORT**

COMMUNITY DEVELOPMENT DIRECTOR REPORTS

- 7. In an effort to ensure that the new State construction codes go into effect immediately in the City of Tehachapi, Staff has prepared for the Council’s consideration an Urgency Ordinance – **ADOPT, BY TITLE ONLY, AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ADOPTING ORDINANCE NO. G-8442 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA AMENDING CHAPTERS 17.04, 17.08, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, AND 17.52 OF TITLE 17 OF THE ORDINANCE CODE OF THE COUNTY OF KERN CONCERNING BUILDING REGULATIONS, BUILDING CODE, MECHANICAL CODE, HOUSING CODE, PLUMBING CODE, ELECTRICAL CODE, GRADING CODE, FIRE CODE, WILDLAND-URBAN INTERFACE CODE, DANGEROUS BUILDINGS CODE, BUILDING RELOCATION, MOBILE HOMES AND ACCESSORY STRUCTURES, FLOOD PLAIN MANAGEMENT, AND ENERGY CODE AND AMENDING SECTION 1 OF ORDINANCE NO. 671 OF THE CITY OF TEHACHAPI AND TEHACHAPI MUNICIPAL CODE SECTION 15.04.160**
- 8. Introduction of ordinance amending Ordinance No. 671 of the City of Tehachapi and Tehachapi Municipal Code Section 15.04.160 adopting new state construction codes – **INTRODUCTION ONLY**

ASSISTANT CITY MANAGER REPORTS

- 9. Consideration of an agreement between the City and CPS HR Consulting for a compensation and classification study – **APPROVE AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND CPS HR CONSULTING, SUBJECT TO APPROVAL BY CITY ATTORNEY**

CITY MANAGER REPORTS

- 10. 2013 Year End Report – **PRESENTATION**
- 11. Report to Council regarding current activities and programs – **VERBAL REPORT**

**TEHACHAPI CITY COUNCIL REGULAR MEETING,
TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY REGULAR MEETING,
TEHACHAPI PUBLIC FINANCING AUTHORITY REGULAR MEETING, AND
TEHACHAPI CITY FINANCING CORPORATION REGULAR MEETING
TUESDAY, JANUARY 21, 2014 - 6:00 P.M. - PG. 3**

COUNCILMEMBER ANNOUNCEMENTS OR REPORTS

On their own initiative, a Councilmember may ask a question for clarification, make a brief announcement, provide a reference to staff or other resources for factual information, take action to have staff place a matter of business on a future agenda, request staff to report back at a subsequent meeting concerning any matter, or make a brief report on his or her own activities. (Per Gov't. Code §54954.2(a))

CLOSED SESSION

1. Conference with labor negotiators - City designated representatives: City Manager and Assistant City Manager; Employee Organization: California Federation of Public Employees, Local 1850.

ADJOURNMENT

MINUTES

**TEHACHAPI CITY COUNCIL REGULAR MEETING,
TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY REGULAR MEETING,
TEHACHAPI PUBLIC FINANCING AUTHORITY REGULAR MEETING, AND
TEHACHAPI CITY FINANCING CORPORATION REGULAR MEETING
Monday, December 16, 2013 – 6:00 P.M.**

NOTE: Sm, Gr, Wi, Ni and Za are abbreviations for Council Members Smith, Grimes, Wiggins, Nixon and Zamudio, respectively. For example, Gr/Sm denotes Council Member Grimes made the motion and Council Member Smith seconded it. The abbreviation Ab means absent, Abd abstained, Ns noes, and NAT no action taken.

ACTION TAKEN

<p><u>CALL TO ORDER</u></p> <p>Meeting called to order by Mayor Smith at 6:00 p.m.</p> <p><u>ROLL CALL</u></p> <p>Roll call by City Clerk Denise Jones</p> <p>Present: Mayor Smith, Councilmembers Grimes, Nixon and Zamudio</p> <p>Absent: Mayor Pro-Temp Wiggins</p> <p><u>INVOCATION</u></p> <p>By Pastor Brent Whitney from the Country Oaks Baptist Church.</p> <p><u>PLEDGE TO THE FLAG</u></p> <p>Led by Chief Kermode.</p> <p><u>CONSENT AGENDA</u></p> <p>Approved consent agenda subject to the removal of Item *6 by Karl Gerhicke.</p> <p><u>AUDIENCE ORAL COMMUNICATIONS</u></p> <ol style="list-style-type: none"> 1. General public comments regarding matters not listed as an agenda item were received from: <ol style="list-style-type: none"> a. Matt Young, District Manager of Tehachapi Valley Recreation and Parks District, gave update on recent events including arrests made at the skate park last week. b. Carl Gerhicke, city resident, spoke regarding Tehachapi Dial-A-Ride. c. Kyle Huddleston, spoke regarding arrests made at the skate park. 	<p>Approved Consent Agenda Subject To The Removal Of Item *6 Za/Gr Motion Carried Ab: Wi</p>
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- d. Tania Arrowwood, spoke about dangerous conditions at skate park.
- e. Mark B spoke about importance of skate park.
- f. Robert Graves spoke about what the skate park means to him.
- g. Emily Marvin spoke about sports and what they give to the kids.
- h. Colin talked about conditions at skate park and supports improvements to park.
- i. Ryan Finnegan, co-owner of Cross Fit, announced he will donate four hours of his time to help with repairs at skate park.

CITY CLERK REPORTS

- *2. **ALL ORDINANCES SCHEDULED FOR INTRODUCTION OR ADOPTION AT THIS MEETING SHALL BE READ BY TITLE ONLY.**
- *3. Minutes for the Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority, and the Tehachapi City Financing Corporation regular meeting on December 2, 2013 - **APPROVED AND FILED.**

All Ord. Read By Title Only
 Za/Gr Motion Carried
 Ab: Wi

Approved & Filed
 Za/Gr Motion Carried
 Ab: Wi

FINANCE DIRECTOR REPORTS

- *4. Disbursements, bills and claims for November 26, 2013 through December 10, 2013 – **AUTHORIZED PAYMENTS**
- *5. The State of California reimburses local agencies for costs incurred in complying with certain state-mandated programs. The City has been working with Andy Nichols for SB90 Mandated Cost Claims filing since 2001/02 – **APPROVE THE CONTRACT WITH NICHOLS CONSULTING FOR THE SB90 FILING SERVICE**

Authorized Payments
 Za/Gr Motion Carried
 Ab: Wi

Received Report
 Za/Gr Motion Carried
 Ab: Wi

AIRPORT MANAGER REPORTS

- *6. AT&T ground lease agreement for construction of a new cellular site in the Tehachapi area – **CARL GERHICKE ASKED CITY TO MAKE SURE SERVICE IS DIRECTED TOWARDS TEHACHAPI; AIRPORT MANAGER TOM GLASGOW GAVE REPORT; APPROVED THE NEW GROUND LEASE AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND AT&T, SUBJECT TO APPROVAL BY CITY MANAGER AND CITY ATTORNEY**

Approved The New Ground Lease Agreement Between C.O.T. & AT&T, Subject To Approval By City Manager & City Attorney
 Ni/Za Motion Carried
 Ab: Wi

PUBLIC WORKS DIRECTOR REPORTS

- 7. Purchase of new dump truck for use in the public works department for maintenance activities such as: tree trimming, debris/weed removal, asphalt patching and material hauling – **ASSISTANT CITY MANAGER CHRIS KIRK GAVE REPORT; COUNCILMEMBER GRIMES IS HAPPY TO GET RID OF A GROSS POLLUTER VEHICLE; APPROVED THE PURCHASE OF A NEW DUMP TRUCK IN THE AMOUNT OF \$59,596.84 AND DIRECT STAFF TO PLACE THE 1975 CHEVROLET DUMP TRUCK ON THE SURPLUS EQUIPMENT LIST**

Approved The Purchase Of A New Dump Truck In The Amount Of \$59,596.84 & Direct Staff To Place The 1975 Chevrolet Dump Truck On The Surplus Equipment List
 Gr/Ni Motion Carried
 Ab: Wi

COMMUNITY OUTREACH COORDINATOR REPORTS

8. Agreement with WeatherBug for a new high definition weather camera at no cost to the City – **CITY MANAGER GREG GARRETT GAVE REPORT; APPROVED AND AUTHORIZED THE CITY MANAGER TO SIGN THE AGREEMENT WITH WEATHERBUG FOR THE INSTALLATION OF A NEW HIGH DEFINITION WEATHER CAMERA**

Approved & Authorized The City Manager To Sign The Agreement With WeatherBug For The Installation Of A New High Definition Weather Camera
 Ni/Za Motion Carried
 Ab: Wi

CITY ENGINEER REPORTS

9. Communications Conduit Project Bids – **CITY ENGINEER JAY SCHLOSSER GAVE REPORT; MAYOR SMITH ASKED FOR CLARIFICATION ON WHERE LINE WILL BE INSTALLED; AWARDED THE COMMUNICATIONS CONDUIT PROJECT TO FLATIRON ELECTRIC GROUP INC. IN THE AMOUNT OF \$110,370.00 AND AUTHORIZE THE CITY MANAGER TO APPROVE ANY NECESSARY CHANGE ORDERS UP TO A MAXIMUM OF 5% OF THE ORIGINAL CONTRACT (OR \$5,518.50)**

Awarded The Communications Conduit Project To Flatiron Electric Group Inc. In The Amount Of \$110,370.00 & Authorize The City Manager To Approve Any Necessary Change Orders Up To A Maximum Of 5% Of The Original Contract (Or \$5,518.50)
 Gr/Za Motion Carried
 Ab: Wi

10. Curry Street Median Project Funding Allocation and Tompkins Elementary Street Improvement Project Introduction – **CITY ENGINEER JAY SCHLOSSER GAVE REPORT; CHARLES WHITE, CITY RESIDENT, ASKED ABOUT BOND FUNDS; MAYOR SMITH ASKED ABOUT TRACT 6216 IMPROVEMENTS AND ABOUT DESIGN OF THESE PROJECTS; COUNCILMEMBER GRIMES COMMENTED ON COOPERATION BETWEEN CITY AND SCHOOL DISTRICT; AUTHORIZED STAFF TO ALLOCATE THE REMAINING TRACT 6216 BOND SETTLEMENT FUNDS, TOTALING APPROXIMATELY \$250,000, TO THE CURRY MEDIAN PROJECT AND AUTHORIZE STAFF TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE TEHACHAPI UNIFIED SCHOOL DISTRICT FOR THE TOMPKINS ELEMENTARY STREET IMPROVEMENT PROJECT SUBJECT TO APPROVAL FROM THE CITY MANAGER AND CITY ATTORNEY**

Authorized Staff To Allocate The Remaining Tract 6216 Bond Settlement Funds, Totaling Approximately \$250,000, To The Curry Median Project & Authorize Staff To Enter Into A MOU With The TUSD For The Tompkins Elementary Street Improvement Project Subject To Approval From The City Manager & City Attorney
 Ni/Za Motion Carried
 Ab: Wi

11. Capital Improvements Plan Introduction – **INFORMATION ONLY**

Gave Report
 NAT

CITY MANAGER REPORTS

12. Report to Council regarding current activities and programs – **VERBAL REPORT.**

Gave Report
 NAT

COUNCIL MEMBER ANNOUNCEMENTS OR REPORTS

1. Councilmember Zamudio commented on Shop With Cops event.
2. Councilmember Nixon talked about Shop With Cops event and about Christmas Parade.
3. Councilmember Grimes commented on Athlete of the Month Award Ceremony he attended and he wished everyone a merry Christmas.
4. Mayor Smith wished everyone a Merry Christmas.

ADJOURNMENT

The City Council/Boards adjourned at 7:45 p.m. to a Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority and Tehachapi City Financing Corporation Regular Meeting to be held on Monday, January 6, 2013, at 6:00 p.m.

DENISE JONES, CMC
City Clerk, City of Tehachapi

Approved this 22nd day
Of January, 2013.

PHILIP SMITH
Mayor, City of Tehachapi

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 1/2/2014 - 9:05 AM



			Check Amount
Check No:	0	Check Date:	
Vendor:	0027	Atco International	
IO392349		Swr\All-Pro	158.02
IO392349 UT		Use Tax	-11.02
			147.00
Check No:	0	Check Date:	
Vendor:	0030	The Bakersfield Californian	
13362708		GG/Ordinance No. 13-05-13-05-714	336.47
			336.47
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Vendor:	0035	BC Laboratories, Inc.	
B160599		Wtr\Samples Mojave & Dennison Wells	30.00
B160919		Wtr\Samples Minton Well & Highline Resv	50.00
B160919-1		Wtr\Samples Cyn Dr W D St East I St	36.00
B161013		Swr\Samples from Influent & Effluent	325.00
B161293 1		Wtr\Samples/Mulberry/Fig/Hickory	75.00
B161293 2		Wtr\Samples/Curry Resv	36.00
B161370		Wtr\Samples Curry Resv	15.00
B161371		Wtr\Samples Mojave & Dennison Wells	30.00
B161410		Wtr\Samples Mojave & Dennison Wells	30.00
B161411		Wtr\Samples Curry Resv	15.00
B161460		Swr\Samples from Influent & Effluent	325.00
B161775 1		Wtr/Sample/Tanglewood/Pinon Well/Brentwood	50.00
B161775 2		Wtr/Sample/Oakwood/Mojave Well	36.00
B162204		Swr/samples/WWTP Headworks	325.00
B162285 1		Wtr/Samples/Hayes/Fair Oak/Alder	50.00
B162285 2		Wtr/Sample/Wahlstrom & Dennison Wells	36.00
			1,464.00
Check No:	0	Check Date:	
Vendor:	0041	Benz Propane Company, Inc.	
238253751		PWLP gas-delivery ticket 892093	105.03
238253752		Wtr\LP gas-delivery ticket 891818	830.53
			935.56
Check No:	0	Check Date:	
Vendor:	0061	BSK Associates	
0068387		PD/Construction testing	5,014.00
0068823		Construction testing/Valley Blvd widening	645.00
0068824		Construction testing/Wells Elementary School	263.00
0068825		CD/construction testing/Tractor Supply Compan	403.00
0068826		PD/Construction testing	1,217.00
			7,542.00
Check No:	0	Check Date:	

Vendor:	0101 Central San Joaquin Valley RMA	
2013-0475 1	Workers Comp-Gen Gov	3,547.28
2013-0475 10	Workers Comp - City Clerk	70.40
2013-0475 11	Workers Comp - Treasurer	32.50
2013-0475 12	Workers Comp - Streets	1,835.92
2013-0475 13	Workers Comp - Refuse	265.37
2013-0475 14	Workers Comp - Water Distr.	8,080.22
2013-0475 15	Workers Comp - WWTP	5,301.97
2013-0475 16	Workers Comp - Transit	75.82
2013-0475 17	Workers Comp - Airport	2,827.00
2013-0475 2	Workers Comp-Finance	259.96
2013-0475 3	Workers Comp - PW	3,184.43
2013-0475 4	Workers Comp - Landscape	1,148.13
2013-0475 5	Workers Comp - Construction	2,642.86
2013-0475 6	Workers Comp - Comm Dev.	2,328.75
2013-0475 7	Workers Comp - IT	254.54
2013-0475 8	Workers Comp - Police	22,144.79
2013-0475 9	Workers Comp - Council	157.06
2013-0525 1	Pooled Liab - Gen Gov	18,672.63
2013-0525 10	DIC Premium-Earthquake Ins	2,232.09
2013-0525 11	Workers Comp-Gen Gov	3,296.75
2013-0525 12	Workers Comp-Finance	241.59
2013-0525 13	Workers Comp - PW	2,959.52
2013-0525 14	Workers Comp - Landscape	1,067.04
2013-0525 15	Workers Comp - Construction	2,456.20
2013-0525 16	Workers Comp - Comm Dev.	2,164.28
2013-0525 17	Workers Comp - IT	236.56
2013-0525 18	Workers Comp - Police	20,580.75
2013-0525 19	Workers Comp - Council	145.97
2013-0525 2	Pooled Liab - Finance	298.69
2013-0525 20	Workers Comp - City Clerk	65.43
2013-0525 21	Workers Comp - Treasurer	30.20
2013-0525 22	Workers Comp - Streets	1,706.25
2013-0525 23	Workers Comp - Refuse	246.63
2013-0525 24	Workers Comp - Water Distr.	7,509.53
2013-0525 25	Workers Comp - WWTP	4,927.50
2013-0525 26	Workers Comp - Transit	70.47
2013-0525 27	Workers Comp - Airport	2,627.33
2013-0525 3	Pooled Liab - Police	1,488.92
2013-0525 4	Pooled Liab - Treasurer	135.77
2013-0525 5	Pooled Liab - Water	1,015.99
2013-0525 6	Pooled Liab - Sewer	1,016.00
2013-0525 7	DIC Premium-Earthquake Ins	21,244.45
2013-0525 8	DIC Premium-Earthquake Ins	1,045.73
2013-0525 9	DIC Premium-Earthquake Ins	1,045.73

152,685.00

Check No:	0	Check Date:	
Vendor:	0118	Dave's Auto Repair	
37,693		PD\remove & replace mode door actuator heater	786.36

786.36

Check No:	0	Check Date:	
Vendor:	0182	P&J Electric	
4624		Wtr\svc call re booster pumps @ Curry booster s	250.00
4629		Wtr\overtime svc call re booster pumps @ Curry	300.00

550.00

Check No:	0	Check Date:		
Vendor:	0216	Judicial Data Systems Corporation		
4226		Parking Citation Revenue/activity for month of 1		100.00
				<hr/> 100.00
Check No:	0	Check Date:		
Vendor:	0241	Kern Bros. Trucking, Inc.		
64729		Strts/K-57 material		1,806.00
				<hr/> 1,806.00
Check No:	0	Check Date:		
Vendor:	0249	K-Mart		
05307		Strts\blend bag		342.94
61329		Strts\blend bag		278.57
				<hr/> 621.51
Check No:	0	Check Date:		
Vendor:	0263	Lebeau, Thelen, LLP		
14		GG\legal fees-Broome Family Trust		713.00
30		GG\legal fees-Walmart CEQA litigation		13,585.00
9		GG\legal fees-Teh Rail Improvement		1,748.00
				<hr/> 16,046.00
Check No:	0	Check Date:		
Vendor:	0300	Mission Linen & Uniform Service		
140107663		PW\linen maintenance/mats/twl cntr/hndcl		87.42
140109052		PW\linen maintenance		92.22
140109053		Swr\dust mop & mats		35.09
140110425		PW\linen maintenance/mats/twl cntr/hndcl		87.42
140110426		Swr\dust mop/mats		35.09
				<hr/> 337.24
Check No:	0	Check Date:		
Vendor:	0304	Mojave Sanitation		
2245404		Swr\3 yd bin recyc & gate fees		132.89
2245816		Swr\storage container		85.00
2247666		PW\rolloff svc gate fees recycling fees		455.71
2247669		PW\rolloff svc gate fees recycling fees		1,248.84
				<hr/> 1,922.44
Check No:	0	Check Date:		
Vendor:	0362	RSI Petroleum Products		
0267543		PW\fuel		722.08
0267739		PW\fuel		1,538.09
0267914		PW\fuel		1,538.98
				<hr/> 3,799.15
Check No:	0	Check Date:		
Vendor:	0373	Thomas F. Schroeter, Attorney @ Law		
122913 1		A\Legal services/Nov 25 2013 through Dec 29 2		780.00
122913 2		Successor Agency/Legal services/Nov 25 2013 tl		104.00
122913 3		GG\Legal services/Nov 25 2013 through Dec 29		97.50
122913 4		Wtr\Legal services/Nov 25 2013 through Dec 29		143.00
122913 5		PERSM1 Member Contributioin December 2013		-196.56
122913 6		GG\Legal services/Nov 25 2013 through Dec 29		4,491.50
				<hr/> 5,419.44

Check No:	0	Check Date:		
Vendor:	0429	Tehachapi Valley Healthcare		
127504-0005		Wtr/lab/DMiller		156.46
302775-0001		PD/medical exam		745.25
				<hr/>
				901.71
Check No:	0	Check Date:		
Vendor:	0431	Tehachapi News		
13336992		GG/TVRP Board		102.00
13337989		PD/Section 001000 Notice		482.50
13359884		CD/Notice of Public Hearing/WalMart		236.25
2560115		GG/Finance Charge		15.35
				<hr/>
				836.10
Check No:	0	Check Date:		
Vendor:	0441	Vulcan Materials Company		
70185332		Wtr\Ssk pm ae & fees		235.26
				<hr/>
				235.26
Check No:	0	Check Date:		
Vendor:	0445	Tehachapi Senior Center, Inc.		
01012014		Senior Nutrition Program/January 2014		400.00
				<hr/>
				400.00
Check No:	0	Check Date:		
Vendor:	0450	USA Bluebook		
223836		Swr/nitrate standard 500 mL		52.66
				<hr/>
				52.66
Check No:	0	Check Date:		
Vendor:	0476	WITTS Everything for the Office		
130378-0		GG\wall calendar planner & storage case		65.16
130382-0		PD\receipt books & batteries		150.59
130382-01		PD\soap refill & toilet seat covers		121.28
130423-0		GG\book labels sanitizer cleaner pens post-it not		267.03
130558-0		GG\ink stamps		23.97
				<hr/>
				628.03
Check No:	0	Check Date:		
Vendor:	0478	Zee Medical Service		
629628		Swr/first aid supplies		81.81
629629		PW/first aid supplies		96.64
629630 1		Airport/first aid supplies		74.63
629630 2		Construction/first aid supplies		74.63
629632		PD/first aid supplies		99.92
				<hr/>
				427.63
Check No:	0	Check Date:		
Vendor:	0503	Coastline Equipment		
161420		PW\Yellow pai		79.86
162314		PW\dura-max t		290.26
				<hr/>
				370.12
Check No:	0	Check Date:		
Vendor:	0525	All American Tire & Service Center LLC.		
36183		Constr\flat repair V-23		20.00
36186		Wtr\tire mount & balance		224.24

Check Amount

36188	Constr\tires mount balance V-23	785.16
36203	PW\tires mount & balance	767.79
		<hr/>
		1,797.19
Check No:	0 Check Date:	
Vendor:	0543 BSE Rents	
5301	Strts\water trailer w/2" cent. pump	90.23
		<hr/>
		90.23
Check No:	0 Check Date:	
Vendor:	0565 CWEA-TCP	
12172013	Swr\Certification Renewal - JParks	82.00
		<hr/>
		82.00
Check No:	0 Check Date:	
Vendor:	0567 Microflex	
IN1413511	Swr\safegrip latex gloves	196.49
IN1413511-1	Swr\safegrip latex gloves	196.48
		<hr/>
		392.97
Check No:	0 Check Date:	
Vendor:	0585 Terry J. Warsaw, M.D.	
12102013	Wtr\Physical Exam-DMiller	195.00
		<hr/>
		195.00
Check No:	0 Check Date:	
Vendor:	0689 Pioneer True Value Home Center	
61859	PD\drinking fountain repl cartridge	68.60
62078	Wtr/3" male adapter/bushings	24.68
		<hr/>
		93.28
Check No:	0 Check Date:	
Vendor:	0832 ACWA/JPIA	
0253006 1	Vision	1,057.50
0253006 2	Medical	73,116.62
0253006 3	Life/AD&D	1,165.61
0253006 4	Dental	8,164.48
		<hr/>
		83,504.21
Check No:	0 Check Date:	
Vendor:	0842 Kern Regional Transit	
11302013	Dial-A-Ride\Nov 2013\Operation Costs	10,828.94
11302013-1	Dial-A-Ride\Nov 2013\Less farebox revenue	-369.11
		<hr/>
		10,459.83
Check No:	0 Check Date:	
Vendor:	0972 The Tire Store	
78558	Wtr\tires/Dodge 4500	2,465.00
		<hr/>
		2,465.00
Check No:	0 Check Date:	
Vendor:	1031 D & D Seeds and Farm Equipment Sales Inc.	
21693	Strts\snow catcher kit	333.95
		<hr/>
		333.95
Check No:	0 Check Date:	
Vendor:	1032 Jack Davenport Sweeping Services, Inc.	

		Check Amount
100135	Strts\broom sweeping service	8,460.00
		<hr/> 8,460.00
Check No:	0 Check Date:	
Vendor:	1116 Mountain Paint & Auto Body	
01347	PD\replace lft front inside door handle TE-19	75.81
		<hr/> 75.81
Check No:	0 Check Date:	
Vendor:	1155 RRM Design Group	
1113031-1113	PD\landscape architecture services	2,760.00
		<hr/> 2,760.00
Check No:	0 Check Date:	
Vendor:	1199 Dinnerville Trucking Company	
A-13482	Strts\snow control	1,800.00
		<hr/> 1,800.00
Check No:	0 Check Date:	
Vendor:	1286 M&M's Sports Uniforms & Embroidery	
29750	GG\various hats & embroidering chgs	740.07
29847	GG\various shirts & embroidering chgs	547.82
29850	PD\tailoring-sew on explorer patches	17.42
29899	PD\hem pants/sew patches	15.00
29910	PD\tailoring/sew patches on shirt	7.26
29975	PD\tailoring/sew patches/Explorer patch	2.42
		<hr/> 1,329.99
Check No:	0 Check Date:	
Vendor:	1413 Kern Turf Supply, Inc.	
319782	Landscape Maint/compression coupling/Alta	20.75
322278	Air\faucet covers	589.82
853592	GG\city hall pkg lot\pressure vacuum breaker	93.60
		<hr/> 704.17
Check No:	0 Check Date:	
Vendor:	1505 Benz Construction Services	
2246694	PW\monthly toilet service & rental	55.02
		<hr/> 55.02
Check No:	0 Check Date:	
Vendor:	1695 Applegate Garden Florist	
033772/1	GG\delivered green plant-Sheridan's	48.32
033830/1	GG\green plant-UPS Store	38.65
034423/1	GG\delivery charge/green plant/sympathy	51.55
		<hr/> 138.52
Check No:	0 Check Date:	
Vendor:	1729 Alpha Landscape Maintenance	
11857 1	GG/City offices	48.02
11857 10	Strt Landscape Maint/South Curry	222.50
11857 11	Landscape Maint/Heritage Oak	843.12
11857 12	Landscape Maint/KB tract/Dennison	3,524.54
11857 13	PD/New Police bldg/took off grass	3.15
11857 14	Strt Landscape Maint/street trees	10.09
11857 15	Strt Landscape Maint/Dennison street	704.20
11857 16	Landscape Maint/Clear View	314.65

11857 17	GG/Pioneer Park	541.45
11857 18	GG/Old Town planters	80.15
11857 19	Landscape Maint/Mill street cottages	24.09
11857 2	GG/Market Place & Union Pacific	215.91
11857 20	GG/Robinson Park	493.30
11857 21	GG/Taco sandwich & wall	27.48
11857 22	GG/Senior Center	102.57
11857 23	Railroad Depot	124.59
11857 24	GG/Phase 4 downtown planters	33.95
11857 25	Landscape Maint/Red Barn	86.22
11857 26	Landscape Maint/Red Barn Phase 2	7.00
11857 27	GG/Robinson parking lot	24.45
11857 28	Landscape Maint/Alta/Warrior Park-new addition	1,564.62
11857 3	Strt Landscape Maint/Mill Strt islands	415.98
11857 4	Strt Landscape Maint/Capitol Hills South island	263.91
11857 5	Landscape Maint/Manzanita Park	706.41
11857 6	Landscape Maint/KB tract-Highland LMD	500.85
11857 7	Landscape Maint/Alta tract/Warrior Park	4,367.95
11857 8	Landscape Maint/all planters-Highline & tract p	1,534.02
11857 9	Landscape Maint/Alta Parkway lawns	171.51
11858 1	GG/Market Place & Union Pacific	1.14
11858 10	Landscape Maint/Heritage Oaks	11.43
11858 11	Landscape Maint/KB/Dennison	31.99
11858 12	Landscape Maint/Dennison street	3.43
11858 13	Landscape Maint/Clear View	1.14
11858 14	GG/Pioneer Park	3.43
11858 15	GG/Old Town planter	1.14
11858 16	Landscape Maint/Mill street cottages	0.57
11858 17	GG/Old fire house on Pinon	1.14
11858 18	GG/Robinson Park	1.14
11858 19	GG/Taco Sandwich	1.14
11858 2	Strt Landscape Maint/Mill street island	3.43
11858 20	GG/Senior Center	1.14
11858 21	Railroad Depot	2.29
11858 22	GG/Robinson parking lot	0.56
11858 3	Strt Landscape Maint/Capitol hills	2.29
11858 4	Landscape Maint/Manzanita Park	3.43
11858 5	Landscape Maint/KB tract-Highland	1.14
11858 6	Landscape Maint/Alta tract/Warrior Park	26.28
11858 7	Landscape Maint/Alta Parkway lawns	2.29
11858 8	Landscape Maint/Alta planters-Highline & tract	11.43
11858 9	Landscape Maint/South Curry	2.29

17,070.94

Check No:	0	Check Date:		
Vendor:	1801	HD Supply Waterworks, LTD		
B704052		Wtr/tamper switch os&y		148.35
B731155		Wtr\meter purchase		10,806.53
B756421		Wtr\brady safetee donut		145.97
B773873		Wtr\locator package/inductive clamp		293.48
B807777		Wtr\meter purchase		4,316.13
B822929		Wtr\100' ips pe tubing		86.00
B822940		Wtr\ 5/8x3/4x3/4 amv cfxmn		617.62
B847525		Wtr/amv cfxmn/credit memo		-607.20
B849998		Wtr/locator package		1,230.88

17,037.76

Check No: 0 Check Date:

Vendor:	1846	Haaker Equipment Company	
C97177		Strts\cylinder repair kit	544.64
SCI06471		Strts\service charge	8.17
			<hr/>
			552.81
Check No:	0	Check Date:	
Vendor:	1866	Bear Valley CSD	
01-2014		PD\Jan 2014 Dispatch Service	35,381.95
			<hr/>
			35,381.95
Check No:	0	Check Date:	
Vendor:	1869	State Water Resources Control Board	
123013		Swr\Certification application/Grace III/WMisiur	300.00
			<hr/>
			300.00
Check No:	0	Check Date:	
Vendor:	1947	Tehachapi Lawn and Garden	
0095		PW\spark plugs	10.73
0096		PW\service & labor rewire unit	65.00
			<hr/>
			75.73
Check No:	0	Check Date:	
Vendor:	2047	Fred C. Gilbert Co.	
175306		Wtr\Tubing	127.56
			<hr/>
			127.56
Check No:	0	Check Date:	
Vendor:	2111	Swift Napa Auto Parts	
775853		PW\trans filter	29.55
782534		Air\repair to vehicle lighting	200.01
793090		PD\tail light bulb TE19	5.54
793372		PW\air filter	60.73
794809		Swr\filter & gasket	31.69
797067		PW/20v ht wren hogrng	407.43
797174		PW\tape	7.51
797277		Strts/new alternator/freight	300.45
797306		PW/no-met cont hndl/swvl/v-belt/hose end/labor	403.58
797320		Strts/battery/core deposit	462.76
797435		PD\halogen lamp TE10	17.19
797494		PW\serpentine belts & drivebelt idler pulley	135.40
798136		PD\battery core deposit wiper blades	133.86
			<hr/>
			2,195.70
Check No:	0	Check Date:	
Vendor:	2147	Coffee Break Service, Inc.	
211501		GG/coffee/supplies	179.00
			<hr/>
			179.00
Check No:	0	Check Date:	
Vendor:	2243	The Bank of New York Mellon	
252-1751685		GG\RDA Extraordinary Svcs Fee 11/2013	800.00
			<hr/>
			800.00
Check No:	0	Check Date:	
Vendor:	2459	CSG Systems, Inc.	
749031-1		Refuse\Postage	185.81
749031-2		Water\Postage	522.29

		Check Amount
749031-3	Sewer\Postage	303.47
749031-4	Refuse\Printing	104.89
749031-5	Water\Printing	262.23
749031-6	Sewer\Printing	157.34
		1,536.03
Check No:	0 Check Date:	
Vendor:	2531 Bottle Your Brand	
200004097	GG\custom label bottled water	1,388.64
200004988	GG\2nd attempt delivery charge	78.00
		1,466.64
Check No:	0 Check Date:	
Vendor:	2636 HDWBC	
30165	Strts\PW Truck equipment	4,054.78
		4,054.78
Check No:	0 Check Date:	
Vendor:	2670 Rich Enviromental Service	
52641	PW\annual vapor testing	300.00
		300.00
Check No:	0 Check Date:	
Vendor:	2871 ProForce Law Enforcement	
190743	PD\Ballistic Vests	9,360.40
		9,360.40
Check No:	0 Check Date:	
Vendor:	2874 Department of Justice, Accounting Office	
008298	PD\fingerpint apps FBI	268.00
		268.00
Check No:	0 Check Date:	
Vendor:	2981 Burke, Williams & Sorenson, LLP	
172419	AD 89-2 fees for svcs thru 11-30-13	3,195.75
172420	AD 89-3 fees for svcs thru 11-30-13	1,134.34
		4,330.09
Check No:	0 Check Date:	
Vendor:	2994 Richards Watson & Gershon	
193329	GG\AB X1 26 legal advice	1,620.00
		1,620.00
Check No:	0 Check Date:	
Vendor:	3051 Tehachapi Transmissions, Inc.	
5180	PD\Idle air control valve TE14	150.30
		150.30
Check No:	0 Check Date:	
Vendor:	3062 Municipal Code Corporation	
00237077	City Clerk/pdf of supplement no 11 code of ordii	1,040.00
		1,040.00
Check No:	0 Check Date:	
Vendor:	3066 AECOM Technical Services, Inc.	
37401170	PD\construction admin	13,825.36

Check No:	0	Check Date:		13,825.36
Vendor:	3097	Code 3 Uniforms		
1356		PD\pants		118.23
				118.23
Check No:	0	Check Date:		
Vendor:	3173	Soto Tire & Wheels		
12062013		PD\tires TE10		290.00
				290.00
Check No:	0	Check Date:		
Vendor:	3179	Liberty Composting, Inc.		
WO1871		Swr\tipping fees biosolids		11,316.74
				11,316.74
Check No:	0	Check Date:		
Vendor:	3199	Slick Fish Marketing Co.		
1637		GG\Nov ad updates & newsletter from year end		116.00
				116.00
Check No:	0	Check Date:		
Vendor:	3280	Nichols Consulting		
12312013		GG\Consulting Agreement 1st payment		800.00
				800.00
Check No:	0	Check Date:		
Vendor:	3306	Precision Labs		
24547		Swr\calibration charges		430.00
				430.00
Check No:	0	Check Date:		
Vendor:	3355	Got Weeds?		
547		Airport\Weed Control Oct 2013		300.00
				300.00
Check No:	0	Check Date:		
Vendor:	3429	Independent Fire and Safety Inc.		
15493		PW\5lb abc dc annual maint/K model wc annual		157.50
				157.50
Check No:	0	Check Date:		
Vendor:	3491	Bakersfield Memorial Hospital		
0678917		PD\med exam		693.00
				693.00
Check No:	0	Check Date:		
Vendor:	3535	Tehachapi Backflow Service		
7098		Wtr\annual backflow testing & certification		280.00
				280.00
Check No:	0	Check Date:		
Vendor:	3560	Snoquip Inc.		
42589		Strts\Meyer PV spreader w/mounts & kits		14,218.14
42629		Strts\electrical clutch		251.12

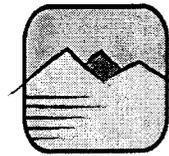
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Vendor:	3561	Lisa Wise Consulting Inc.		
1771		Zoning Code Update-Phases 3 & 4		15,547.50
				15,547.50
Check No:	0	Check Date:		
Vendor:	3658	Evergreen Oil Inc.		
0834114		PWdrained used oil filters contaminated fuel co.		390.00
				390.00
Check No:	0	Check Date:		
Vendor:	3667	Wendy Carr Photography		
12152013		GGApple Orchard shoot-tourism commission		100.00
				100.00
Check No:	0	Check Date:		
Vendor:	3668	PR Diamond Products Inc.		
0030641		Cnstr/supreme segmented cured concre		261.40
0030641 UT		Use Tax		-17.40
				244.00
				470,012.13
		Date Totals:		470,012.13
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		Report Total:		470,012.13

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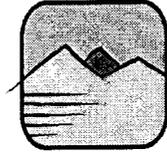
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Check No:	39394	Check Date: 12/10/2013	
Vendor:	3308	Loyal Order of the Moose	
121013		GG/employee Holiday luncheon/Venue	200.00
			200.00
Check No:	39395	Check Date: 12/10/2013	
Vendor:	2940	U.S. Bank Corporate Payment System	
0000007		GG/meals/planning Airport mtg	49.70
0000008		GG/meals/proposed mt. bike park mtg	110.00
000003		A/UPS ground/Manson Wong FAA	8.27
000004 102313		GG/meals/EconDevel class/MVance	7.23
000004 112013		A/UPS ground/Manson Wong FAA	19.09
00006		Swr/128MB cmpct fish car	249.40
004079		PW/fuel	63.31
032552		GG/meals/Economic Development class/MVance	5.08
035162		A/water/pp towels/sparkletts 5 gall wtr/Terminal	29.87
051466		GG/meals/GranFondo/MVance	19.97
054320		GG/meals/Economic Development class/MVance	3.44
057958		GG/meals/Porterville/mx track	52.27
087017		GG/birthday cake	13.99
093899		A/work hog boots/TGlasgow	214.99
093923		GG/meals/EconDevel class/MVance	3.44
10184135		GG/apple lighting av adapter	53.74
102213 1		GG/parking fee/EconDevel class/MVance	3.00
102213 1		PD/registration/JDunham/CNOA Annual training	520.00
102213 2		GG/parking fee/EconDevel class/MVance	3.00
102213 2		PD/registration/AThompson/CNOA Annual train	615.00
102213 3		GG/meals/Airport meeting	47.92
102213 4		GG/meals/Economic Development class/MVance	28.14
102213 5		CD/membership renewal/National Main Street N	250.00
102313		GG/parking fee/EconDevel class/MVance	3.00
102513 1		PD/PODS rental	160.18
102613 1		PD/lodging/TCryer	770.65
102813 1		PD/lodging/MGoe	118.13
1101513 1		PD/lodging/MGoe	434.75
110213 1		PD/lodging/MGoe	742.52
110313		GG/meals/GranFondo/MVance	45.00
110513 1		PD/lodging/MGoe/credit	-90.00
110813 1		PD/lodging/MGoe	434.75
111513		Wtr/registration/Groundwater Hydrology & Wel	125.00
136553		GG/facebook ads	6.00
1385105837224		GG/email marketing/MyLibrary Plus	35.00
141851		Finance/fuel/CalPERS workshop/Fresno	43.86
150943		GG/facebook ads	6.00
1572767		GG/42" airblown outdoor pumpkin	21.48
165411		GG/facebook ads	6.00
178243817		GG/MS windows 7/120GB SATA/so-dimm	1,182.44
178243837		GG/StarTech hd/hdmi to vga adapter converter	56.72

		Check Amount
178243857	GG/Westinghouse 46" HDTV/wall mnt	998.96
178243877	GG/Sony Planetside 2-gift	59.98
179240	GG/facebook ads	6.00
182857215	GG/Lenovo IdeaCentre Intel Core/GGarrett	1,293.99
191	GG/meals/EconDevel class/MVance	5.63
193012	GG/facebook ads	19.19
229701018	Finance/Lenovo IdeaCentre Intel Core/HChung	1,293.99
231063418	GG/cable coboc	4.28
231090758	GG/adapter vantec	58.03
231090778	GG/KB&MS gyration	128.68
303175455	GG/lodging/EconDevel class/MVance	396.48
351493	A/facility directory	70.19
351579	A/icom am microphone/base station	153.67
380808	Wtr/Water Treatment Plant Operation Vol 1/cour	116.68
50007	GG/meals/Economic Development class/MVance	25.00
5160	A/scrub sponges/plastic cutl/dish soap/Terminal	9.42
58007	GG/Halloween decorations	206.53
580481	GG/Google Earth pro	399.00
60397242 1	GG/lodging/GranFondo/MVance	28.60
60397242 2	GG/lodging/GranFondo/MVance	205.27
703563	A/Icom base station/radio repair	1,990.90
7474616	A/Nikon laser forestry pro rangefinder	420.90
784500	GG/subscription webCommerece/MVance	38.88
810042	GG/subscription-webCommerce	38.88
9100856	Finance/fuel/RMA Board meeting	36.81
977215	GG/meals/Economic Development class/MVance	3.50
C0280237090	Finance/Adobe liveCycle designer ES4	139.00
C0280237091	GG/Adobe liveCycle designer ES4	139.00
R61593	GG/registration/2014 CA & Pacific SW Park & 1	379.00
WD12468513	GG/Windows 8 pro pack/Hannah's computer	99.99
WD12468516	GG/Windows 8 pro pack/Greg's computer	99.99
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	Date Totals:	<hr/>
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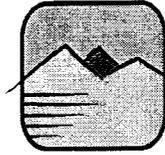
CITY OF
TEHACHAPI
CALIFORNIA

			Check Amount
Check No:	39399	Check Date: 12/12/2013	
Vendor:	3528	Grace Benedict	
121113		GG/kitchen supplies/clrx wipes/holiday pack/for	70.66
			<u>70.66</u>
		Date Totals:	70.66
			<u>70.66</u>
		Report Total:	70.66
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Accounts Payable

Checks by Date - Detail By Check Date

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CITY OF
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CALIFORNIA

		Check Amount
Check No:	39400	Check Date: 12/12/2013
Vendor:	1469	Kern County Auditor-Controller-County Clerk
121013		CD/Notice of Determination AD&SPR No. 2007
		3,045.25
		<u>3,045.25</u>
Date Totals:		3,045.25
		<u>3,045.25</u>
Report Total:		3,045.25
		<u>3,045.25</u>

Accounts Payable

Checks by Date - Detail By Check Date

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 Printed: 12/16/2013 - 9:29 AM



Check Amount

Check No:	39401	Check Date:	12/16/2013	
Vendor:	0372	Southern California Edison		
1		St/Tucker Rd/Hwy 202		165.88
10		St/Mill st S/O E st		10.84
11		St/Highline & Curry		15.72
12		St/213 W I st		10.84
13		St/F st E/O Mulberry/lamps in service		248.66
14		St/F st E/O Mulberry/lamps added		162.67
15		St/Mill and J st		103.17
16		St/TR 45361 Mulberry AP		54.09
17		St/Curry st S/O Pinon st		17.36
18		St/Highway 202		75.22
19		St/Highway 202		26.94
2		St/Mill and J st		69.93
20		St/Highway 202		27.09
21		St/Curry st/Walnut		18.44
22		St/326 E D st		23.38
23		St/303 E av D		13.71
24		St/1300 Goodrick dr #Z		26.74
25		St/Mulberry/Brentwood		69.85
26		St/100 W Teh blv #B		200.32
27		St/101 W F st		345.85
28		St/TR 2995 Oakwood/Val		5,494.09
29		St/TR 2995 Oakwood/Val		1,453.65
3		St/Valley bl W/O Dennison		378.29
30		St/TR 2995 Oakwood/Val		428.26
31		Landscape Elect/180 Valley		27.17
32		Landscape Elect/311 Sutter st		27.41
33		Landscape Elect/501 1/2 Pinon		27.17
34		St/Manzanite/Green		258.58
35		St/115 Manzanita Ln		27.17
36		Landscape Elec/1347 Clasico dr PED		41.15
37		Landscape Elec/1115 Alder av PED		28.96
38		Landscape Elec/1415 Alder av PED		28.84
39		Landscape Elec/1199 Canyon dr East		27.17
4		St/Goodrick dr E/O Dennison		189.13
40		Landscape Elec/1200 S Dennison		27.30
41		Landscape Elec/1202 S Dennison		28.24
42		Landscape Elec/1000 Canyon dr W		27.41
43		St/Dennison/Pinon st		1,160.05
44		St/Mill st/D st		61.62
45		St/Teh blv/Bailey		75.72
46		Landscape Elec/409 Bailey ct		199.45
47		Utilities/1002 Applewood st		52.80
48		Wtr/Pinon		2,020.45
49		Wtr/129 Brentwood dr/Wahlstrom Well		1,644.37
5		St/Dennison/Brett av		41.98
50		Wtr/Curry/lrg water tanks		7,013.11

51	Wtr/755 Steuber Well/pump @ borrow pit	192.24
52	Wtr/000000 Teh blv	145.40
53	St/Teh/Tucker	47.16
54	Swr/800 Enterprise/WWTP	4,683.73
55	Swr/880 Enterprise	1,600.85
6	St/800 S Curry st	27.09
7	St/Tehachapi blv/Dennison	11.62
8	St/710 W Tehachapi blv	154.73
9	St/Tucker/Valley	121.05

29,460.11

Check No: 39402 Check Date: 12/16/2013
 Vendor: 0395 The Gas Company

1	GG/non-residential heat/115 S Robinson st	49.18
2	PD/non-residential/129 E F st	296.29
3	A/non-residential heat/409 Bryan Ct	108.10
4	A/non-residential heat/100 Commercial Way/50%	97.28
5	Cnstrct/non-residential heat/100 Commercial Wa	97.27
6	GG/non-residential heat/200 W Teh blv	20.68

668.80

Check No: 39403 Check Date: 12/16/2013
 Vendor: 0426 Tehachapi-Cummings County Water District

1128540 113013	Wtr/service chrg/Median	4.50
11593900	Wtr/water usage/service chrg/Benz Sanitation	54.03
23928200	Wtr/water usage/service chrg/Landscaping	101.33
2856700	Wtr/water usage/service chrg/Henway	7.58
41545900	Wtr/water usage/service chrg/Warrior Park	8.70
42462000 113013	Wtr/service chrg/Chemtool	4.50
749.841	Wtr/water usage/service chrg/TUSD	30.49

211.13

Check No: 39404 Check Date: 12/16/2013
 Vendor: 0433 Tehachapi Recycling, Inc.

12032013	Recycling contract	14,327.60
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14,327.60

Check No: 39405 Check Date: 12/16/2013
 Vendor: 0434 Tehachapi Sanitation

12012013	Kern County gate fees	14,135.91
12022013	Refuse contract	67,266.97

81,402.88

Check No: 39406 Check Date: 12/16/2013
 Vendor: 2660 Jeffery J. Kermod

111913 2	PD/air fare/GovSecWest training conference	341.30
111913 3	PD/meals allowance/GovSecWest training confe	115.92
111913 4	PD/car rental/GovSecWest training conference	214.92
111913 5	PD/misc-airport parking/GovSecWest training cc	159.69
4385	PD/lodging/GovSecWest training conference	749.28

1,581.11

Check No: 39407 Check Date: 12/16/2013
 Vendor: 2893 Cardmember Service

177947	Wtr/multi-point inspection/parts & repair/2011 E	158.32
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158.32

Check No: 39408 Check Date: 12/16/2013

Vendor: 9715859751	3011 Verizon Wireless PD/mobile broadband		602.97
			602.97
Check No: Vendor: 29033 884890	39409 Check Date: 12/16/2013 3032 Peter Graff PD/reimbursement/plaque-Than You to Pam Wo PD/reimbursement/halogen bulb		28.17 10.63
			38.80
Check No: Vendor: 120213	39410 Check Date: 12/16/2013 3274 Bright House Networks GG/internet services		148.28
			148.28
Date Totals:			128,600.00
			128,600.00
Report Total:			128,600.00

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 12/17/2013 - 8:50 AM



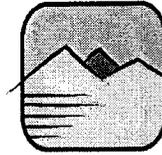
			Check Amount
Check No:	39473	Check Date: 12/17/2013	
Vendor:	0332	Petty Cash	
082013		GG/notary services	20.00
10		Wtr/parking/wtr distribution test	9.00
10020		Finance/meals/CalPERS workshop/Fresno	15.00
10021		Finance/meals/CalPERS workshop/Fresno	15.00
102913		GG/notary services	10.00
238		GG/reimbursement/toll fee	1.75
274535		Finance/meals/annual GAAP workshop-web	23.10
284392		GG/notary service/one signature	10.00
294884		GG/notary services	10.00
4277		A/fax services	3.00
46		PW/meals	13.02
588431		GG/plst spoons	11.06
645495		GG/meals/EAP meeting	16.77
908769		Finance/duster 360/office dusting product	13.96
			171.66
Check No:	39474	Check Date: 12/17/2013	
Vendor:	0372	Southern California Edison	
1		Wtr/126 S Snyder av	40.12
2		Wtr/NW cor Anita/Dennison	2,185.84
3		LLD/115 Manzanita st	27.41
4		LLD/209 E Highline rd PED	27.17
			2,280.54
Check No:	39475	Check Date: 12/17/2013	
Vendor:	1822	Ed Grimes	
120813 1		Council/meals allowance/Strategic Planning mee	44.16
120813 2		Council/mileage/Strategic Planning meeting	259.90
			304.06
Check No:	39476	Check Date: 12/17/2013	
Vendor:	1851	AT&T	
120113		GG/white page ad	11.81
			11.81
Check No:	39477	Check Date: 12/17/2013	
Vendor:	2892	Mountain Maintenance Group Inc.	
4572 1		GG/cleaning/115 S Robinson st	640.00
4572 2		PD/cleaning/129 E F st	750.00
4572 3		Depot/cleaning	500.00
4572 4		Airport/cleaning	170.00
4572 5		WWTP/cleaning	255.00
4572 6		A/cleaning/Commercial Way	170.00
4572 7		GG/cleaning/Pinon House/before sale	230.00

			2,715.00
Check No:	39478	Check Date: 12/17/2013	
Vendor:	2963	AT&T	
4919361		Wtr/fax	46.09
4921033		Swr/telemetry sys	16.00
4931379		GG/City Hall	61.37
4931380		Swr/WWTP	104.77
4931381		Swr/lift station	15.99
4931382		GG/City Hall fax	59.51
4931383		A/awos	15.68
4931384		PW/fax	30.75
4931385		A/fuel sys	15.99
4931388		Swr/scada	90.98
4931902		GG/108 Pinon	16.85
4932245		Depot	47.12
4932560		LLD/Applewood/auto-dialer	16.05
			537.15
Check No:	39479	Check Date: 12/17/2013	
Vendor:	3354	Denise Jones	
120413 1		Clerk/lodging/room upgrade/tip/League of Calif	26.50
			26.50
Check No:	39480	Check Date: 12/17/2013	
Vendor:	3508	John H. Schlosser	
101613 1		GG/ASCE luncheon/meeting registraiton fee	32.00
101613 2		GG/DCA Professional Engineer License renewal	115.00
			147.00
Date Totals:			6,193.72
Report Total:			6,193.72

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
Printed: 12/18/2013 - 7:54 AM



CITY OF
TEHACHAPI
CALIFORNIA

			Check Amount
Check No:	39481	Check Date: 12/18/2013	
Vendor:	1739	Chevron & Texaco Business Card Services	
120613 1		GG/fleet vehicle fuel	217.51
120613 2		PD/fleet vehicle fuel	5,829.88
120613 3		PD/vehicle car wash	16.99
			<hr/>
			6,064.38
Check No:	39482	Check Date: 12/18/2013	
Vendor:	3666	Gibbs International Trucks Inc.	
121713		PW/2014 New International Terrastar 14' Dump	59,596.84
			<hr/>
			59,596.84
			<hr/>
Date Totals:			65,661.22
			<hr/> <hr/>
Report Total:			65,661.22
			<hr/> <hr/>

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
Printed: 12/18/2013 - 3:09 PM

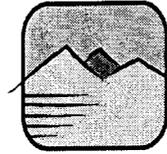


			Check Amount
Check No:	39483	Check Date: 12/18/2013	
Vendor:	2448	Department of Motor Vehicles/Regstr Operations:	
10130 1		PD/VIN 754 MtrCycle/Admin fees	248.00
10130 2		PD/VIN 764 MtrCycle/Admin fees	248.00
			<hr/>
			496.00
			<hr/>
Date Totals:			496.00
			<hr/> <hr/>
Report Total:			496.00
			<hr/> <hr/>

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
Printed: 12/19/2013 - 11:23 AM



CITY OF
TEHACHAPI
CALIFORNIA

				Check Amount
Check No:	39484	Check Date:	12/19/2013	
Vendor:	2000	First American Title Company		
1504-4526666		28603 Summit Road/Escoto Property/Right of W		4,169.88
				<hr/> 4,169.88
Check No:	39485	Check Date:	12/19/2013	
Vendor:	3187	CalPERS - Fiscal Services Division		
100000014182391		Safety Fire/Unfunded Liability for inactive rate	CalPERS ID: 3088953028	1,319.00
				<hr/> 1,319.00
Check No:	39486	Check Date:	12/19/2013	
Vendor:	2000	First American Title Company		
1504-4526667		Vacant Land/Ingram Property/Right of Way		4,770.40
				<hr/> 4,770.40
Date Totals:				<hr/> 10,259.28
Report Total:				<hr/> <hr/> 10,259.28

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 12/31/2013 - 8:14 AM

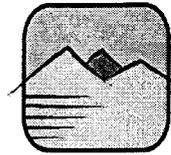


			Check Amount
Check No:	39490	Check Date: 12/30/2013	
Vendor:	2230	CDPH-OCP	
122613 1		Water Distribution testing fes/DArtzer	65.00
			<hr/> 65.00
Check No:	39491	Check Date: 12/30/2013	
Vendor:	1869	State Water Resources Control Board	
122613 1		Certification application for WWTP Operator IV	340.00
			<hr/> 340.00
Check No:	39492	Check Date: 12/30/2013	
Vendor:	2230	CDPH-OCP	
122613 2		Water Treatment testing fee/DArtzer	65.00
			<hr/> 65.00
Date Totals:			<hr/> <hr/> 470.00
Report Total:			<hr/> <hr/> <hr/> 470.00

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 1/16/2014 - 10:33 AM



CITY OF
TEHACHAPI
 CALIFORNIA

		Check Amount
Check No:	0 Check Date:	
Vendor:	0015 211 Praxair Distribution Inc.	
48072781	PW/industrial acetylene	131.35
		<hr/> 131.35
Check No:	0 Check Date:	
Vendor:	0035 BC Laboratories, Inc.	
B162476	Wtr/samples/Curry Resv	15.00
B162477	Wtr/samples/Mojave-Dennison Wells	30.00
B162489	Swr/samples/WWTP Headworks	325.00
B162770	Wtr/samples/Dennison & Mojave Wells	30.00
B162771	Wtr/samples/Curry Resv	15.00
B162833 1	Wtr/samples/Highline Resv/Minton Well/Canyon	50.00
B162833 2	Wtr/samples/Highline Resv/Minton Well/Canyon	36.00
B162963	Wtr/samples/Dennison-Mojave-Wahlstrom-Pino	105.00
B162964	Swr/samples/WWTP Headworks	325.00
B163001	Wtr/samples/Curry Resv	15.00
B163002	Wtr/samples/Dennison & Mojave Wells	30.00
		<hr/> 976.00
Check No:	0 Check Date:	
Vendor:	0041 Benz Propane Company, Inc.	
2261730	PW/acct #966755300/toilet srvc-rental/800 Enter	55.75
238258361	PW/acct #1228100/yard bottles	65.17
238258362	PW/acct #1228101/lp gas delivery/800 Enterpris	705.24
238258363	Wtr/acct #1228102/lp gas delivery/750 Enterpris	1,959.56
		<hr/> 2,785.72
Check No:	0 Check Date:	
Vendor:	0061 BSK Associates	
0068809	Swr/Tehachapi reclamation area	11,604.00
		<hr/> 11,604.00
Check No:	0 Check Date:	
Vendor:	0182 P&J Electric	
4646	Wtr/service call/trbl shoot Dennison Well	250.00
		<hr/> 250.00
Check No:	0 Check Date:	
Vendor:	0223 Kern County Auditors Office	
1113	Parking Citation Revenue/Nov 2013	77.00
		<hr/> 77.00
Check No:	0 Check Date:	
Vendor:	0260 Liebert Cassidy Whitmore	
174421	GG/legal services-extra	64.50
174422	PD/legal services	2,413.37

			2,477.87
Check No:	0	Check Date:	
Vendor:	0263	Lebeau, Thelen, LLP	
15		GG/legal services-extra/Broome Family Trust	494.00
31		GG/legal services/WalMart	3,087.24
61		GG/legal services-extra/Tehachapi funding LLC	19.00
			3,600.24
Check No:	0	Check Date:	
Vendor:	0300	Mission Linen & Uniform Service	
140101966		Swr/dust mop/mats	35.09
140103408		Swr/dust mop/mats	35.09
140111852		PW/mats/twl cntr/disp/tt/hndcl/cov twl post blue	104.52
140111853		Swr/dust mop/mats	39.30
140113201		PW/mats/twl cntr/disp/tt/hndcl/cov twl post blue	99.10
140113202		Swr/dust mop/mats	39.30
			352.40
Check No:	0	Check Date:	
Vendor:	0304	Mojave Sanitation	
2259898		Acct 310163000/commercial selftruck/finance cl	27.78
2264252		Acct 965528800/3yd recy fee/KC gate/3yd bin/8	132.89
2264573		Acct 975428801/storage container/finance chrg/	87.62
2269202		Acct 300421000/finance chrg/800 Enterprise Wa	6.06
2269208		Acct 975570700/rolloff srvc/KC recyc&gate fee.	1,262.71
			1,517.06
Check No:	0	Check Date:	
Vendor:	0362	RSI Petroleum Products	
0265656		PW/unleaded & diesel fuel	1,452.15
0268114		PW/unleaded & diesel fuel	754.87
0268262		PW/unleaded & diesel fuel	205.89
			2,412.91
Check No:	0	Check Date:	
Vendor:	0399	Sparkletts	
010114		Swr/5g fresh drinking wtr/cooler rental	113.50
			113.50
Check No:	0	Check Date:	
Vendor:	0429	Tehachapi Valley Healthcare	
151712		PD/booking cost/lab	74.16
			74.16
Check No:	0	Check Date:	
Vendor:	0431	Tehachapi News	
13361042 1		GG/Airport commitee	92.00
13361042 2		GG/Airport commitee	92.00
13361550		GG/Ordinance no.13-05-714	101.25
13377847 1		PD/CS Officer	130.00
13377847 2		PD/CS Officer	130.00
2563586		GG/finance charge	10.26
			555.51
Check No:	0	Check Date:	
Vendor:	0446	Tehachapi Unified School Dist.	

		Check Amount
140272	CD/board room/Monroe HS/planning meeting-W	303.96
140272 2	GG/board room/Monroe HS/Council meeting	239.95
		543.91
Check No:	0 Check Date:	
Vendor:	0476 WITTS Everything for the Office	
120586	CD/calculator	10.01
130343	City Hall/PD remodel project	25.80
130546	CD/refill 1pg	27.04
130588	East Tehachapi blv/copies	29.03
C 127458	CD/bndr	-8.98
		82.90
Check No:	0 Check Date:	
Vendor:	0525 All American Tire & Service Center LLC.	
36286	PW/tire/mnt-bal-stm-df/12 Chev 3500	1,384.14
		1,384.14
Check No:	0 Check Date:	
Vendor:	0817 Kimball Midwest	
3328530	PW/hex nuts/washers/cap screws/clamps/termina	543.98
		543.98
Check No:	0 Check Date:	
Vendor:	1032 Jack Davenport Sweeping Services, Inc.	
100640	Strts/broom sweeping service	8,640.00
		8,640.00
Check No:	0 Check Date:	
Vendor:	1034 Hinderliter deLlamas & Associates	
0021655-IN	GG/Contract Srvc-Sales Tax 4th Quarter/Audit	996.24
		996.24
Check No:	0 Check Date:	
Vendor:	1037 Antelope Valley Press	
010114	GG/annual subscription renewal	507.70
		507.70
Check No:	0 Check Date:	
Vendor:	1055 Mercury Graphics	
4419	PD/business cards/PGraff	56.98
4424	GG/envelopes	195.11
		252.09
Check No:	0 Check Date:	
Vendor:	1190 CSMFO	
010614	Finance/2014 membership renewal/HChung	110.00
		110.00
Check No:	0 Check Date:	
Vendor:	1285 CA Dept of Corrections and Rehabilitation	
1800220638 1	Street cleaning/maint-CCI	451.27
1800220638 2	PW/CCI dedicated work crew	3,610.20
1800220638 3	Council/records/moving City Hall	1,353.82
1800220638 4	Street Cleaning/Maint-CCI	451.27
		5,866.56

Check No:	0	Check Date:		
Vendor:	1286	M&M's Sports Uniforms & Embroidery		
29908		GG/48 beanies/embroidery City logo		1,186.80
30019		PD/name tag-metal		10.75
30083		PD/sew patches/tailoring		24.19
				<hr/>
				1,221.74
Check No:	0	Check Date:		
Vendor:	1313	Certified Laboratories		
1350548		PW/bath tissue/pp hand towelsd		151.68
1350548 2		Swr/bath tissue/pp hand towels		236.02
1350548 3		GG/bath tissue/pp hand towels/multi fold towels		253.97
1350548 4		Depot/bath tissue/pp hand towels/multi fold towels		173.53
1350548 5		A/ hand towels/multi fold towels		40.22
1350548 6		Cnstrc/ hand towels/multi fold towels		40.22
				<hr/>
				895.64
Check No:	0	Check Date:		
Vendor:	1321	Culligan Water Conditioning		
010114		PD/acd rental		29.00
				<hr/>
				29.00
Check No:	0	Check Date:		
Vendor:	1413	Kern Turf Supply, Inc.		
322389		PW/reduced pressure assembly backflow		532.13
				<hr/>
				532.13
Check No:	0	Check Date:		
Vendor:	1506	San Joaquin Safety Shoes		
62055		PW/annual safety shoes/PCowan		171.99
				<hr/>
				171.99
Check No:	0	Check Date:		
Vendor:	1801	HD Supply Waterworks, LTD		
B851340		Wtr/amv cfxmn w/lw		-357.66
B852739		Wtr/adpt mixxitips/3/4" brass 90 ell		592.54
B867307		Wtr/3/4" brass 90 ell		113.78
B900558		PD/potter pts-c bid seq# 20		146.20
B901128		PD/potter pts-c bid seq# 20		129.00
				<hr/>
				623.86
Check No:	0	Check Date:		
Vendor:	1865	Kern EDC		
5721		CD/Public Semi annual investment January 2014		7,500.00
				<hr/>
				7,500.00
Check No:	0	Check Date:		
Vendor:	1982	SSD Systems		
1007772-A 1		A/security alarm monitoring/314 Hayes st		35.00
1007772-A 10		Swr/cellular monitoring/750 Enterprise Way		7.47
1007772-A 11		Wtr/info-pak/750 Enterprise Way		4.53
1007772-A 12		Swr/info-pak/750 Enterprise Way		4.52
1007772-A 13		Wtr/secu,rity alarm monitoring/750 Enterprise W		12.50
1007772-A 14		Swr/secu,rity alarm monitoring/750 Enterprise V		12.50
1007772-A 15		Wtr/info-pak/750 Enterprise Way		4.98
1007772-A 16		Swr/info-pak/750 Enterprise Way		4.97
1007772-A 17		Wtr/Cellular primary/750 Enterprise Way		7.03

1007772-A 18	Swr/Cellular primary/750 Enterprise Way	7.02
1007772-A 19	GG/security alarm monitoring/115 S Robinson	33.00
1007772-A 2	A/security alarm monitoring/100 Commercial W	16.50
1007772-A 3	Cnstre/security alarm monitoring/100 Commerci	16.50
1007772-A 4	GG/security alarm monitoring/108 Pinon st	33.00
1007772-A 5	PW/security alarm monitoring/800 Enterprise W	30.00
1007772-A 6	A/radio backup lease & monitoring/314 Hayes st	22.00
1007772-A 7	Wtr/security alarm monitoring/750 Enterprise W	17.50
1007772-A 8	Swr/security alarm monitoring/750 Enterprise W	17.50
1007772-A 9	Wtr/cellular monitoring/750 Enterprise Way	7.48
		<hr/>
		294.00
Check No:	0 Check Date:	
Vendor:	2044 Wells Fargo Bank, N.A.	
61384 1	Goodrick loan/interest	10,644.55
61384 2	Wtr/Goodrick loan/interest	641.24
61384 3	Swr/Goodrick loan/interest	1,538.97
		<hr/>
		12,824.76
Check No:	0 Check Date:	
Vendor:	2134 Ferguson Enterprises Inc	
0962197	Wtr/hyd3'6 bury ol 6/accy pk	2,633.48
		<hr/>
		2,633.48
Check No:	0 Check Date:	
Vendor:	2147 Coffee Break Service, Inc.	
JAN4221	GG/rental water cooler-monthly	26.95
		<hr/>
		26.95
Check No:	0 Check Date:	
Vendor:	2200 Argo Chemical	
1312236	Wtr/chlor sol	1,009.95
		<hr/>
		1,009.95
Check No:	0 Check Date:	
Vendor:	2243 The Bank of New York Mellon	
252-1156510	Successor Agency Expense/Admin fee	1,600.00
252-1757893	Successor Agency Expense/Extraordinary servic	400.00
		<hr/>
		2,000.00
Check No:	0 Check Date:	
Vendor:	2478 DataProse Inc.	
2844 1	Refuse/postage deposit adjustment Dec 2013	180.60
2844 2	Wtr/postage deposit adjustment Dec 2013	451.50
2844 3	Swr/postage deposit adjustment Dec 2013	270.90
		<hr/>
		903.00
Check No:	0 Check Date:	
Vendor:	2629 Louie's Plumbing	
7394	A/sink repair	85.00
		<hr/>
		85.00
Check No:	0 Check Date:	
Vendor:	2636 HDWBC	
30189	IT/data drop or CC machine/springbrook	161.25
30199 1	IT/December 2013 monthly consulting fee	2,000.00
30199 2	IT/total billable hours (15.75)all depts for Decen	1,496.25

			Check Amount
			3,657.50
Check No:	0	Check Date:	
Vendor:	2676	USPS-Hasler	
011314		GG/postage for meter	1,000.00
			1,000.00
Check No:	0	Check Date:	
Vendor:	2708	BBC Saw Works Inc.	
041460		Strts/conn ps pigtail 13pi	72.35
			72.35
Check No:	0	Check Date:	
Vendor:	2723	CCI Central, Inc.	
19782		GG/ink cartridge for IM/IS 3 & 4 series	180.12
			180.12
Check No:	0	Check Date:	
Vendor:	2752	Fastenal Company	
CATEH3549		Wtr/bodyguard cap/eyewear/knee pad/aaa batteri	86.06
CATEH3549 2		Swr/bodyguard cap/eyewear/knee pad/aaa batter	86.06
CATEH3549 3		PW/bodyguard cap/eyewear/knee pad/aaa batteri	43.03
			215.15
Check No:	0	Check Date:	
Vendor:	2874	Department of Justice, Accounting Office	
011945		Wtr/fingerprint apps/DMiller	32.00
013388 1		PD/fingerprint apps	32.00
013388 2		PD/fingerprint - FBI	17.00
			81.00
Check No:	0	Check Date:	
Vendor:	3039	Aspen Builders Inc.	
123113		PD/construction/Pay#6 Dec 1 2013 thru Dec 31 :	287,416.17
			287,416.17
Check No:	0	Check Date:	
Vendor:	3041	Hali-Brite, Inc.	
20876		A/windsock/throat diameter 8'/ties wire	532.40
			532.40
Check No:	0	Check Date:	
Vendor:	3051	Tehachapi Transmissions, Inc.	
5217		PD/oil filter/motor oil	43.39
5235		PD/oil filter/motor oil	56.93
5238		PD/front brake rotor/front brake pad set/	328.55
5252		PD/lifter set/cyclindr head gasket set/lifter solen	1,706.99
			2,135.86
Check No:	0	Check Date:	
Vendor:	3066	AECOM Technical Services, Inc.	
37403853		Safe Routes to Schools at Pinon & Curry/design	1,656.49
37403866		Antidegradation memo	740.00
37403872		Recycled water pump station design	4,110.79
37404595 A1		Status updates & project reviews/Challenger/Teh	1,432.59
37404595 A2		Review of double track study	5,087.06
37404595 B		PD/on-site inspection	10,449.53

37404595 C	CD/on-site inspection/Tehachapi Hospital	6,255.97
37404595 D	CD/on-site inspection/Tract 10997	2,268.65
37404595 E	CD/on-site inspection/Dollar General	5,581.52
37404595 F	CD/on-site inspection/4 Seasons	187.50
37404595 G	CD/on-site inspection/Tractor Supply	3,987.32
37404595 H	CD/on-site inspection/Valley Widening	5,843.49
37404598	Event Center Infrastructure Project/design	7,993.67
DRAFT-1	CD/Encroachment Permit Assistance 2013/14	1,000.00
DRAFT-1 1	CD/Encroachment Permit Assistance 2013/14	250.00
DRAFT-1 2	CD/Encroachment Permit Assistance 2013/14	745.00
DRAFT-17	Tract 6216 Construction Admin	187.50
DRAFT-A	Building Permit/plan check/Saltman residence	1,036.89
DRAFT-B	Building Permit/plan check/Pizza Hut	536.70
		<hr/>
		59,350.67
Check No:	0 Check Date:	
Vendor:	3068 Galls an Aramark Company	
001425138	PD/exam gloves	224.68
		<hr/>
		224.68
Check No:	0 Check Date:	
Vendor:	3073 Department of Public Health	
1391016	Wtr/recycled water fees July 1 2012 through Jun	667.80
		<hr/>
		667.80
Check No:	0 Check Date:	
Vendor:	3097 Code 3 Uniforms	
1430	PD/5 shirts-3 pants/ZSt.John	472.91
		<hr/>
		472.91
Check No:	0 Check Date:	
Vendor:	3183 Creative Technical Services	
8354	Depot/fire alarm monitoring-Union Pacific Depo	150.00
		<hr/>
		150.00
Check No:	0 Check Date:	
Vendor:	3217 Office Depot	
690234530001	PD/deskpad/paper	106.55
690234597001	PD/toner	446.31
690234598001	PD/toner	150.60
		<hr/>
		703.46
Check No:	0 Check Date:	
Vendor:	3270 EcoTierra Consulting	
009	EIR/consulting/WalMart	16,505.90
		<hr/>
		16,505.90
Check No:	0 Check Date:	
Vendor:	3281 Statewide Traffic Safety & Signs Inc.	
1743	PW/flashing amber (3) led/bracket	1,041.03
		<hr/>
		1,041.03
Check No:	0 Check Date:	
Vendor:	3322 Master Meter Systems	
0064375-IN	Wtr/handheld system support/annual Jan 2014 -	1,500.00
		<hr/>
		1,500.00

Check No:	0	Check Date:		
Vendor:	3375	Cheaper Than Dirt		
9678094		PD/ammo		845.02
9700440		PD/tactical sling/ergo grip sling adapter/blackhav		177.20
				<hr/>
				1,022.22
Check No:	0	Check Date:		
Vendor:	3415	W.M. Lyles Company		
B8589-01F		Valley Blvd & Griffin Srt/culvert abandonment .		39,800.00
				<hr/>
				39,800.00
Check No:	0	Check Date:		
Vendor:	3437	Tehachapi Lifestyle Magazine		
2439		GG/third page display ad		1,550.00
				<hr/>
				1,550.00
Check No:	0	Check Date:		
Vendor:	3560	Snoquip Inc.		
42706		Strts/11" pulley swenson type/freight		54.37
				<hr/>
				54.37
Check No:	0	Check Date:		
Vendor:	3579	TLO LLC		
010114		PD/communications		10.50
				<hr/>
				10.50
Check No:	0	Check Date:		
Vendor:	3596	Kern Medical Center		
120713		PD/medical exam		856.90
				<hr/>
				856.90
Check No:	0	Check Date:		
Vendor:	3607	Central Valley Asphalt		
121213 1		Tehachapi Blvd Rehab & HSP Valley shoulder w		2,848.36
121213 2		Tehachapi Blvd Rehab & HSP Valley shoulder w		23,491.99
				<hr/>
				26,340.35
Check No:	0	Check Date:		
Vendor:	3668	PR Diamond Products Inc.		
0030641-IN		Cnstc/supreme segmented cured concre		244.00
				<hr/>
				244.00
Check No:	0	Check Date:		
Vendor:	3670	BMW Motorcycles		
6020543		PD/Diagnose & advise/no QC performed/2002 E		50.00
				<hr/>
				50.00
Check No:	0	Check Date:		
Vendor:	3673	The Radar Shop		
09889		PD/radar units recertified		141.90
09889 UT		PD/use tax		-9.90
				<hr/>
				132.00
Check No:	0	Check Date:		
Vendor:	3674	Secure On-Site Shredding		
2261188		GG/Acct #300421002/sos shredding/115 S Robi		35.00
2261189		Swr/Acct #300421004/sos shredding/750 Enterp		35.00
				<hr/>

		Check Amount
2261190	PD/Acct #300421006/sos shredding/129 East F s	35.00
		<u>105.00</u>
Check No:	0 Check Date:	
Vendor:	3675 Bluefin Payment Systems	
123113	GG/statement fee	9.95
		<u>9.95</u>
Check No:	0 Check Date:	
Vendor:	3676 Embree Construction Group	
010714	Wtr/refund deposit net of hydrant meter charges	821.62
		<u>821.62</u>
	Date Totals:	<u>523,510.65</u>
	Report Total:	<u>523,510.65</u>

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 1/6/2014 - 10:30 AM



Check Amount

Check No:	39493	Check Date:	01/06/2014	
Vendor:	0372	Southern California Edison		
1		GG/115 S Robinson st		779.10
10		GG/1125 Capital Hills		26.34
11		GG/104 S Robinson st		120.89
12		GG/200 W Teh blv		28.59
13		GG/111 W I st		63.59
14		GG/109 E Teh blv		112.06
15		GG/114 S Green		164.42
16		St/landscape/213 S Curry st A		20.39
17		St/landscape/113 S Mojave st		173.34
18		St/landscape/Teh bl W/O Green		18.84
19		St/landscape/103 Teh bl		108.79
2		PD/129 E F st		816.84
20		St/landscape/101 E Teh bl #B		254.21
21		St/landscape/110 S Mill st		168.93
22		St/landscape/Curry/D st		18.84
23		Wtr/358 E D st		1,657.91
24		St/landscape/209 1/2 E Teh bl		26.75
25		St/landscape/333 1/2 E Teh bl		201.77
26		St/landscape/800 S Curry st #A		47.16
27		Wtr/1299 S Curry st		1,990.13
28		Wtr/1299 S Curry st		1,748.11
29		Wtr/Wht Oak Extnd-E-Curry		878.28
3		GG/303 E D st		54.78
30		PW/800 Enterprise		101.72
31		PW/800 Enterprise shop		300.02
32		Swr/800 Enterprise Maint		471.33
33		Swr/800 Enterprise		5,137.01
34		Swr/880 Enterprise		1,807.53
35		A/314 N Hayes st		208.32
36		A/999 1/2 Hayes		107.90
37		A/316 S Mojave st		55.74
38		A/314 N Hayes st PAPI		84.00
39		A/409 Bryan ct		188.15
4		GG/108 Pinon st		77.06
40		A/West end Airport		73.56
41		A/314 N Hayes st #B		319.80
42		A/NE cor Airport		32.32
43		A/314 N Hayes #G3		38.00
44		A/Dennison S/O Hwy 58		187.68
45		A/314 N Hayes st		167.29
46		LLD/318 E E st		102.88
47		LLD/329 1/2 D st		111.11
48		Traffice Signal/801 Mountain View av		58.39
5		A/100 Commercial Way		110.12
6		Cnstrct/100 Commercial Way		110.12
7		A/101 Commercial Way		89.97

8	Cnstrct/101 Commercial Way	89.98
9	GG/311 E D st	66.67

19,576.73

Check No:	39494	Check Date:	01/06/2014	
Vendor:	0395	The Gas Company		
1		GG/heating/108 Pinon st/Closing Bill		130.09
2		GG/heating/108 Pinon st		115.87

245.96

Check No:	39495	Check Date:	01/06/2014	
Vendor:	2893	Cardmember Service		
015033		Clerk/meals/DJones/training		9.97
024051		Clerk/meals/DJones/training		23.81
0241753		GG/fuel		50.00
0916		Clerk/lodging/DJones/training		323.62
1915		Clerk/meals/DJones/training		14.04
222320452 1		Refuse/terminal		83.00
222320452 2		Wtr/terminal		83.00
222320452 3		Swr/terminal		83.00
418175		PW/survailence cameras		365.45
60002		Clerk/meals/DJones/training		14.13
8178574		Clerk/fuel/DJones/training		42.05

1,092.07

Check No:	39496	Check Date:	01/06/2014	
Vendor:	2963	AT&T		
4940582		PD/T1 line		305.79
4953590		PD/subscriber access line		178.97

484.76

Check No:	39497	Check Date:	01/06/2014	
Vendor:	3011	Verizon Wireless		
9716650480 1		GG/mobile broadband		38.01
9716650480 2		Finance/mobile broadband		29.65
9716650480 3		Wtr/mobile broadband		15.01
9716650480 4		Swr/mobile broadband		15.01
9716858808 1		GG/mobile broadband		38.01
9716858808 2		A/mobile broadband		38.01
9716858808 3		GG/mobile broadband		38.01
9716858808 4		A/mobile broadband		29.65
9716858808 5		PW/mobile broadband		29.65
9716858808 6		GG/mobile broadband		29.65
9716858808 7		CD/mobile broadband		38.01
9716858808 8		Wtr/mobile broadband		15.01
9716858808 9		Swr/mobile broadband		15.01
9716959507 1		Wtr/mobile broadband		15.01
9716959507 2		Swr/mobile broadband		15.01

398.71

Date Totals: 21,798.23

Report Total: 21,798.23

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 1/13/2014 - 1:12 PM



			Check Amount
Check No:	39576	Check Date: 01/13/2014	
Vendor:	0426	Tehachapi-Cummings County Water District	
1128540 1213		LLD/service chg/Median	4.50
11650000		Wtr/water usage/service chg/Benz Sanitation	83.00
23928200 1213		LLD/service chg/Landscaping	4.50
2856700 1213		Wtr/service chg/Henway	4.50
41545900 1213		LLD/service chg/Warrior Park	4.50
4246200 1213		Wtr/service chg/Chemtool	4.50
749.841 12/2013		Wtr/service chg/TUSD	4.50
			110.00
Check No:	39577	Check Date: 01/13/2014	
Vendor:	0433	Tehachapi Recycling, Inc.	
1032014		Recycling contract	14,421.95
			14,421.95
Check No:	39578	Check Date: 01/13/2014	
Vendor:	0434	Tehachapi Sanitation	
1012014		Kern County gate fees	14,219.65
1022013		Refuse contract	67,935.79
			82,155.44
Check No:	39579	Check Date: 01/13/2014	
Vendor:	2113	Fuel Controls, Inc.	
79854		A/100 Octane Wholesale fuel	20,865.83
79855		A/Jet A Wholesale fuel	16,829.68
80007		A/100 Octane Wholesale fuel	21,642.93
			59,338.44
Check No:	39580	Check Date: 01/13/2014	
Vendor:	2807	Denise Gutierrez-Brown	
011414		PD/meals/Legal Update	25.00
			25.00
Check No:	39581	Check Date: 01/13/2014	
Vendor:	2892	Mountain Maintenance Group Inc.	
4575 1		GG/janitorial services/City Hall	640.00
4575 2		PD/janitorial services	975.00
4575 3		Depot/janitorial services	750.00
4575 4		Airport/janitorial services	255.00
4575 5		WWTP/janitorial services	340.00
4575 6		Commercial Way/janitorial services	255.00
			3,215.00
Check No:	39582	Check Date: 01/13/2014	
Vendor:	3571	Division of the State Architect	
2013-4		Business License/CASp State fee/4th Qtr 2013	24.30

Check Amount

Check No: 39583 Check Date: 01/13/2014
Vendor: 3669 POA Fontana
010714 PD/Legal Update/registration/DBrown

24.30

20.00

20.00

Date Totals: 159,310.13

Report Total: 159,310.13

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 1/13/2014 - 3:06 PM



		Check Amount
Check No:	39584	Check Date: 01/13/2014
Vendor:	2695	Home Depot Credit Services
0011435	GG/Black Mounting Tie	17.66
0022475	Wtr/32oz Spray Bottle, Softsoap, Lysol, Laminat	46.19
1011243	PW/Roller Frame, 4' Wood Pole, Interior paint	235.89
1022319	PW/Trash Can	32.22
1022417	PW/Lumber	10.65
2011069	PW/Roller Tray, Putty Knife, Wallplate, Pole Soc	352.75
2011087	GG/Enrioback Dura Rib Mat	45.09
2022237	PW/Red Double Bucket, Woodmatic Mop	54.09
2022239	Streets/Hexblt	13.74
2132602	Wtr/Male End Hose Repair	2.14
2584302	Sew/PLC53WFLEV	19.29
3010111	Sew/Brass Shutoff Coupling, Sweeper Nozzle	20.73
3010137a	Sew/21 pc set	26.84
3010137b	Sew/6qt Bottles	15.91
3010141	PW/Staple Hammer & Staples	33.03
3012037	GG/LED Dome Light	34.35
3012039	Wtr/Thread Seal	22.47
3012118a	Trash Bags	15.00
3012118b	GG/Trash Bags	15.00
3020112	PD/Lumber	103.24
4016318	Sew/Lumber, Bucket, WD40, Fiberglass	133.38
4583726	PW/Husky 26" 4 drawer cabinet	117.18
5011774	PW/Lumber, Gloves, DF/HF Board	516.40
5016050	Wtr/AA 36 Pack Batteries	16.10
5016060	PW/Bright Finish, Kwick Seal, Sawzall Blade	26.94
5016074	GG/1/2" PVC Cap	1.38
5016211	PW/Spout Strap, Elbow, Anchors, Drill Bit	82.96
5025225	Streets/1/2" PVC Cap	2.11
5573272	Wtr/Neoprn Washer	10.01
5573276	Wtr/6' Step Ladder, 2' Step Ladder	163.40
6012594	GG/Screw hook, Garland Lights, Closure Plugs,	152.89
6021368	Wtr/Coupling, Cap, Pipe	53.58
6025207	GG/Dark Gray Auto Primer	16.17
6025209	GG/Ext. Cord, Garland Lights	235.24
6025232	GG/LED Back light Time, Pine Garland	70.55
6132316	Sew/32oz Bottles	8.13
6590953	PW/Lumber	38.90
6592085	GG/Lamp holder, Super Spheres, Wreath	117.10
7010635	Sew/Comp Nut, Comp Sleevs, Refrigeration Coi	13.64
7010716	PW/Lumber, Plywood	48.10
7021198	PW/Lumber, WD40	37.95
7024912	GG/Halogen Bulb	62.22
7112783	Sew/Bleach Sprayer	18.24
7112847	GG/33 GAL Drawstring Bags	21.44
7133356	PW/Titanium Powercurve Lopper	75.19
7562223	GG/Compression Coupling, Photocell, Duplex C	103.42

7592025	GG/Compression Coupling, Photocell, Duplex C	12.01
7592037	GG/Lightkeeper Pro, Silver Metallic Staple	24.90
8010484	PW/Dewalt 31pc Xsmall Tough Case	16.62
8010508	PW/6x9 Canvas, Rino Tuff High Wheel Line	30.07
8010510	PW/Lumber, screws	102.96
8010575	PW/Wood Handle Ferrule, Sidingbrush, Wisk Br	49.29
8012306	GG/LED Timer, Cable Tie, Ski Glove	84.89
8012370	GG/White Fluff, Gift Box Decoration, tinsel wre	93.72
8012374	GG/Industrial Strength Velcro	60.42
8024749	Wtr/25' Poly Tube	6.07
8024842	GG/Husky Extension Cord	30.59
8024860	GG/Lightsr	40.11
8112745	Sew/Outdoor Bleach	12.56
8591988	Sew/Muriatic Acid	11.80
9011481	GG/LED Dome Light Red	11.45
9011500	Airport/Battery	82.59
9022703	GG/Replacement Bulb	4.13
		<hr/>
		3,933.08
		<hr/>
Date Totals:		3,933.08
		<hr/>
		<hr/>
Report Total:		3,933.08
		<hr/>
		<hr/>

Accounts Payable

Checks by Date - Detail By Check Date

User: delphina
 Printed: 1/15/2014 - 9:28 AM



			Check Amount
Check No:	39588	Check Date: 01/14/2014	
Vendor:	3671	Star CPR & ALS	
011314		Wtr/Deposit fo CPR/First Aid Course	297.50
011314 2		Swr/Deposit fo CPR/First Aid Course	297.50
			595.00
Date Totals:			595.00
Check No:	39589	Check Date: 01/15/2014	
Vendor:	2695	Home Depot Credit Services	
0013002		Wtr/Kwiksetkey	6.03
0013018		PW/Totes	267.87
0013104		PW/Extension Cord, LED Timer, Banana Tap Ex	61.17
1012988		Wtr/Doormat	22.54
1013940		Sew/Prem Faux Wd. Blind	187.79
1020306		PW/Steels Shelves, Rice Saucer	227.30
1020322		Sew/Foam Wrap, PVC Plug	19.89
1022650		Wtr/Kwiksetkey	2.01
1040249		PW/Pipe Insulation, Utility Roll	35.35
1113750		Wtr/Grease Monkey Grip Glove	26.81
1563448		Const/Steel Stake, Black Oxide Bits	57.05
1571148		Wtr/Torch Kit	45.12
1580297		Wtr/Shovels	21.44
1580313		Wtr/Bucket Lids, Funnels	11.92
1592942		Const./Sawzall, Fileset, Oxide Bits	66.61
2013835		PW/Paint Respirator, Calibrated Bucket, Versa-t	49.33
2013859		Const/Torch Kit, Small Angle Grinder	132.39
2022346		Const/Combo Wrench	24.80
2592885		PW/Mtl Recip Bld	18.74
3013716		Pw/Epoxy Tie	21.12
3013750		GGSilicsand	4.25
3013819		PW/Hex Bolt, Washer, Black Oxide Bit	48.91
3020514		PW/Hammer Tacker	35.44
3022213		PW/Bandsaw Blades	31.22
3022225		PW/Pilot Drill, Black Oxide Drill Bit, Chuck Ke	99.35
3022302		PW/Black Oxide Drill Bits	68.69
3313454		PW/Black Oxide Drill Bits	37.47
3592863		Const/Security Cable, Brass Lock Shackle	32.93
4014360		GG/8 totes	182.27
4022133		Pw/Bandsaw Blade, Brush Knot Grinder, Spray l	92.57
4023598		GG/Adpt Kits, Locknuts	17.64
4581176		Sew/Allstep 4'	41.93
4592767		Pw/Brass Pipe Bushings	32.04
5012664		GG/Pro Smoke Gray, Metal Tray, Tray Liner	48.25
5012670		GG/Snowflake, Extension Cords, GE Energy Sr	436.03
5020019		PW/Dranosnake	6.43
5020097		PW/Filters	72.97

5020111	GG/Snowflake, String to String Multi	48.92
5020139	PW/PVC Coupling	11.17
5020163	GG/String to String Multi	37.45
5570067	Wtr/Cylinder, Combo Wrench, Pipe Wrench, Aci	55.23
7014979	PW/Spray Paint Yellow	16.49
8013297	PW/Robe Hook	6.84
8013333	PW/Primer, Insulation	26.88
8013409	Const/Floor Scrapers	104.15
8021348	Wtr/Valve, Roll Insulations	14.88
8021402	PD/LEDs, Blade plug	21.06
8133643	PW/Edgeminis	73.06
8133665	Pw/Kink free hose	77.34
9013210	Sew/Bucket	5.98
9021103	GG/Socket Adapter, Screwdriver	43.08

3,136.20

Check No:	39590	Check Date:	01/15/2014	
Vendor:	2940	U.S. Bank Corporate Payment System		
000002		GG/2 smoked hams/2smoked turkeys/Employee		274.15
000012		GG/postage		10.00
000023		A/postage/tube mailing		45.42
000024		A/postage/EKAPC grant app		7.88
000043		PD/mailling box/packing labor		6.61
0159247		PD/badges/badge bos/wallets		570.00
028076		PW/auto diesel/fuel		125.00
0300226		PD/5x Kodak digital camera		299.75
0300226 CR		PD/Kodak digital camera/refund		-119.90
040021		A/grocery-24pk water/gen mdse		37.30
071005		GG/meals/proposed mtng/bike project		100.00
097850		A/frames/new office		361.79
10185027		GG/siriussxm stratus/sxm prtbl speaker dock		236.48
104		Council/lodging/EGrimes/Strategic Planning mtt		190.80
1040196		A/aa lithium batteries		57.95
10726		GG/data cable iPhone 5/usb travel charger		44.61
111401		PD/lodging		434.75
111836		Bike Rack/two bike steel bike locker		2,425.45
112713		PD/PODS rental		160.18
121113		PD/PODS final pickup of container		56.77
121813		PD/2014 CPCA training symposium/registration.		525.00
121913		GG/2014 City Mngrs Dept. mtng registration/GC		625.00
126080 120613		GG/California Park & Recreation Society MF m		95.00
1312-0503		GG/internet photo		8.03
1385105837224 2		GG/email marketing/MyLibrary Plus		35.00
1387713814691		GG/email marketing/MyLibrary Plus		35.00
192985464		GG/Vantec USB 3.0 ethernet adapter/cameras@l		19.34
206649		GG/facebook ads		2.00
233950031		GG/GAVEA Eventbrite co/event/MVance		116.00
23395080		GG/GAVEA presents the Eventbrite co./CR		-116.00
234909738		PW/apc back-UPS rs 1500/cameras@PW yard		201.01
234909758		PW/HP ethernet switch/cameras @ PW yard		801.94
259529		PD/APCO order		160.00
266447		GG/facebook ads		20.00
2681485		PD/CPOA registration/SKetcham/2014 Legislati		90.00
2954-9634		CD/registration/conference/CALED/DJames		495.00
33392		CD/CEQA filed/Kern County/WalMart		3,045.25
334527003738		PD/Holiday recognition dinner for V.I.P.S		376.87
3561727		A/9" wire cutting pliers w/term crimper		15.02
39640		PD/lodging/SKetcham		109.99

Check Amount

427726	A/24pk suatran reserve/decaf brkfst blend 24pk/l	141.90
5021980	A/onestep stud sensor-tool	32.22
533486472	GG/paper plates	19.12
571685	GG/Windows Srvr 08 5-client add-on on oem us	1,737.26
5888-8886	GG/portable mic wireless rechargeable 12" speak	219.00
6240033880	GG/12x18 wht u digital gloss text paper	40.45
64273071	Police Asset Forfeiture/lodging/reservation/JDun	408.56
64273801	Police Asset Forfeiture/lodging/reservation/ATh	408.56
7024935	A/36" wreath/pipe wrap/faucet cover/rain collar/	245.66
836316	GG/subscription/webCommerce	38.88
N-3534	A/2 aluminum signs/Airfield Open 24 hours	86.00
X-2126899661	GG/Sirius music 1 month/activation fee/royalty f	26.24

15,388.29

Date Totals: 18,524.49

Report Total: 19,119.49

**CITY OF TEHACHAPI
TREASURER'S REPORT
FY 2013-14**

MONTH END BANK STATEMENT BALANCE

<u>BANK ACCOUNTS</u>	<u>Institution</u>	<u>Acct#</u>	<u>7/31/2013</u>	<u>8/31/2013</u>	<u>9/30/2013</u>	<u>10/31/2013</u>	<u>11/30/2013</u>	<u>12/31/2013</u>
General Checking	Bank of the Sierra	21002-06457	476,320.06	485,573.78	754,536.99	541,944.52	579,140.46	781,210.25
Water Deposit Trust	Bank of the Sierra	21002-08503	127,637.19	111,646.00	102,371.00	108,221.00	110,951.00	106,341.00
AD 83-1/87-1, Tucker	Bank of the Sierra	21004-80193	87,610.39	87,612.58	87,614.77	87,616.96	87,619.15	87,621.34
AD 89-3	Bank of the Sierra	21002-81054	828.82	828.82	828.82	828.82	828.82	828.82
RDA Checking	Bank of the Sierra	21002-18650	22,079.41	22,079.41	22,079.41	22,079.41	22,079.41	22,079.41
Payroll	Bank of the West	709-031215	46,713.36	46,556.84	47,230.79	55,526.89	53,979.57	53,804.13
AFLAC Flex Spending	Bank of the West	709-039747	12,645.08	13,587.12	14,873.54	15,625.85	16,270.41	15,500.99
Airport key Deposit/Cr Card Purch	Bank of the West	709-029821	36,910.48	70,131.27	103,291.24	136,946.48	167,820.20	35,221.49
Ashtown Water Escrow	Bank of the West	CD 709-000-855969	107,434.61	107,434.61	107,434.61	107,434.61	107,434.61	107,434.61
1994/2004 Refunding Bond	Bank of New York	870513-870517	0.00	0.00	0.00	190,853.13	0.00	0.00
CFD 90-1	Union Bank	67170669300-308	0.00	0.00	0.00	0.00	0.00	0.00
RDA 2007	Bank of New York	870951/52/53/54	615,401.65	615,401.65	615,401.65	615,401.65	615,401.65	226,042.90
RDA 2005	Bank of New York	870711-16	577,854.28	577,854.28	577,854.28	577,854.28	577,854.28	195,720.53
LAIF	State of California	98-15-914	15,241,530.80	14,591,530.80	13,741,530.80	12,750,955.23	11,550,955.23	11,350,955.23
Total Funds in Banks			17,352,966.13	16,730,237.16	16,175,047.90	15,211,288.83	13,890,334.79	12,982,760.70
INVESTMENTS								
CSJVRMA Investment Pool	Chandler Asset Mgt	1113	2,004,554.00	2,004,952.88	2,015,171.00	2,022,148.00	2,025,056.00	2,016,239.00
Various Money Market Funds	Morgan Stanley (2)	117-067378-235	466.42	703.39	940.36	184,419.04	184,657.42	184,888.41
Govt. Securities-Fed Farm Cr Bk	Morgan Stanley (2)	117-067378-235	0.00	0.00	0.00	0.00	0.00	0.00
Govt. Securities-Fed Home Ln Bk	Morgan Stanley (2)	117-067378-235	0.00	0.00	0.00	0.00	0.00	0.00
Various Certificates of Deposit	Morgan Stanley (2)	117-067378-235	315,005.10	315,005.10	315,005.10	135,005.10	135,005.10	135,005.10
Federal Hm Ln Bank/Fannie Mae	BNY-Custodian (3)	8870586	0.00	0.00	0.00	0.00	0.00	0.00
* Loaned to Wtr/Swr to pay-off COP2000			708,203.09	708,203.09	708,203.09	708,203.09	708,203.09	570,748.43
Total Investments			3,028,228.61	3,028,864.46	3,039,319.55	3,049,775.23	3,052,921.61	2,906,880.94
TOTAL PORTFOLIO			20,381,194.74	19,759,101.62	19,214,367.45	18,261,064.06	16,943,256.40	15,889,641.64



CITY OF TEHACHAPI
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2013

CITY OF TEHACHAPI
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2013

City of Tehachapi
Annual Financial Report
Year Ended June 30, 2013

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FINANCIAL SECTION



Independent Auditor's Report

The Honorable City Council
City of Tehachapi, 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 Tehachapi, California (City), as of and for the year ended June 30, 2013, 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 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 of 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.

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 Tehachapi, California, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 D, to the financial statements, as of June 30, 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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, another 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 Tehachapi's financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary 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. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant + Fankhaed, LLP

January 14, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Tehachapi ("City") provides a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2013. The City encourages readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements which are included with this report.

Financial Highlights

- The City's net position increased 5% to \$54,485,806 as a result of this year's operations.
- Total City revenues, including program and general revenues, were \$16,677,127 which is \$283,475 more than the prior year.
- Net position in governmental funds increased \$2,082,405, and net position in business activities increased \$693,912.
- Governmental revenue was decreased by \$186,932 to \$9,792,636.
- Governmental expense was decreased by \$275,952 to \$7,710,231.
- Revenues from business-type activities increased by \$470,407 to \$6,884,491.
- Expenses from business-type activities decreased by \$91,524 to \$5,940,796.
- General fund revenue was increased by \$1,076,039 to \$7,055,239.
- General fund balance as of June 30, 2013 is \$8,164,816 an increase of \$1,278,848 from the prior year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of:

1. The Basic Financial Statements, which include the Government-wide Financial Statements, Fund Financial Statements, and Notes to Financial Statements
2. Required Supplementary Information
3. Supplementary Information.

The Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government. The primary government is then broken down into two different activities, governmental activities and business-type activities.

The governmental activities include the following:

- General Government: administration, finance and accounting, human resources, legal, city clerk, etc.
- Public Works: road maintenance, city engineer and building maintenance
- Public Safety: Police and fire services

- Community Development: Planning, building inspections and community development
- Interest: Interest payments on loans

The services under governmental activities are supported by taxes and by specific program revenue.

The business-type activities include Refuse, Water, Sewer, Transit and Airport funds. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

The basic financial statements are comprised of the following:

- Statement of Net Position

The Statement of Net Position is prepared using accounting principles that are similar to commercial enterprises. The purpose of the Statement of Net Position is to attempt to report all assets held and liabilities owed by the City. The difference between the City's total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' equity presented by a commercial enterprise. Although the purpose of the City is not to accumulate net position, in general, increases or decreases of net position may serve as an indicator of the financial position of the City.

- Statement of Activities

The purpose of the Statement of Activities is to present the revenues and expenses of the City. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned and expenses are recognized when incurred. The difference between revenue and expense is called *net income* in commercial enterprise whereas it is called *change in net position* in the City's financial report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. All of the City's funds are composed of three categories: governmental funds, proprietary funds and fiduciary funds.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major fund, and the determination of which funds are major, was established by Governmental Accounting Standard Boards (GASB) 34 and replaces the concept of combining like funds and presenting them in total. Instead, each major fund is presented individually, while all non-major funds are summarized and presented in a single column.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus 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. Such 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.

The City of Tehachapi maintains 40 active individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditure and Changes in Fund Balances for the General Fund, Street and Roads Fund and Tract 6216 Settlement capital project funds which are considered to be major funds. Data from the other 37 governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The only type of Proprietary funds the City of Tehachapi maintains is enterprise funds. The Refuse, Water, Sewer, Transit and Airport funds are presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City considers Water, Sewer, Airport and Refuse funds to be major funds. The Transit fund is categorized as a non-major proprietary fund.

Fiduciary Funds

The City's fiduciary fund activities are reported in a separate section of this report under Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because they don't pertain to the City and it cannot use assets belonging to fiduciary fund to finance its operations. Financial activities, such as, from the Successor Agency to the former Tehachapi RDA (Successor Agency), Special Assessment Districts and Community Facilities District (CFD) are included in the fiduciary statement.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes budgetary comparison schedules for major governmental funds and illustration of conditions and activities for all non-major funds.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two years are summarized based on the information included in the government-wide financial statements. Net Position may serve over time as an indicator of a government's financial position. For the City of Tehachapi, assets exceeded liabilities by \$54,485,806 at June 30, 2013.

The largest portion of the City's net position is in investments in capital assets. The Investments in Capital Assets (e.g. land, infrastructures, buildings, machineries and equipment) Net of Related Debt was increased to \$41,169,979 (76% of total net position) from \$40,379,938. The increase of 790,041 was contributed by initial costs of construction for the new police building.

The City uses these capital assets to provide services to residents; accordingly, these assets are not available for future spending. Although the City's investments in capital assets are 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.

The restricted fund balance was increased from the prior year by \$2,207,925. The increase was due to collections of connection fee, development fee and Street and Roads Fund from TDA.

The unrestricted fund balance was decreased to \$8,194,324 from \$8,415,971. The major reason for the decrease was attributed to fund shift from unrestricted funds to restricted funds.

Summary of Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	11,413,665	11,128,853	3,538,196	3,292,774	14,951,861	14,421,627
Capital Assets	28,212,876	25,912,258	19,052,856	19,028,487	47,265,732	44,940,745
Total Assets	<u>39,626,541</u>	<u>37,041,111</u>	<u>22,591,052</u>	<u>22,321,261</u>	<u>62,217,593</u>	<u>59,362,372</u>
Current Liabilities	921,444	536,820	701,986	2,562,982	1,623,430	3,099,802
Long-term Liabilities	836,434	718,033	5,271,923	3,835,050	6,108,357	4,553,083
Total Liabilities	<u>1,757,878</u>	<u>1,254,853</u>	<u>5,973,909</u>	<u>6,398,032</u>	<u>7,731,787</u>	<u>7,652,885</u>
Investments in Capital, Net of related debt	27,522,736	25,196,028	13,647,243	15,183,910	41,169,979	40,379,938
Restricted	1,750,367	1,062,353	3,371,136	1,851,225	5,121,503	2,913,578
Unrestricted	8,595,560	9,527,877	(401,236)	(1,111,906)	8,194,324	8,415,971
Total Net Position	<u>37,868,663</u>	<u>35,786,258</u>	<u>16,617,143</u>	<u>15,923,229</u>	<u>54,485,806</u>	<u>51,709,487</u>

The City started capturing its capital assets in governmental funds beginning fiscal year 2002/2003. In accordance with GASB 34, the City was not required to retroactively capture the capital assets because the City fell under the Implementation Phase III due to the size of its revenue in fiscal year 1999/2000.

Governmental Activities

Governmental activities increased the City's net position by \$2,082,405 thereby accounting for 75% of the total growth in the City's net position. This increase is mainly due to three major capital projects, namely: Tehachapi Boulevard Improvement Phase IV, Tract 6216 Settlement and the New Police Building.

Business-Type Activities

The City operates five business-type activities. These activities are captured in Refuse, Water, Sewer, Transit and Airport funds. Of the total \$2,776,319 City wide net position increase, \$683,914 (25% of total increase) was attributed to the business-type activities. The increase is mainly from the grant received from the Water Resources Control Board for the new sewer plant project. The new sewer plant was completed on November 2012.

Statement of Activities

	Governmental Activities		Business Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue						
Program Revenues:						
Charges for Services	1,370,266	712,266	6,338,533	5,401,190	7,708,799	6,113,456
Operating contribution & Grant	726,682	426,773	151,973	268,865	878,655	695,638
Capital Grants & Contribution	1,495,913	887,355	200,409	1,950,554	1,696,322	2,837,909
General Revenues:						
Property taxes	1,266,510	2,155,857			1,266,510	2,155,857
Sales Taxes	1,842,393	1,814,353			1,842,393	1,814,353
Other Taxes	1,536,684	1,493,251			1,536,684	1,493,251
License and permits	1,191,288	1,073,177			1,191,288	1,073,177
Other sources of funds					-	-
Miscellaneous	436,300	22,586	73,881	64,717	510,181	87,303
Interest	41,022	85,362	5,273	37,346	46,295	122,708
Transfers	(114,422)	1,308,588	114,422	(1,308,588)	-	-
	9,792,636	9,979,568	6,884,491	6,414,084	16,677,127	16,393,652
Expenses						
Primary Government						
General Government	619,917	2,237,365			619,917	2,237,365
Administration					-	-
Public Works & Planning	4,243,430	2,406,248			4,243,430	2,406,248
Police	2,824,312	2,631,886			2,824,312	2,631,886
Pass-throughs		188,475			-	188,475
Interest	22,572	522,209			22,572	522,209
Business-type Activities						
Refuse			1,025,326	1,000,826	1,025,326	1,000,826
Water			1,870,875	1,809,932	1,870,875	1,809,932
Sewer			1,893,294	2,052,393	1,893,294	2,052,393
Transit			171,642	161,590	171,642	161,590
Airport			979,659	1,007,579	979,659	1,007,579
Total Expense	7,710,231	7,986,183	5,940,796	6,032,320	13,651,027	14,018,503
Extraordinary Items		12,037,735			-	12,037,735
Change in Net Assets	2,082,405	1,993,385	943,695	381,764	3,026,100	2,375,149
Net Position at beginning of yr	35,786,258	21,755,138	15,923,229	15,541,465	51,709,487	37,296,603
Prior Period Adj			(249,783)	-	(249,783)	-
Net Position at end of year	37,868,663	35,786,258	16,617,141	15,923,229	54,485,804	51,709,487

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Please note that unlike the Government-wide financial statements discussed previously, the fund statements are reflected on a modified accrual basis.

Governmental Funds

As of June 30, 2013, the City's governmental funds reported a combined ending fund balance of \$10,206,689. This number shows approximately 1% (\$56,234) fund balance decrease from the prior year. This fund balance is available for spending on the government's ongoing obligations to citizens and creditors; although, 20% (or \$2,041,873) of the total governmental funds balance is dedicated for specific purposes such as street and road maintenance, various capital projects associated with special fees collected and other capital projects paid by specific grants.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$8,164,816 which includes \$2,102,611 of non-spendable fund balance. The non-spendable funds are made up of prepaid and advances made to certain funds such as Airport, special district funds and fiduciary funds. Although the amount is labeled as advances, there is a possibility that the General Fund may end up writing off some of the advances in a manner of an operating transfer as happened in past years. The General Fund wrote off an outstanding loan balance of \$359,533 in fiscal year 2000/01 for the Airport fund expecting the Airport fund would self sustain from that time on. However, the Airport Fund still has not generated enough revenues to support its expenses.

The fund balance, after the deduction of outstanding advances made to other funds and committed fund balance which is dedicated for emergency contingency, will be used to pay for various City services such as police, contracted fire, public works and the City's general operations.

The \$496,120 fund balance in Tract 6216 project fund was due to remaining unspent balance from an insurance settlement received from the developer's bond company. The settlement is intended to be used to complete the infrastructure which was left incomplete by the developer. The infrastructure is expected to be completed during FY2013/14.

Special revenue funds, street maintenance funds and miscellaneous capital project funds are included in Other Governmental Funds. The majority of special revenue funds are various development fee funds with a specific purpose for the use of funds.

Proprietary Fund

The Net Position of major proprietary funds such as, Water, Sewer, Airport and Refuse funds are \$6,391,276, \$9,033,220, \$900,529 and \$318,543 respectively. The unrestricted net position of the Water and Sewer funds at the end of the year are negative \$104,373 and positive \$531,459 respectively. The negative balance in unrestricted net position of the Water fund was caused by the construction of two water tanks (T & T tanks) back in 2008. This project was constructed using internal borrowing instead of outside financing sources in the form of bonds. In return, the Water Fund is to pay back the loan principal over time utilizing future connection fees. This decision resulted in over a half-million dollar cost savings to the Water Fund since the internal funding eliminates the need to pay issuance costs as well as interest payments associated with issuing bonds. In addition, by not having additional bonds outstanding, the water fund will have more leverage when issuing bonds in the future to pay for bigger capital projects.

As of June 30, 2013, the Airport Fund owes \$1,093,039 to the General Fund and this loan was a result of continuous deficits in Airport Fund operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2013 is presented as required supplementary information following the notes to the financial statements. The final budget amounts are different from those presented in the 2012/13 – 2016/17 original five-year budget documents. It is due to changes that occurred between the original budget and the mid-year budget adjustments.

General Fund

	Original Budget	Final Budget	2012/13 Actual	Variance Actual vs. Final Budget (Negative)
Revenues incl. Other Sources	5,332,649	6,030,071	7,092,239	1,062,168
Expenditures incl. Other Uses	5,296,873	6,003,000	5,813,391	189,609
Net changes in fund balances	35,776	27,071	1,278,848	1,251,777
Fund Balance Beginning (Adjusted)	6,885,968	6,885,968	6,885,968	0
Fund Balance - Ending	6,921,744	6,913,039	8,164,816	1,251,777

Overall, the General Fund actual ending fund balance is \$1,251,777 more than what was budgeted in the final budget. The major contributions to positive revenue variance are from sales tax (\$209,280), administration service fee from Successor Agency to RDA (\$191,600), landscape, construction and miscellaneous staff charges (\$132,146), insurance claim received from CSJVRMA (\$113,084), property tax (\$90,485), transient occupancy tax (\$80,619), and police grants (\$56,145).

During fiscal year 2012/13, the status of the general economy has improved from the recession of the last few years. It seemed that increases in various taxes such as sales, property and transient occupancy taxes were affected by the growth of economy. The reason for a favorable variance in administration service fee collected from the Successor Agency to RDA is due to conservative budget practices. Meanwhile, claims payment received from CSJVRMA was for the liability insurance claim filed previously for loss.

The departments in General Fund which contributed a major positive variance to the total expenditure are Police department, \$147,831; Community Development, \$35,281; and the Finance department, \$20,619.

CAPITAL & DEBT ADMINISTRATION

Capital Assets

	Governmental Activities	Business-type Activities	Totals
Non-Depreciable Assets:			
Land	941,007	684,609	1,625,616
Water Rights		1,829,036	1,829,036
Construction in Progress	4,701,719	42,080	4,743,799
Total non-depreciable assets	<u>5,642,726</u>	<u>2,555,725</u>	<u>8,198,451</u>
Depreciable Assets (net of accumulated depreciation)			
Buildings	2,467,769	8,745,789	11,213,558
Machinery and equipment	544,595	1,040,967	1,585,562
Improvements other than building	19,314,678	6,710,375	26,025,053
Parks	243,108		243,108
Total depreciable assets-net	<u>22,570,150</u>	<u>16,497,131</u>	<u>39,067,281</u>
Total Capital Assets	<u>28,212,876</u>	<u>19,052,856</u>	<u>47,265,732</u>

The City of Tehachapi's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$47,265,732 (net of accumulated depreciation) which is a \$2,324,987 increase from fiscal year 2011/12. This investment in capital assets includes land, buildings, improvements, machineries and equipment, roads, sidewalks, airport runways, water and sewer systems.

Additional information on the City of Tehachapi's capital assets can be found in Note 2-C.

Long-Term Debt

	Governmental Activities	Business-type Activities	Totals
Bonds	0	3,187,179	3,187,179
Loans		2,077,079	2,077,079
Capital Leases	690,140	141,353	831,493
Compensated absences	172,384	129,156	301,540
Total Long-Term Liabilities	<u>862,524</u>	<u>5,534,767</u>	<u>6,397,291</u>

The City of Tehachapi's total long term debt was increased by \$1,322,476 compared to the last fiscal year. This increase was mainly due to a loan from the State Water Resources Control Board to finance in part the construction of the new sewer plant.

State statutes limit the amount of general obligation debt a governmental entity may issue to fifteen percent of its total assessed valuation. The RDA Revenue Allocation Bonds are not general obligation debt.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In June, 2013, the Council adopted the 2013/14 through 2017/18 five-year budget, with total appropriations of \$19,057,601 in fiscal year 2013/14. The following factors were taken into consideration for the next fiscal year budget:

- 2.1% cost of living increase was granted for all employees.
- The 2013/14 General Fund revenue budget (\$5,995,010) was projected at \$797,229 less than the actual revenue received in 2012/13. A \$100,000 COPS grant is not included in this budget since there is no certainty that the State will continue with its funding. A \$250,000 Successor Agency administration fee is included in the General Fund revenue budget, the same fee actually received in 2012/13.
- The 2013/14 General Fund expenditure budget (\$5,991,051) was projected at \$177,660 more than the actual expenditure in 2012/13.
- Average of 43 equivalent dwelling units (EDU) connections were considered for any development related fees such as water and sewer connections, facilities impact, traffic mitigation, and park and recreation capital improvement.
- Various capital projects were included in this budget and they are:
 - Three city vehicle replacements \$148,000
 - Water Radio Meters Replacement, \$30,000
 - Water Banking Program, \$25,000
 - Process Water Improvement, \$120,000
 - Structure Improvement, \$50,000
 - Water Lines/Supply Improvement, \$60,000
 - Miscellaneous Equipment, \$60,000
 - Manhole Rehabilitation, \$30,000
 - Sewer Line Improvement, \$50,000
 - Computers & Equipment, \$60,300
 - Tehachapi Event Center & Rodeo Grounds, \$137,767
 - Bike path striping, \$140,000
 - Safe Route to School-Pinon/Curry, \$415,000
 - Challenger Drive Extension, \$1,400,000
 - Tract 6216 infrastructure improvement, \$520,926
 - New police building, \$3,300,000

As always, this budget was put together in a very conservative manner. Although our City was fortunate enough to generate a positive overall fund balance, the City is not putting its guard down in securing its financial stability.

The overall US economy has improved during the year 2013 by picking up its momentum. The housing market showed signs of substantial recovery and unemployment rate went down to 7% from 10% when it was at its worst. Many economists are optimistic about the economy in 2014 and we all hope that will be the case.

BASIC FINANCIAL STATEMENTS

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City of Tehachapi
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 5,447,234	\$ 4,941,842	\$ 10,389,076
Receivables (Net of Allowance)	1,897,836	891,309	2,789,145
Loans Receivable	195,344	-	195,344
Due from Agency Funds	1,133,759	-	1,133,759
Internal Balances	2,633,467	(2,633,467)	-
Restricted Cash and Investments	-	102,976	102,976
Prepays	106,025	536	106,561
Capital Assets, Not Being Depreciated	5,642,726	2,555,725	8,198,451
Capital Assets, Depreciated, Net	22,570,150	16,497,131	39,067,281
Other	-	235,000	235,000
	Total Assets	22,591,052	62,217,593
LIABILITIES			
Current Liabilities:			
Accounts Payable	780,445	284,087	1,064,532
Accrued Liabilities	111,222	14,917	126,139
Accrued Interest Payable	-	29,160	29,160
Deposits Payable	3,687	110,976	114,663
Noncurrent Liabilities:			
Due within One Year	115,928	469,049	584,977
Due in More Than One Year	746,596	5,065,720	5,812,316
	Total Liabilities	5,973,909	7,731,787
NET POSITION			
Net Investment in Capital Assets	27,522,736	13,647,243	41,169,979
Restricted for:			
Maintenance of Water Lines	-	107,434	107,434
Construction and Expansion of Facilities	-	3,263,702	3,263,702
Highways and Streets	1,323,615	-	1,323,615
Development	264,160	-	264,160
Public Safety	162,592	-	162,592
Unrestricted	8,595,560	(401,236)	8,194,324
	Total Net Position	\$ 16,617,143	\$ 54,485,806

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Activities
Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General Government	\$ 619,917	\$ 729,692	\$ 7,842	\$ -
Public Works	1,487,071	339,310	24,950	1,493,335
Public Safety	2,824,312	301,264	287,720	-
Community Development	2,756,359	-	406,170	2,578
Interest	22,572	-	-	-
Total Governmental Activities	7,710,231	1,370,266	726,682	1,495,913
Business-type Activities:				
Water	1,870,875	2,347,414	-	-
Sewer	1,893,294	2,287,292	-	200,409
Airport	979,657	645,437	4,233	-
Refuse	1,025,326	1,054,088	-	-
Transit	171,642	4,302	147,740	-
Total Business-type Activities	5,940,794	6,338,533	151,973	200,409
Total Primary Government	\$ 13,651,025	\$ 7,708,799	\$ 878,655	\$ 1,696,322

General Revenues:
Property Taxes
Sales and Use Taxes
Property Tax in Lieu
Transient Occupancy Tax
Licenses and Permits
Franchise Tax
Other Taxes
Miscellaneous Revenues
Investment Earnings
Loss on Disposal
Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Restatement of Net Position

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 117,617	\$ -	\$ 117,617
370,524	-	370,524
(2,235,328)	-	(2,235,328)
(2,347,611)	-	(2,347,611)
<u>(22,572)</u>	<u>-</u>	<u>(22,572)</u>
<u>(4,117,370)</u>	<u>-</u>	<u>(4,117,370)</u>
-	476,539	476,539
-	594,407	393,998
-	(329,987)	(329,987)
-	28,762	28,762
-	(19,600)	(19,600)
<u>-</u>	<u>750,121</u>	<u>549,712</u>
<u>(4,117,370)</u>	<u>750,121</u>	<u>(3,567,658)</u>
1,266,510	-	1,266,510
1,842,393	-	1,842,393
618,866	-	618,866
540,619	-	540,619
1,191,288	-	1,191,288
179,058	-	179,058
198,141	-	198,141
436,300	73,881	510,181
41,022	18,800	59,822
-	(13,527)	(13,527)
<u>(114,422)</u>	<u>114,422</u>	<u>-</u>
<u>6,199,775</u>	<u>193,576</u>	<u>6,393,351</u>
2,082,405	943,697	3,026,102
35,786,258	15,923,229	51,709,487
<u>-</u>	<u>(249,783)</u>	<u>(249,783)</u>
<u>\$ 37,868,663</u>	<u>\$ 16,617,143</u>	<u>\$ 54,485,806</u>

The accompanying notes are an integral part of this statement.

**City of Tehachapi
Balance Sheet
Governmental Funds
June 30, 2013**

	General Fund	Streets and Roads	Tract 6216 Settlement Capital Projects Fund
ASSETS			
Cash and Investments	\$ 2,536,372	\$ -	\$ 823,077
Receivables	661,784	890,274	-
Loans Receivable	195,344	-	-
Due from Fiduciary Funds	1,133,759	-	-
Due from Other Funds	2,000,268	-	-
Prepays	106,025	-	-
Advances to Other Funds	1,801,242	-	-
	<u>\$ 8,434,794</u>	<u>\$ 890,274</u>	<u>\$ 823,077</u>
LIABILITIES			
Accounts Payable	\$ 155,069	\$ -	\$ 326,957
Accrued Liabilities	111,222	-	-
Due to Other Funds	-	597,224	-
Deposits Payable	3,687	-	-
	<u>269,978</u>	<u>597,224</u>	<u>326,957</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	-	293,050	-
	<u>-</u>	<u>293,050</u>	<u>-</u>
FUND BALANCES			
Nonspendable	2,102,611	-	-
Restricted	-	-	-
Committed	809,629	-	-
Assigned	-	-	496,120
Unassigned	5,252,576	-	-
	<u>8,164,816</u>	<u>-</u>	<u>496,120</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,434,794</u>	<u>\$ 890,274</u>	<u>\$ 823,077</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 2,087,785	\$ 5,447,234
345,778	1,897,836
-	195,344
-	1,133,759
-	2,000,268
-	106,025
-	1,801,242
<u>\$ 2,433,563</u>	<u>\$ 12,581,708</u>
\$ 298,419	\$ 780,445
-	111,222
570,819	1,168,043
-	3,687
<u>869,238</u>	<u>2,063,397</u>
<u>18,572</u>	<u>311,622</u>
<u>18,572</u>	<u>311,622</u>
-	2,102,611
1,738,887	1,738,887
-	809,629
178,673	674,793
(371,807)	4,880,769
<u>1,545,753</u>	<u>10,206,689</u>
<u>\$ 2,433,563</u>	<u>\$ 12,581,708</u>

The accompanying notes are an integral part of this statement.

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City of Tehachapi
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund Balances of Governmental Funds	\$	10,206,689
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:

Capital Assets		37,031,918
Accumulated Depreciation		(8,819,042)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:

Capital Leases Payable		(690,140)
Compensated Absences		(172,384)

Long-term assets are not available for current use. Amounts are deferred under the modified accrual basis of accounting.

		311,622
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Net Position of Governmental Activities	\$	37,868,663
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The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

	General Fund	Streets and Roads	Tract 6216 Settlement Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 5,356,958	\$ -	\$ -
Licenses, Permits, and Fines	90,551	-	-
Intergovernmental	367,963	890,274	-
Charges for Services	817,582	-	-
Investment Earnings	25,908	-	7,027
Miscellaneous Revenues	396,277	-	-
	<u>7,055,239</u>	<u>890,274</u>	<u>7,027</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	1,280,959	-	-
Public Works	652,602	2,149	-
Public Safety	2,824,312	-	-
Community Development	938,491	-	1,695,581
Capital Outlay	-	-	-
Debt Service:			
Interest Expense	-	22,572	-
Principal	-	26,090	-
	<u>5,696,364</u>	<u>50,811</u>	<u>1,695,581</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>1,358,875</u>	<u>839,463</u>	<u>(1,688,554)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	37,000	-	-
Transfers Out	(117,027)	(324,648)	-
	<u>(80,027)</u>	<u>(324,648)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	1,278,848	514,815	(1,688,554)
Fund Balances, Beginning of Year	6,885,968	(221,765)	2,184,674
Prior Period Adjustment	-	(293,050)	-
Fund Balances, End of Year	<u>\$ 8,164,816</u>	<u>\$ -</u>	<u>\$ 496,120</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 592,428	\$ 5,949,386
-	90,551
1,504,684	2,762,921
293,296	1,110,878
8,088	41,023
20,000	416,277
<u>2,418,496</u>	<u>10,371,036</u>
63,462	1,344,421
878,114	1,532,865
-	2,824,312
122,287	2,756,359
1,513,179	1,513,179
-	22,572
-	26,090
<u>2,577,042</u>	<u>10,019,798</u>
<u>(158,546)</u>	<u>351,238</u>
986,238	1,023,238
<u>(695,985)</u>	<u>(1,137,660)</u>
<u>290,253</u>	<u>(114,422)</u>
131,707	236,816
1,414,046	10,262,923
-	(293,050)
<u>\$ 1,545,753</u>	<u>\$ 10,206,689</u>

The accompanying notes are an integral part of this statement.

City of Tehachapi
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2013

Net Changes in Fund Balances - Total Governmental Funds \$ 236,816

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

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

Capital Outlay	3,435,652
Depreciation Expense	(1,135,034)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Capital Leases	26,090
----------------	--------

Some revenues reported in the Statement of Activities are not considered available to finance current expenditures and therefore are not reported as revenues in the governmental funds. (463,978)

To record the net change in compensated absences in the Statement of Activities. (17,141)

Change in Net Position of Governmental Activities \$ 2,082,405

The accompanying notes are an integral part of this statement.

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City of Tehachapi
Statement of Net Position
Proprietary Funds
June 30, 2013

	Water Fund	Sewer Fund	Airport Fund
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,051,448	\$ 3,829,974	\$ 31,133
Accounts Receivable (Net of Allowance)	366,182	238,091	11,532
Restricted Cash and Investments	102,976	-	-
Prepays	98	438	-
Total Current Assets	<u>1,520,704</u>	<u>4,068,503</u>	<u>42,665</u>
Noncurrent Assets:			
Other Assets	-	-	-
Capital Assets, Not Being Depreciated	1,842,487	613,614	99,624
Capital Assets, Net of Accumulated Depreciation	5,003,771	9,520,789	1,972,571
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,846,258</u>	<u>10,134,403</u>	<u>2,072,195</u>
Total Noncurrent Assets	<u>6,846,258</u>	<u>10,134,403</u>	<u>2,072,195</u>
Total Assets	<u>8,366,962</u>	<u>14,202,906</u>	<u>2,114,860</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	73,511	36,849	54,290
Accrued Liabilities	6,356	6,187	1,657
Accrued Interest Payable	5,324	22,542	1,294
Due to Other Funds	714,100	-	-
Customer Deposits Payable	110,976	-	-
Compensated Absences - Current	16,309	15,772	3,847
Capital Leases Payable - Current	1,622	3,893	-
Notes and Bonds Payable - Current	22,319	392,061	10,408
Total Current Liabilities	<u>950,517</u>	<u>477,304</u>	<u>71,496</u>
Noncurrent Liabilities:			
Advances Payable	432,004	276,199	1,093,039
Compensated Absences	38,055	36,801	8,978
Capital Leases Payable	39,953	95,886	-
Notes and Bonds Payable	515,157	4,283,496	40,818
Total Noncurrent Liabilities	<u>1,025,169</u>	<u>4,692,382</u>	<u>1,142,835</u>
Total Liabilities	<u>1,975,686</u>	<u>5,169,686</u>	<u>1,214,331</u>
NET POSITION			
Net Investment in Capital Assets	6,267,207	5,359,067	2,020,969
Restricted:			
Maintenance of Water Lines	107,434	-	-
Construction and Expansion of Facilities	121,008	3,142,694	-
Unrestricted	(104,373)	531,459	(1,120,440)
Total Net Position	<u>\$ 6,391,276</u>	<u>\$ 9,033,220</u>	<u>\$ 900,529</u>

The accompanying notes are an integral part of this statement.

Refuse Fund	Nonmajor Transit Fund	Total
\$ 29,287	\$ -	\$ 4,941,842
158,094	117,410	891,309
-	-	102,976
-	-	536
<u>187,381</u>	<u>117,410</u>	<u>5,936,663</u>
<u>235,000</u>	<u>-</u>	<u>235,000</u>
<u>-</u>	<u>-</u>	<u>2,555,725</u>
<u>-</u>	<u>-</u>	<u>16,497,131</u>
<u>-</u>	<u>-</u>	<u>19,052,856</u>
<u>235,000</u>	<u>-</u>	<u>19,287,856</u>
<u>422,381</u>	<u>117,410</u>	<u>25,224,519</u>
98,285	21,152	284,087
479	238	14,917
-	-	29,160
-	118,125	832,225
-	-	110,976
1,522	1,296	38,746
-	-	5,515
-	-	424,788
<u>100,286</u>	<u>140,811</u>	<u>1,740,414</u>
-	-	1,801,242
3,552	3,024	90,410
-	-	135,839
-	-	4,839,471
<u>3,552</u>	<u>3,024</u>	<u>6,866,962</u>
<u>103,838</u>	<u>143,835</u>	<u>8,607,376</u>
-	-	13,647,243
-	-	107,434
-	-	3,263,702
318,543	(26,425)	(401,236)
<u>\$ 318,543</u>	<u>\$ (26,425)</u>	<u>\$ 16,617,143</u>

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2013

	Water Fund	Sewer Fund	Airport Fund
OPERATING REVENUES			
Charges for Services	\$ 2,347,414	\$ 2,287,292	\$ 645,437
Miscellaneous	41,259	30,303	1,756
Total Operating Revenues	<u>2,388,673</u>	<u>2,317,595</u>	<u>647,193</u>
OPERATING EXPENSES			
Personnel Services	851,770	797,148	243,581
Maintenance and Operations	731,760	475,493	573,057
Depreciation	246,865	454,021	160,182
Total Operating Expenses	<u>1,830,395</u>	<u>1,726,662</u>	<u>976,820</u>
Operating Income (Loss)	<u>558,278</u>	<u>590,933</u>	<u>(329,627)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	-	-	4,233
Investment Earnings	5,777	12,657	-
Loss on Disposal of Capital Assets	(13,527)	-	-
Interest Expense	(40,480)	(166,632)	(2,837)
Total Nonoperating Revenues (Expenses)	<u>(48,230)</u>	<u>(153,975)</u>	<u>1,396</u>
Income (Loss) Before Capital Contributions and Operating Transfers	510,048	436,958	(328,231)
Capital Contributions	-	200,409	-
Transfers In	-	83,985	30,437
Transfers Out	-	-	-
Change in Net Position	510,048	721,352	(297,794)
Net Position - Beginning of Year	5,916,197	8,526,682	1,198,323
Restatement of Net Position	(34,969)	(214,814)	-
Net Position - End of Year	<u>\$ 6,391,276</u>	<u>\$ 9,033,220</u>	<u>\$ 900,529</u>

The accompanying notes are an integral part of this statement.

Refuse Fund	Nonmajor Transit Fund	Total
\$ 1,054,088	\$ 4,302	\$ 6,338,533
563	-	73,881
<u>1,054,651</u>	<u>4,302</u>	<u>6,412,414</u>
60,479	29,350	1,982,328
964,847	142,292	2,887,449
-	-	861,068
<u>1,025,326</u>	<u>171,642</u>	<u>5,730,845</u>
<u>29,325</u>	<u>(167,340)</u>	<u>681,569</u>
-	147,740	151,973
366	-	18,800
-	-	(13,527)
-	-	(209,949)
<u>366</u>	<u>147,740</u>	<u>(52,703)</u>
29,691	(19,600)	628,866
-	-	200,409
-	-	114,422
-	-	-
<u>29,691</u>	<u>(19,600)</u>	<u>943,697</u>
288,852	(6,825)	15,923,229
-	-	(249,783)
<u>\$ 318,543</u>	<u>\$ (26,425)</u>	<u>\$ 16,617,143</u>

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2013

	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 2,341,601
Payments to Employees for Services	(851,770)
Payments to Suppliers for Goods and Services	(33,968)
	1,455,863
Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Received from Other Funds	-
Intergovernmental Revenue	-
	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(286,392)
Interest Paid	(41,416)
Capital Grants	-
Proceeds from Loans	-
Payments on Interfund Advance	(164,077)
Payments on Capital Lease Obligations	(1,572)
Payments on Long-term Debt	(20,147)
	(513,604)
Net Cash Provided (Used) by Capital and Related Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	5,777
	5,777
Net Cash Provided (Used) by Investing Activities	
Net Increase (Decrease) in Cash and Cash Equivalents	
	948,036
Cash and Cash Equivalents, Beginning of the Year	206,388
Cash and Cash Equivalents, End of the Year	\$ 1,154,424

The accompanying notes are an integral part of this statement.

Sewer Fund	Airport Fund	Refuse Fund	Nonmajor Transit Fund	Total
\$ 3,869,002	\$ 736,015	\$ 1,044,726	\$ (113,108)	\$ 7,878,236
(797,148)	(241,579)	(60,479)	(29,350)	(1,980,326)
(2,103,026)	(442,262)	(1,056,596)	(41,826)	(3,677,678)
968,828	52,174	(72,349)	(184,284)	2,220,232
83,985	30,437	-	-	114,422
-	4,233	-	147,740	151,973
83,985	34,670	-	147,740	266,395
(569,622)	(42,950)	-	-	(898,964)
(167,534)	(2,837)	-	-	(211,787)
200,409	-	-	-	200,409
1,735,149	-	-	-	1,735,149
(104,850)	-	-	-	(268,927)
(3,772)	-	-	-	(5,344)
(392,433)	(9,924)	-	-	(422,504)
697,347	(55,711)	-	-	128,032
12,657	-	366	-	18,800
12,657	-	366	-	18,800
1,762,817	31,133	(71,983)	(36,544)	2,633,459
2,067,157	-	101,270	36,544	2,411,359
<u>\$ 3,829,974</u>	<u>\$ 31,133</u>	<u>\$ 29,287</u>	<u>\$ -</u>	<u>\$ 5,044,818</u>

(Continued)

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Cash Flows
Proprietary Funds - Continued
Year Ended June 30, 2013

	Water Fund
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 558,278
Adjustments to Reconcile Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation	246,865
Changes in Operating Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	(61,482)
Decrease (Increase) in Prepaid Expenses	-
Increase (Decrease) in Accounts Payable	(20,670)
Increase (Decrease) in Accrued Liabilities	(2,767)
Increase (Decrease) in Compensated Absences	7,129
Increase (Decrease) in Due to Other Funds	714,100
Increase (Decrease) in Deposits Payable	14,410
	<u>14,410</u>
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,455,863
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
 Amortization Related to Long-term Debt	\$ -

The accompanying notes are an integral part of this statement.

Sewer Fund	Airport Fund	Refuse Fund	Nonmajor Transit Fund	Total
\$ 590,933	\$ (329,627)	\$ 29,325	\$ (167,340)	\$ 681,569
454,021	160,182	-	-	861,068
1,551,421	88,822	(9,925)	(117,410)	1,451,426
(14)	-	-	-	(14)
(1,632,914)	7,252	(92,331)	(18,463)	(1,757,126)
(2,693)	(1,301)	(184)	(99)	(7,044)
8,074	3,303	766	903	20,175
-	123,543	-	118,125	955,768
-	-	-	-	14,410
<u>\$ 968,828</u>	<u>\$ 52,174</u>	<u>\$ (72,349)</u>	<u>\$ (184,284)</u>	<u>\$ 2,220,232</u>
\$ 3,950	\$ -	\$ -	\$ -	\$ 3,950

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Total Agency Funds	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 1,413,362	\$ 4,948,539
Cash with Fiscal Agent	-	1,193,256
Advances to Other Funds	209,589	-
Other Assets	338,874	-
Total Assets	\$ 1,961,825	6,141,795
LIABILITIES		
Accounts Payable	\$ 173	-
Advances from Other Funds	419,178	-
Interest Payable	-	66,253
Due to City	159,303	764,867
Due to Bond Holders	1,383,171	-
Long-term Debt	-	15,866,045
Total Liabilities	\$ 1,961,825	16,697,165
NET POSITION		
Net Position (Deficit) Held in Trust for Successor Agency		\$ (10,555,370)

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2013

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Property Taxes	\$ 919,749
Interest Income	31,171
	950,920
Total Additions	950,920
DEDUCTIONS	
Administrative Costs	650,647
Interest on Bonds	819,768
	1,470,415
Total Deductions	1,470,415
Change in Net Position	(519,495)
Net Position - Beginning of Year	(9,489,744)
Restatement of Net Position	(546,131)
	(10,585,970)
Net Position - End of Year	\$ (10,555,370)

The accompanying notes are an integral part of this statement.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Tehachapi was incorporated August 13, 1909 under the general laws of the State of California. The City operates under a Council/City Manager form of government and provides the following services: public safety (police and fire); community services; public works; general administrative services; and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

The following is a brief overview of the component units included in the accompanying financial statements of the City.

Tehachapi City Financing Corporation (TCFC) - The Tehachapi City Financing Corporation was formed on September 26, 1990, as a Nonprofit Public Benefit Corporation to render financial assistance to the City by issuing debt instruments.

The TCFC does not issue separate financial statements.

B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary funds also use the accrual basis of accounting. The Agency funds are custodial in nature and therefore do not involve measurement of results of operations.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

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

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *Streets and Roads Special Revenue Fund* is used to account for financial resources that are restricted for the repair and maintenance of City streets.

The *Tract 6216 Settlement Capital Projects Fund* is used to account for the expenditures related to the completion of the Alta Estates Infrastructure.

The City reports the following major proprietary funds:

The *Water Utility, Sewer Utility, Airport and Refuse Funds* are used to account for those operations that are financed and operated in a manner similar to a private business enterprise where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Additionally, the City reports the following fund types:

The *Agency Funds* are used to account for funds that are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City accounts for transactions of its special assessment districts and community facilities districts as agency funds.

The *Successor Agency Private-purpose Trust Fund* is issued to account for the dissolution of the former Tehachapi Redevelopment Agency.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 non-operating 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.

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

C) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

D) Assets, Liabilities, and Net Position or Equity

Deposits and Investments

For purposes of the Statement of Cash Flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with the California Government Code, and as further restricted by the City's adopted investment policy, the City may invest in the following types of investments:

- U.S. Treasury Bills, Notes and Bonds.
- Local Agency Investment Fund administered by the California State Treasurer.
- Obligations issued by agencies or instrumentality of the U.S. Government.
- Negotiable Certificates of Deposit issued by federally or state chartered banks or associations.
- Money Market Mutual Funds investing in the securities and obligations authorized by CGC Section 53601.
- Guaranteed Investment Contract.

Investments held by bond trustees and/or fiscal agents are invested in accordance with separate trust agreements.

For all investments at June 30, 2013, amortized cost approximates fair market value.

The City follows the practice of pooling cash and investments of all funds except for funds held in separate trust agreements.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on the average of the beginning and ending cash balances. Interest income from cash and investments of funds excluded from pooled cash is credited directly to the related fund.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of the interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and 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 account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of allowance for uncollectibles.

Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indenture, by law, or contractual obligations to be used for specified purposes, such as servicing bonded debt and construction of capital assets.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the proprietary funds during the current fiscal year was \$209,949. Of this amount, \$0 was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Machinery and Equipment	4 - 30 years
Structures and Other Improvements	10 - 40 years

Capital lease obligations of the Proprietary Funds are accounted for in the year of inception as a liability of the fund. The related asset is recorded as an asset of the fund.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in the capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts constrained for a specific purpose by City Council action. It would require the same action by City Council to remove the constraint. The City's committed fund balance includes:

General Fund Emergency Contingency - The City's General Fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed as the declaration of a state or federal state of emergency or a local emergency.

Assigned Fund Balance - Amounts that are constrained by the City Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The City's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the Finance Director for the purpose of reporting these amounts in the annual financial statements.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deficit Fund Equity

The following non-major funds had material deficit fund balances at June 30, 2013:

Nonmajor Special Revenue Funds:	
TDA 3 Bike Safety	\$ (7,961)
Event Center and Rode Grounds	(43,560)
Safe Route to School	(20,635)
General Plan Update	(74,039)
Tehachapi Blvd Imprv-Phase IV	(49,558)
New Police Building	(176,054)

The City expects to abate these deficits by operating transfers from the general fund and future revenue.

2) DETAILED NOTES ON ALL FUNDS

A) Cash and Investments

The City's cash and investments consisted of the following at June 30, 2013:

Deposits	\$ 678,462
Investments	<u>17,368,747</u>
Total Cash and Investments	<u>\$ 18,047,209</u>

The City's deposits and investments are reflected in the accompanying basic financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 5,447,234	\$ 4,941,842	\$ 6,361,901	\$ 16,750,977
Restricted Cash	<u>-</u>	<u>102,976</u>	<u>1,193,256</u>	<u>1,296,232</u>
	<u>\$ 5,447,234</u>	<u>\$ 5,044,818</u>	<u>\$ 7,555,157</u>	<u>\$ 18,047,209</u>

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy requires deposits to be covered by the federal depository insurance and collateral having a market value of 110% of the uninsured deposit. As of June 30, 2013, none of the City's deposits were exposed to custodial credit risk.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

Investments

As of June 30, 2013, the City had the following investments:

Investment Type	Total	Maturities in Years	
		Less than 1	1 to 5
Local Agency Investment Funds	\$ 13,741,531	\$ 13,741,531	\$ -
Negotiable Certificates of Deposit	429,406	107,435	321,971
CSJVRMA Investment Pool Held by Bond Trustee:	2,004,554	2,004,554	-
Money Market Mutual Funds	<u>1,193,256</u>	<u>1,193,256</u>	<u>-</u>
Total	<u>\$ 17,368,747</u>	<u>\$ 17,046,776</u>	<u>\$ 321,971</u>

Authorized Investments

The investments listed above are managed by the City Finance Director and Fiscal Agents (bond trustees acting in accordance with bond covenants). Investments managed by the City Finance Director are invested in accordance with the City's investment policy. Investments managed by bond trustees are invested in accordance with provisions of the respective bond agreements, rather than the general provisions of the California Government Code or the City's investment policy.

The City's investments by the investments manager are as follows:

City Finance Director	\$ 16,175,491
Fiscal Agents (Bond trustees for the City and its component units)	<u>1,193,256</u>
	<u>\$ 17,368,747</u>

The City Finance Director has direct oversight over the City's pooled investment fund which covers cash and investments of the City's governmental funds, proprietary funds, and agency funds which are invested in accordance with the City's investment policy. The investment policy generally complies with California Government Code Section 53601 and its primary detail is as follows:

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	Minimum Ratings
U.S. Agencies	5 years	100%	100%	None
U.S. Treasury Bills, Notes and Bonds	5 years	100%	100%	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None
Guaranteed Investment Contract	N/A	None	None	AA
Certificates of Deposit (CDs)	5 years	30%	100%	A
Money Market Mutual Funds	N/A	15%	None	None
Trust Indenture	N/A	None	None	None

Investments with fiscal agents are investments held by the bond trustee. The City and its investment advisor selects the investment under the terms of the applicable trust agreement, directs the bond trustee to acquire the investment, and the bond trustee then holds the investment on behalf of the City and/or its component units. Proceeds of bonds administered by bond trustees are also generally covered under the City Treasurer's investment policy; however, specific provisions of each issuance are usually used in managing such investments.

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. Information about the sensitivity of the fair values of the City's and its component units' investments to market rate fluctuations is provided in the table above that shows the distribution by maturity.

The City's investment policy generally complies with the State Government Code with respect to allowable investment instruments as a means of managing its fair value losses arising from changing interest rates.

Guaranteed investment contracts are investments held by fiscal agents (bond trustees) and are restricted for construction projects and debt service.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the Standard and Poor's rating as of year end for each investment type.

Investment Type	Total as of June 30, 2013	Minimum Legal Rating	AAA	AA	Unrated	Not Required to be Rated
LAIF	\$ 13,741,531	None	\$ -	\$ -	\$13,741,531	\$ -
Negotiable Certificates or Deposit	429,406	None	-	-	429,406	-
CSJVRMA Investment Pool	2,004,554	None	-	-	2,004,554	-
Held by Bond Trustee:						
Money Market Mutual Funds	1,193,256	A	1,193,256	-	-	-
Total	\$ 17,368,747		\$1,193,256	\$ -	\$16,175,491	\$ -

Concentration of Credit Risk

Concentration of credit risk is the increased risk of loss if the City has a significant amount of investments with a single issuer. In accordance with the Investment Policy of the City, none of the investments categories listed exceeded the maximum allowable percentage of its portfolio.

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments in any of the major funds.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Custodial credit risk for LAIF is not determinable.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Included in cash and investments are restricted cash assets of \$1,193,256 held by the various bond trustees and fiscal agents, and \$102,976 of customer deposits in the Water Utility Fund.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

B) Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Street and Roads	Other Governmental Funds	Total
Governmental Activities				
Taxes	\$ 599,728	\$ -	\$ 18,218	\$ 617,946
Grants	-	890,274	297,215	1,187,489
Others	62,056	-	30,345	92,401
	<u>661,784</u>	<u>890,274</u>	<u>345,778</u>	<u>1,897,836</u>
Net Total Receivables	<u>\$ 661,784</u>	<u>\$ 890,274</u>	<u>\$ 345,778</u>	<u>\$ 1,897,836</u>

	Water Fund	Sewer Fund	Airport Fund	Refuse Fund	Nonmajor Transit Fund	Total
Business-Type Activities						
Service Fees	\$ 366,182	\$ 238,091	\$ 11,532	\$ 158,094	\$ 117,410	\$ 891,309
Gross Receivables	366,182	238,091	11,532	158,094	117,410	891,309
Less: Allowance for Uncollectibles	-	-	-	-	-	-
	<u>366,182</u>	<u>238,091</u>	<u>11,532</u>	<u>158,094</u>	<u>117,410</u>	<u>891,309</u>
Net Total Receivables	<u>\$ 366,182</u>	<u>\$ 238,091</u>	<u>\$ 11,532</u>	<u>\$ 158,094</u>	<u>\$ 117,410</u>	<u>\$ 891,309</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

C) Capital Assets

Capital assets activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 941,007	\$ -	\$ -	\$ 941,007
Construction in Progress	3,671,943	2,414,955	(1,385,179)	4,701,719
Total Capital Assets, Not Depreciated	4,612,950	2,414,955	(1,385,179)	5,642,726
Capital Assets Being Depreciated:				
Buildings and Improvements	4,042,159	-	-	4,042,159
Machinery and Equipment	2,983,388	300,413	(116,563)	3,167,238
Improvements other than Buildings	21,796,470	2,105,463	-	23,901,933
Parks	277,862	-	-	277,862
Total Capital Assets Being Depreciated	29,099,879	2,405,876	(116,563)	31,389,192
Less Accumulated Depreciation:				
Buildings and Improvements	(1,420,908)	(153,482)	-	(1,574,390)
Machinery and Equipment	(2,576,519)	(162,687)	116,563	(2,622,643)
Improvements other than Buildings	(3,775,337)	(811,918)	-	(4,587,255)
Parks	(27,807)	(6,947)	-	(34,754)
Total Accumulated Depreciation	(7,800,571)	(1,135,034)	116,563	(8,819,042)
Total Capital Assets Being Depreciated, Net	21,299,308	1,270,842	-	22,570,150
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 25,912,258</u>	<u>\$ 3,685,797</u>	<u>\$ (1,385,179)</u>	<u>\$ 28,212,876</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 684,609	\$ -	\$ -	\$ 684,609
Water Rights	1,745,563	97,000	(13,527)	1,829,036
Construction in Progress	5,276,927	42,080	(5,276,927)	42,080
Total Capital Assets, Not Depreciated	<u>7,707,099</u>	<u>139,080</u>	<u>(5,290,454)</u>	<u>2,555,725</u>
Capital Assets Being Depreciated:				
Buildings	11,125,195	5,615,400	-	16,740,595
Machinery and Equipment	1,723,372	421,411	-	2,144,783
Improvements other than Building	10,748,463	-	-	10,748,463
Total Capital Assets Being Depreciated	<u>23,597,030</u>	<u>6,036,811</u>	<u>-</u>	<u>29,633,841</u>
Less Accumulated Depreciation:				
Building and Improvements	(7,582,355)	(412,451)	-	(7,994,806)
Machinery and Equipment	(1,035,986)	(67,830)	-	(1,103,816)
Improvements other than Building	(3,657,301)	(380,787)	-	(4,038,088)
Total Accumulated Depreciation	<u>(12,275,642)</u>	<u>(861,068)</u>	<u>-</u>	<u>(13,136,710)</u>
Total Capital Assets Being Depreciated, Net	<u>11,321,388</u>	<u>5,175,743</u>	<u>-</u>	<u>16,497,131</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 19,028,487</u>	<u>\$ 5,314,823</u>	<u>\$ (5,290,454)</u>	<u>\$ 19,052,856</u>

Depreciation was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	<u>\$ 1,135,034</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,135,034</u>
Business-type Activities:	
Water	\$ 246,865
Sewer	454,021
Airport	<u>160,182</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 861,068</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

D) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2013 is as follows:

	Receivable Fund	Payable Fund
	<u> </u>	<u> </u>
General Fund	\$ 2,000,268	\$ -
Streets and Roads		597,224
Non-major Governmental Funds	-	570,819
Enterprise Funds:		
Water Fund		714,100
Nonmajor Transit Fund	-	<u>118,125</u>
 Total	 <u>\$ 2,000,268</u>	 <u>\$ 2,000,268</u>

The General Fund has loaned monies to the Streets and Roads Non-major Governmental Funds, the Water, and Nonmajor Transit Funds to cover operating cash deficits. These amounts are expected to be paid back in the following fiscal year.

Advances to/from consist of the following at June 30, 2013:

	Receivable Fund	Payable Fund
	<u> </u>	<u> </u>
General Fund	\$ 1,801,242	\$ -
Proprietary Funds:		
Water Fund	-	432,004
Sewer Fund	-	276,199
Airport Fund	-	<u>1,093,039</u>
 Total	 <u>\$ 1,801,242</u>	 <u>\$ 1,801,242</u>

The General Fund advanced the Water and Sewer Funds \$432,004 and \$276,199, respectively, in order for the Water and Sewer Funds to pay off bonds early. The General Fund has advanced the Airport Fund \$1,093,039 to cover operating deficits.

Interfund transfers for the year ended June 30, 2013 are as follows:

		TRANSFERS IN				
		General Fund	Non-major Governmental Funds	Airport Fund	Sewer Fund	Total
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TRANSFERS OUT	General Fund	\$ -	\$ 86,590	\$ -	\$ 30,437	\$ 117,027
	Streets and Roads		324,648	-	-	324,648
	Non-Major Governmental Funds	37,000	575,000	83,895	-	695,985
	 Total	 <u>\$ 37,000</u>	 <u>\$ 986,238</u>	 <u>\$ 83,895</u>	 <u>\$ 30,437</u>	 <u>\$ 1,137,660</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

The transfers from the Non-major Governmental Funds to the Non-major Governmental Funds and from the Streets and Roads Fund were for capital projects. The transfers from the General Fund to the Non-major Governmental Funds and Airport were for capital projects and operating purposes, respectively.

The Due From Fiduciary Fund of \$1,133,759 in the General Fund is the result of amounts due from the Agency Fund and Successor Agency Private-purpose Trust Fund of \$368,892 and \$764,867, respectively. The amounts due from the Agency fund are the result of deficits in those funds. The amounts due from the Successor Agency Private-purpose Trust Fund is the result of the General Fund covering operating deficits upon the start-up of the Successor Agency.

E) Other Assets

Other assets at June 30, 2013 consist of the following:

	Agency Funds	Total
Foreclosure Receivables	\$ 338,874	\$ 338,874

Foreclosure Receivables

The City has provided infrastructure improvements to various property owners in exchange for special taxes on those properties. Non-payment of these taxes has occurred on selected properties and the City has taken steps toward foreclosure. Funds have been expended during the foreclosure process that are expected to be received at completion of the foreclosure action. Due to the uncertainty as to the date upon which the City will receive reimbursement for the funds expended, those receivables have been reclassified as Other Assets within the Fiduciary Funds.

Joint Venture in Recycling Project

During the year ended June 30, 1991, the City invested \$235,000 in a joint venture recycling plant with Benz Sanitation, a local sanitation company. The investment does not result in title to the plant. The City does, however, have a profit sharing interest of 5% of the gross profits and is held free from responsibility for any debts and obligations of the recycling project. The City did not receive a profit sharing payment for the year ending June 30, 2013.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

F) Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital Leases	\$ 716,230	\$ -	\$ 26,090	\$ 690,140	\$ 26,928
Compensated Absences	155,243	86,193	69,052	172,384	89,000
Governmental Activity					
Long-term Liabilities	<u>\$ 871,473</u>	<u>\$ 86,193</u>	<u>\$ 95,142</u>	<u>\$ 862,524</u>	<u>\$ 115,928</u>
Business-type Activities:					
2004 Revenue Refunding Bonds	\$ 2,920,000	\$ -	\$ 125,000	\$ 2,795,000	\$ 135,000
1993 State Revolving Loan	375,018	-	184,738	190,280	190,280
1998 Sewer and Water COP	238,500	-	5,000	233,500	5,300
Less Deferred Amounts:					
For Issuance Discounts	<u>(35,551)</u>	<u>-</u>	<u>(3,950)</u>	<u>(31,601)</u>	<u>-</u>
Total Bonds Payable	3,497,967	-	310,788	3,187,179	330,580
Department of Transportation Loan	61,150	-	9,924	51,226	10,408
Water Resources Control Board Loan	388,547	1,735,149	97,843	2,025,853	83,800
Capital Leases	146,697	-	5,344	141,353	5,515
Compensated Absences	<u>108,981</u>	<u>51,662</u>	<u>31,487</u>	<u>129,156</u>	<u>38,746</u>
Business-type Activity					
Long-term Liabilities	<u>\$ 4,203,342</u>	<u>\$ 1,786,811</u>	<u>\$ 455,386</u>	<u>\$ 5,534,767</u>	<u>\$ 469,049</u>

Capital Leases

The City, at various occasions, enters into lease agreements that qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Goodrick Drive	\$ 955,570	\$ 195,719
Less Accumulated Depreciation	(462,117)	(94,650)
Total	\$ 493,453	\$ 101,069

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2014	\$ 48,649	\$ 9,964
2015	48,635	9,961
2016	48,622	9,958
2017	48,607	9,955
2018	48,591	9,952
2019	48,575	9,949
2020	48,559	9,946
2021	48,542	9,942
2022	48,525	9,939
2023	48,507	9,935
2024	48,489	9,932
2025	48,470	9,928
2026	48,450	9,923
2027	48,430	9,919
2028	48,409	9,915
2029	48,387	9,912
2030	48,365	9,906
2031	48,342	9,902
2032	48,317	9,897
Total	921,471	188,735
Less amount representing interest	(231,331)	(47,382)
Present value of net minimum lease payments	\$ 690,140	\$ 141,353

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

2004 Revenue Refunding Bonds

On November 1, 2004, the City issued Water and Sewer Revenue Refunding Bonds in the amount of \$3,770,000. These 2004 bonds were issued for the purpose of prepaying and defeasing the outstanding 1994 Water and Sewer Revenue Refunding Bond with an aggregated principal amount of \$2,970,000 and to pay the cost of issuance of the Bonds. The acquisition price exceeded the net carrying value of the old debt by \$261,937 which is being amortized over the life of the new debt, which is equal to the remaining life of the refunded debt. The bonds were issued with an interest rate ranging from 2% to 4.125% over the life of the bonds, with a debt service requirement of \$5,436,606 to be paid over 15 years.

The annual debt service requirements to maturity for the 2004 Water and Sewer Revenue Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest
2014	\$ 135,000	\$ 109,344
2015	140,000	104,444
2016	145,000	99,187
2017	150,000	93,469
2018	495,000	80,569
2019	555,000	59,569
2020	570,000	36,712
2021	605,000	12,478
Total	\$ 2,795,000	\$ 595,772

1993 State Revolving Loan

During fiscal year 1994-1995, the City obtained financing from the State of California for the construction of sewer facilities. The State established a line of credit upon which the City received \$2,882,112 in eleven disbursements from January 1993 to January 1994. The interest rate is 3.0% and repayment is scheduled in annual installments over 20 years commencing November 1, 1994.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest
2014	\$ 190,280	\$ 5,708
Total	\$ 190,280	\$ 5,708

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

1998 Sewer & Water COPs

In July 1998, the City obtained loans from the USDA Rural Development totaling \$289,900. The Sewer Fund received \$103,000 and Water Fund received \$186,900. The loans were made by purchase of Certificates of Participation (COP), which were issued by the Tehachapi City Financing Corp. (Financing Corp.) with an interest rate of 4.5%. The proceeds from the sale of the COPs were used to finance the building of a new sewer line to connect to the recently annexed Ashe tract. The COPs are secured by installments payments due from the City based on an Installment Sale Agreement between the Financing Corporation and the City.

The annual debt service requirements to maturity for the 1998 Sewer and Water COPs are as follows:

Year Ending June 30,	Principal	Interest
2014	\$ 5,300	\$ 10,508
2015	5,400	10,269
2016	5,700	10,026
2017	6,000	9,770
2018	6,200	9,500
2019	6,500	9,221
2020	6,800	8,928
2021	7,100	8,621
2022	7,400	8,303
2023	7,800	7,969
2024	8,100	7,619
2025	8,500	7,254
2026	9,100	6,871
2027	9,300	6,462
2028	9,700	6,044
2029	10,100	5,607
2030	10,600	5,152
2031	11,000	4,676
2032	11,600	4,181
2033	12,100	3,658
2034	12,700	3,114
2035	13,200	2,543
2036	13,800	1,948
2037	14,400	1,327
2038	15,100	680
Total	<u>\$ 233,500</u>	<u>\$ 160,251</u>

Department of Transportation Loan

In October 1998, the City obtained financing from the Department of Transportation Aeronautics Program for the purchase of a fuel tank for the airport. The cost of the fuel tank was \$139,900. The interest rate is 5.0% and repayment is scheduled in annual installments over 17 years commencing January 1, 2002.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2014	\$ 10,408	\$ 2,587
2015	10,891	2,061
2016	11,376	1,511
2017	11,860	937
2018	6,691	338
Total	<u>\$ 51,226</u>	<u>\$ 7,434</u>

Water Resources Control Board Loan

In September 2011, the City received a loan from the California State Water Resources Control Board for up to \$2,121,030 to be used for the Wastewater Treatment Plant Expansion Project. The amount of the loan will be based on eligible project costs and is issued on a reimbursement basis. The loan matures over 20 years with an interest rate of 2.6%. As of June 30, 2013 the City has been issued the full amount of the loan, which will be repaid from the Sewer Fund.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2014	\$ 83,800	\$ 52,675
2015	85,979	50,493
2016	88,214	48,258
2017	90,508	45,964
2018	92,861	43,611
2019	95,276	41,197
2020	97,753	38,720
2021	100,294	36,178
2022	102,902	33,570
2023	105,577	30,895
2024	108,322	28,150
2025	111,139	25,334
2026	114,028	22,444
2027	116,993	19,479
2028	120,035	16,437
2029	123,156	13,316
2030	126,358	10,114
2031	129,643	6,829
2032	133,015	3,458
Total	<u>\$ 2,025,853</u>	<u>\$ 567,122</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

Long-term Liabilities - Fiduciary Funds

In December 2005, the Tehachapi Redevelopment Agency issued Tax Allocation Bonds in the amount of \$8,780,000. These bonds were issued for the purpose of refunding the Agency's \$1,555,000 2004 Subordinate Tax Allocation Notes and the Agency's \$2,500,000 2002 Tax Allocation Notes. A portion of the net proceeds of the Bonds will also be used to fund certain redevelopment activities of benefit to the Tehachapi Redevelopment Agency ("the Project Area"), including amounts which will be deposited into a special escrow fund for future release. The Bonds will mature on December 1, 2035 and the interest rate ranges between 3.25% and 5.25% over the life of the Bonds. Interest is payable semiannually on June 1st and December 1st of each year, commencing June 1, 2006. The Bonds are subject to redemption at the option of the Agency on or after June 1, 2006.

The annual debt service requirements to maturity of the 2005 Tax Allocation Bonds are as follows:

2005 Bonds		
Year Ending June 30,	Principal	Interest
2014	\$ 195,000	\$ 370,256
2015	205,000	362,064
2016	210,000	353,525
2017	220,000	344,379
2018	235,000	334,391
2019-2023	1,320,000	1,501,790
2024-2028	1,660,000	1,151,457
2029-2033	2,115,000	678,533
2034-2036	1,550,000	121,616
Total	\$ 7,710,000	\$ 5,218,011

In December 2007, the Tehachapi Redevelopment Agency issued Tax Allocation Bonds in the amount of \$9,120,000. These Bonds were issued for the purpose of financing additional redevelopment activities for the Tehachapi Redevelopment Agency (the "Project Area"), including amounts which will be deposited into a special escrow fund for future release. Proceeds of the 2007 Bonds will also be used to fund capitalized interest for the 2007 Bonds which fund the special escrow fund, to provide money to meet the parity reserve fund requirement for the 2007 Bonds and the 2005 Bonds.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

The Bonds are secured by a pledge of tax revenues. The Bonds will mature on December 1, 2037 and the interest rate ranges between 3.4% and 5.313% over the life of the Bonds. Interest is payable semiannually, on June 1st and December 1st of each year, commencing June 1, 2009. The Bonds are subject to redemption at the option of the Agency on or after December 1, 2018.

The annual debt service requirements to maturity of the 2007 Tax Allocation Bonds are as follows:

2007 Bonds		
Year Ending June 30,	Principal	Interest
2014	\$ 175,000	\$ 424,785
2015	185,000	416,686
2016	195,000	407,933
2017	200,000	398,583
2018	215,000	388,631
2019-2023	1,240,000	1,770,808
2024-2028	1,570,000	1,421,840
2029-2033	2,025,000	963,873
2034-2038	2,605,000	360,657
Total	<u>\$ 8,410,000</u>	<u>\$ 6,553,796</u>

The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2013.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable:					
Tax Allocation Bonds	\$ 16,485,000	\$ -	\$ 365,000	\$ 16,120,000	\$ 370,000
Unamortized Bond Discount	(264,923)	-	(10,968)	(253,955)	-
Total	<u>\$ 16,220,077</u>	<u>\$ -</u>	<u>\$ 354,032</u>	<u>15,866,045</u>	<u>\$ 370,000</u>

No-Commitment Debt

The City issued limited obligation bonds to finance the construction of infrastructure improvements within the City through the use of Special Assessment Districts. The repayment of the bonds are payable from special assessments levied each year, or from foreclosure proceeds. The bonds do not constitute indebtedness of the City, and the City is in no way obligated for their repayment and is only acting on behalf of bondholders and initiating foreclosure proceedings, if necessary. Accordingly, these special assessments and special tax bonds payable have been excluded from the accompanying primary government financial statements.

Due to delinquent annual assessments, limited obligation bonds (Assessment Districts 89-2 and 89-3) amounting to \$2,425,000 (principal only) are in default at June 30, 2013.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

2) DETAILED NOTES ON ALL FUNDS - Continued

G) Fund Balances

The details of the fund balances as of June 30, 2013 are presented below:

	General Fund	Streets And Roads Fund	Tract 6216 Settlement	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays	\$ 106,025	\$ -	\$ -	\$ -	\$ 106,025
Loans Receivable	195,344	-	-	-	195,344
Advances to Other Funds	1,801,242	-	-	-	1,801,242
Restricted for:					
Lighting District	-	-	-	151,112	151,112
Transportation	-	-	-	1,323,615	1,323,615
Development	-	-	-	264,160	264,160
Committed to:					
Emergency Contingency	809,629	-	-	-	809,629
Assigned to:					
Capital Projects	-	-	-	178,673	178,673
Tract 6216 Settlement	-	-	496,120	-	496,120
Unassigned:	<u>5,252,576</u>	<u>-</u>	<u>-</u>	<u>(371,807)</u>	<u>4,880,769</u>
Total Fund Balance	<u>\$8,164,816</u>	<u>\$ -</u>	<u>\$ 496,120</u>	<u>\$ 1,545,753</u>	<u>\$10,206,689</u>

3) OTHER INFORMATION

A) Risk Management

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA).

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers' compensation claim through the CSJVRMA. The city has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability and workers' compensation losses under \$10,000. The City's share of estimated claims payable at June 30, 2013 and 2012 amounted to \$0. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$25,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$500,000 to \$4,500,000 and purchases excess reinsurance above the \$5,000,000 to the statutory limit.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

3) OTHER INFORMATION - Continued

The CSJVRMA is a consortium of fifty-five (55) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. At termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with its governing documents.

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City purchases insurance as described above. There are no significant reductions in insurance coverage from prior years and also there been no settlements exceeding the insurance coverage for each of the past three fiscal years.

B) City Employee Retirement Plans

Miscellaneous Plan and Safety Plan:

Plan Description

The City of Tehachapi contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The contract offers a “2% at 55” plan for Miscellaneous Plan members and “3% at 50” plan for Safety Police Plan Members. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS’ annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7% and 9% of their annual covered salary for the Miscellaneous and Safety plans, respectively. The City of Tehachapi pays the member contributions for both the Miscellaneous Plan and the Safety Plan of 5% and 6.5% respectively. The City is also required to make additional contributions at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for fiscal year 2012-2013 were 10.761% for the Miscellaneous Plan and 24.706% for the Safety Police Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Three Year Trend Information for the City of Tehachapi Miscellaneous Employees’ Retirement Plan

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Percent Contributed</u>
6/30/11	\$ 233,113	100%
6/30/12	\$ 220,242	100%
6/30/13	\$ 248,312	100%

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2013

3) OTHER INFORMATION - Continued

Three Year Trend Information for the City of Tehachapi Safety Police Employees' Retirement Plan

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Percent Contributed</u>
6/30/11	\$ 171,299	100%
6/30/12	\$ 205,618	100%
6/30/13	\$ 226,953	100%

Safety Fire Plan

During the fiscal year ended June 30, 2008, the Safety Fire Plan of the City became inactive. As such the City paid the side fund in the amount of \$35,087 for the fiscal year June 30, 2008 and there will be no additional required contributions. The plan is now part of an inactive pool subject to future gains and losses. At any point in the future, the City may be required to make a contribution on the pools gain and losses. Currently the pool has a surplus and no additional contribution is required.

C) Commitments and Contingencies

The City has entered into a new debt agreement (Sewer Loan) as of May 2011. As of June 30, 2013, there was no activity by the City for this debt.

The City has received Federal and State funds for specific purposes that are subject to review by the grantor agencies. These programs are subject to audit by the grantor agencies and upon further examination by the grantors, certain costs could be disallowed. The City expects any such amounts to be immaterial.

D) Prior Period Adjustment/Restatement of Net Position

The prior period adjustment in the Statement of Revenues, Expenditures and Changes in Fund Balances for the Streets and Roads Special Revenue Fund of \$293,050 is to record unavailable revenues from grants that were not received within the availability period in the prior year.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in fiscal year 2012-13. As a result, the beginning net position in the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds and the Statement of Changes in Net Position – Fiduciary Funds was restated by \$249,783 and \$546,131, respectively, to reflect the cumulative effect of applying this statement.

REQUIRED SUPPLEMENTARY INFORMATION

City of Tehachapi
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,584,122	\$ 4,954,864	\$ 5,356,958	\$ 402,094
Licenses, Permits, and Fines	50,000	78,905	90,551	11,646
Intergovernmental	22,500	250,800	367,963	117,163
Charges for Services	480,000	427,910	817,582	389,672
Investment Earnings	35,000	35,000	25,908	(9,092)
Miscellaneous Revenues	124,025	245,592	396,277	150,685
	<u>5,295,647</u>	<u>5,993,071</u>	<u>7,055,239</u>	<u>1,062,168</u>
EXPENDITURES				
Current:				
General Government	1,032,557	1,322,881	1,280,959	41,922
Public Works	545,112	627,529	652,602	(25,073)
Public Safety	2,637,062	2,972,066	2,824,312	147,754
Community Development	955,642	966,087	938,491	27,596
Capital Outlay:				
General Government	-	-	-	-
	<u>5,170,373</u>	<u>5,888,563</u>	<u>5,696,364</u>	<u>192,199</u>
Excess (Deficiency) of Revenues over Expenditures	<u>125,274</u>	<u>104,508</u>	<u>1,358,875</u>	<u>1,254,367</u>
OTHER FINANCING SOURCES (USES)				
Transfers	37,000	37,000	37,000	-
Transfers Out	(126,500)	(114,437)	(117,027)	(2,590)
	<u>(89,500)</u>	<u>(77,437)</u>	<u>(80,027)</u>	<u>(2,590)</u>
Net Change in Fund Balances	35,774	27,071	1,278,848	1,251,777
Fund Balance, Beginning of Year	<u>6,885,968</u>	<u>6,885,968</u>	<u>6,885,968</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,921,742</u>	<u>\$ 6,913,039</u>	<u>\$ 8,164,816</u>	<u>\$ 1,251,777</u>

City of Tehachapi
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Streets and Roads
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 317,546	\$ 890,274	\$ 890,274	\$ -
Total Revenues	<u>317,546</u>	<u>890,274</u>	<u>890,274</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	317,546	350,000	2,149	347,851
Debt Service				
Interest Expense	22,572	22,572	22,572	-
Principal	26,090	26,090	26,090	-
Total Expenditures	<u>366,208</u>	<u>398,662</u>	<u>50,811</u>	<u>347,851</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(48,662)</u>	<u>491,612</u>	<u>839,463</u>	<u>347,851</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(317,546)	(324,648)	7,102
Total Other Financing Sources (Uses)	<u>-</u>	<u>(317,546)</u>	<u>(324,648)</u>	<u>7,102</u>
Net Change in Fund Balance	(48,662)	174,066	514,815	340,749
Fund Balance, Beginning of Year	(221,765)	(221,765)	(221,765)	-
Prior Period Adjustment	-	-	(293,050)	(293,050)
Fund Balance, End of Year	<u>\$ (270,427)</u>	<u>\$ (47,699)</u>	<u>\$ -</u>	<u>\$ 47,699</u>

City of Tehachapi
Notes to Required Supplementary Information
Year Ended June 30, 2013

Budgetary Accounting

Budgetary comparison schedules are presented as part of the Required Supplementary Information for major Special Revenue Funds as provided for by GASB Statement No. 34. The City budget is adopted on a basis consistent with accounting principles generally accepted in United States of America. The City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it after the adoption. City Council approval is required for budget revisions that affect the total appropriations of the City.

SUPPLEMENTARY INFORMATION

City of Tehachapi
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tract 6216 Settlement Project
Year Ended June 30, 2013

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 7,027	\$ 7,027
Total Revenues	-	7,027	7,027
EXPENDITURES			
Community Development	1,710,000	1,695,581	14,419
Total Expenditures	1,710,000	1,695,581	14,419
Excess (Deficiency) of Revenues over Expenditures	(1,710,000)	(1,688,554)	21,446
Net Change in Fund Balance	(1,710,000)	(1,688,554)	21,446
Fund Balance, Beginning of Year	2,184,674	2,184,674	-
Fund Balance, End of Year	<u>\$ 474,674</u>	<u>\$ 496,120</u>	<u>\$ 21,446</u>

City of Tehachapi
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 1,696,224	\$ 391,561	\$ 2,087,785
Receivables	<u>59,309</u>	<u>286,469</u>	<u>345,778</u>
Total Assets	<u>\$ 1,755,533</u>	<u>\$ 678,030</u>	<u>\$ 2,433,563</u>
LIABILITIES			
Accounts Payable	\$ 102,777	\$ 195,642	\$ 298,419
Due to Other Funds	<u>178,499</u>	<u>392,320</u>	<u>570,819</u>
Total Liabilities	<u>281,276</u>	<u>587,962</u>	<u>869,238</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	<u>18,572</u>	<u>-</u>	<u>18,572</u>
Total Deferred Inflows of Resources	<u>18,572</u>	<u>-</u>	<u>18,572</u>
FUND BALANCES			
Restricted	1,527,841	211,046	1,738,887
Assigned	-	178,673	178,673
Unassigned	<u>(72,156)</u>	<u>(299,651)</u>	<u>(371,807)</u>
Total Fund Balances	<u>1,455,685</u>	<u>90,068</u>	<u>1,545,753</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,755,533</u>	<u>\$ 678,030</u>	<u>\$ 2,433,563</u>

City of Tehachapi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES			
Taxes	\$ 592,428	\$ -	\$ 592,428
Intergovernmental	458,926	1,045,758	1,504,684
Charges for Services	293,296	-	293,296
Investment Earnings	6,545	1,543	8,088
Miscellaneous Revenue	-	20,000	20,000
	<u>1,351,195</u>	<u>1,067,301</u>	<u>2,418,496</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	63,462	-	63,462
Public Works	877,770	344	878,114
Community Development	29,756	92,531	122,287
Capital Outlay	178,042	1,335,137	1,513,179
	<u>1,149,030</u>	<u>1,428,012</u>	<u>2,577,042</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>202,165</u>	<u>(360,711)</u>	<u>(158,546)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	634,648	351,590	986,238
Transfers Out	(325,000)	(370,985)	(695,985)
	<u>309,648</u>	<u>(19,395)</u>	<u>290,253</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	511,813	(380,106)	131,707
Fund Balances, Beginning of Year	<u>943,872</u>	<u>470,174</u>	<u>1,414,046</u>
Fund Balances, End of Year	<u>\$ 1,455,685</u>	<u>\$ 90,068</u>	<u>\$ 1,545,753</u>

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City of Tehachapi
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2013

	Traffic Signals	TDA 3 Bike Safety	Oil Recycling Grant Fund	Beverage Container Recycling
ASSETS				
Cash and Investments	\$ 1,130,866	\$ -	\$ 265	\$ 6,480
Receivables	-	-	-	5,000
Total Assets	<u>\$ 1,130,866</u>	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 11,480</u>
LIABILITIES				
Accounts Payable	\$ 3,040	\$ 7,639	\$ -	\$ -
Due to Other Funds	-	322	-	-
Total Liabilities	<u>3,040</u>	<u>7,961</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	1,127,826	-	265	11,480
Unassigned	-	(7,961)	-	-
Total Fund Balances	<u>1,127,826</u>	<u>(7,961)</u>	<u>265</u>	<u>11,480</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,130,866</u>	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 11,480</u>

<u>Lighting District</u>	<u>Event Center & Rodeo Grounds</u>	<u>Gas Tax</u>	<u>Facility Impact Fee Fund</u>	<u>Safe Route to School Fund</u>	<u>Total Non-Major Funds</u>
\$ 310,042	\$ -	\$ 141,021	\$ 107,550	\$ -	\$ 1,696,224
<u>832</u>	<u>800</u>	<u>34,105</u>	<u>-</u>	<u>18,572</u>	<u>59,309</u>
<u>\$ 310,874</u>	<u>\$ 800</u>	<u>\$ 175,126</u>	<u>\$ 107,550</u>	<u>\$ 18,572</u>	<u>\$ 1,755,533</u>
\$ 22,490	\$ 3,616	\$ 44,732	\$ 786	\$ 20,474	\$ 102,777
<u>137,272</u>	<u>40,744</u>	<u>-</u>	<u>-</u>	<u>161</u>	<u>178,499</u>
<u>159,762</u>	<u>44,360</u>	<u>44,732</u>	<u>786</u>	<u>20,635</u>	<u>281,276</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,572</u>	<u>18,572</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,572</u>	<u>18,572</u>
151,112	-	130,394	106,764	-	1,527,841
<u>-</u>	<u>(43,560)</u>	<u>-</u>	<u>-</u>	<u>(20,635)</u>	<u>(72,156)</u>
<u>151,112</u>	<u>(43,560)</u>	<u>130,394</u>	<u>106,764</u>	<u>(20,635)</u>	<u>1,455,685</u>
<u>\$ 310,874</u>	<u>\$ 800</u>	<u>\$ 175,126</u>	<u>\$ 107,550</u>	<u>\$ 18,572</u>	<u>\$ 1,755,533</u>

City of Tehachapi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended June 30, 2013

	Traffic Signals	TDA 3 Bike Safety	Oil Recycling Grant Fund	Beverage Container Recycling
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	419,382	28,797	-	5,000
Charges for Services	-	-	-	-
Investment Earnings	3,830	-	1	48
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>423,212</u>	<u>28,797</u>	<u>1</u>	<u>5,048</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	-	-
Community Development	-	-	-	8,863
Capital Outlay	<u>39,364</u>	<u>43,810</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>39,364</u>	<u>43,810</u>	<u>-</u>	<u>8,863</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>383,848</u>	<u>(15,013)</u>	<u>1</u>	<u>(3,815)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	7,102	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,102</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	383,848	(7,911)	1	(3,815)
Fund Balances, Beginning of Year	<u>743,978</u>	<u>(50)</u>	<u>264</u>	<u>15,295</u>
Fund Balances, End of Year	<u>\$ 1,127,826</u>	<u>\$ (7,961)</u>	<u>\$ 265</u>	<u>\$ 11,480</u>

<u>Lighting District</u>	<u>Event Center & Rodeo Grounds</u>	<u>Gas Tax</u>	<u>Facility Impact Fee Fund</u>	<u>Safe Route to School Fund</u>	<u>Total Non-Major Funds</u>
\$ 280,190	\$ -	\$ 312,238	\$ -	\$ -	\$ 592,428
-	-	5,747	-	-	458,926
-	-	-	293,296	-	293,296
1,225	-	526	915	-	6,545
-	-	-	-	-	-
<u>281,415</u>	<u>-</u>	<u>318,511</u>	<u>294,211</u>	<u>-</u>	<u>1,351,195</u>
63,462	-	-	-	-	63,462
232,877	-	644,893	-	-	877,770
19,932	-	-	961	-	29,756
-	74,233	-	-	20,635	178,042
<u>316,271</u>	<u>74,233</u>	<u>644,893</u>	<u>961</u>	<u>20,635</u>	<u>1,149,030</u>
<u>(34,856)</u>	<u>(74,233)</u>	<u>(326,382)</u>	<u>293,250</u>	<u>(20,635)</u>	<u>202,165</u>
-	310,000	317,546	-	-	634,648
-	-	(30,000)	(295,000)	-	(325,000)
-	310,000	287,546	(295,000)	-	309,648
(34,856)	235,767	(38,836)	(1,750)	(20,635)	511,813
185,968	(279,327)	169,230	108,514	-	943,872
<u>\$ 151,112</u>	<u>\$ (43,560)</u>	<u>\$ 130,394</u>	<u>\$ 106,764</u>	<u>\$ (20,635)</u>	<u>\$ 1,455,685</u>

City of Tehachapi
Combining Balance Sheet
Non-major Capital Project Funds
June 30, 2013

	<u>Tucker Road / Valley Blvd. Exchange</u>	<u>Energy Efficiency Conservation Project</u>	<u>Capital Equipment Replacement</u>	<u>Public Safety Capital Project Fee</u>
ASSETS				
Cash and Investments	\$ 47,409	\$ -	\$ -	\$ -
Receivables	-	-	-	-
Total Assets	<u>\$ 47,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	47,409	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>47,409</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 47,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>General Plan Update</u>	<u>Valley Shoulder Ext - HSIP</u>	<u>Downtown Master Plan</u>	<u>Parks & Rec. Capital Project</u>	<u>Challenger Drive Exit</u>	<u>Green Street Lighting Capital Projects Fund</u>	<u>Tehachapi Centennial Plaza</u>
\$ -	\$ 8,827	\$ -	\$ 125,583	\$ 159,017	\$ 20,068	\$ -
-	11,534	-	-	-	-	-
<u>\$ -</u>	<u>\$ 20,361</u>	<u>\$ -</u>	<u>\$ 125,583</u>	<u>\$ 159,017</u>	<u>\$ 20,068</u>	<u>\$ -</u>
\$ 6,212	\$ 2,375	\$ -	\$ -	\$ -	\$ -	\$ -
67,827	-	-	-	-	-	-
<u>74,039</u>	<u>2,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	17,986	-	125,583	-	20,068	-
-	-	-	-	159,017	-	-
<u>(74,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(74,039)</u>	<u>17,986</u>	<u>-</u>	<u>125,583</u>	<u>159,017</u>	<u>20,068</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 20,361</u>	<u>\$ -</u>	<u>\$ 125,583</u>	<u>\$ 159,017</u>	<u>\$ 20,068</u>	<u>\$ -</u>

Continued

City of Tehachapi
Combining Balance Sheet
Non-major Capital Project Funds - Continued
Year Ended June 30, 2013

	<u>Tehachapi Blvd Imprv - Phase IV</u>	<u>New Police Building</u>	<u>Freedom Plaza</u>	<u>Total Non-Major Funds</u>
ASSETS				
Cash and Investments	\$ -	\$ 11,001	\$ 19,656	\$ 391,561
Receivables	274,935	-	-	286,469
	<u>\$ 274,935</u>	<u>\$ 11,001</u>	<u>\$ 19,656</u>	<u>\$ 678,030</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 187,055	\$ -	\$ 195,642
Due to Other Funds	324,493	-	-	392,320
	<u>324,493</u>	<u>187,055</u>	<u>-</u>	<u>587,962</u>
Fund Balances:				
Restricted	-	-	-	211,046
Assigned	-	-	19,656	178,673
Unassigned	(49,558)	(176,054)	-	(299,651)
	<u>(49,558)</u>	<u>(176,054)</u>	<u>19,656</u>	<u>90,068</u>
Total Liabilities and Fund Balances	<u>\$ 274,935</u>	<u>\$ 11,001</u>	<u>\$ 19,656</u>	<u>\$ 678,030</u>

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City of Tehachapi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended June 30, 2013

	<u>Tucker Road / Valley Blvd. Exchange</u>	<u>Energy Efficiency Conservation Project</u>	<u>Capital Equipment Replacement</u>	<u>Public Safety Capital Project Fee</u>
REVENUES				
Licenses, Permits, and Fines	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Investment Earnings	194	-	-	-
Total Revenues	<u>194</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>194</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,590	-	-
Transfers Out	-	-	(120,985)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,590</u>	<u>(120,985)</u>	<u>-</u>
Net Change in Fund Balances	194	2,590	(120,985)	-
Fund Balances, Beginning of Year	<u>47,215</u>	<u>(2,590)</u>	<u>120,985</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 47,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>General Plan Update</u>	<u>Valley Shoulder Ext - HSIP</u>	<u>Downtown Master Plan</u>	<u>Parks & Rec. Capital Project</u>	<u>Challenger Drive Exit</u>	<u>Green Street Lighting Capital Projects Fund</u>	<u>Tehachapi Centennial Plaza</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	14,112	-	-	-	468,916	-
-	-	-	-	-	-	-
-	-	-	1,349	-	-	-
-	14,112	-	1,349	-	468,916	-
-	-	-	-	-	-	-
92,531	-	-	-	-	-	-
-	11,502	-	35,000	11,886	1,053	-
92,531	11,502	-	35,000	11,886	1,053	-
(92,531)	2,610	-	(33,651)	(11,886)	467,863	-
24,000	-	-	-	-	-	-
-	-	-	(250,000)	-	-	-
24,000	-	-	(250,000)	-	-	-
(68,531)	2,610	-	(283,651)	(11,886)	467,863	-
(5,508)	15,376	-	409,234	170,903	(447,795)	-
<u>\$ (74,039)</u>	<u>\$ 17,986</u>	<u>\$ -</u>	<u>\$ 125,583</u>	<u>\$ 159,017</u>	<u>\$ 20,068</u>	<u>\$ -</u>

Continued

City of Tehachapi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-Major Capital Project Funds
Year Ended June 30, 2013

	<u>Tehachapi Blvd Imprv - Phase IV</u>	<u>New Police Building</u>	<u>Freedom Plaza</u>	<u>Total Non-Major Funds</u>
REVENUES				
Licenses, Permits, and Fines	\$ -	\$ -	\$ -	\$ -
Intergovernmental	562,730	-	-	1,045,758
Miscellaneous Revenue	-	-	20,000	20,000
Investment Earnings	-	-	-	1,543
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,543</u>
Total Revenues	<u>562,730</u>	<u>-</u>	<u>20,000</u>	<u>1,067,301</u>
EXPENDITURES				
Current:				
Public Works	-	-	344	344
Community Development	-	-	-	92,531
Capital Outlay	<u>682,421</u>	<u>593,275</u>	<u>-</u>	<u>1,335,137</u>
	<u>682,421</u>	<u>593,275</u>	<u>344</u>	<u>1,428,012</u>
Total Expenditures	<u>682,421</u>	<u>593,275</u>	<u>344</u>	<u>1,428,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(119,691)</u>	<u>(593,275)</u>	<u>19,656</u>	<u>(360,711)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	30,000	295,000	-	351,590
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370,985)</u>
	<u>30,000</u>	<u>295,000</u>	<u>-</u>	<u>(19,395)</u>
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>295,000</u>	<u>-</u>	<u>(19,395)</u>
Net Change in Fund Balances	(89,691)	(298,275)	19,656	(380,106)
Fund Balances, Beginning of Year	<u>40,133</u>	<u>122,221</u>	<u>-</u>	<u>470,174</u>
Fund Balances, End of Year	<u>\$ (49,558)</u>	<u>\$ (176,054)</u>	<u>\$ 19,656</u>	<u>\$ 90,068</u>

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City of Tehachapi
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	Capital Hills 89-1	Tucker Road 87-1	East Tehachapi Blvd. Project 89-3	Summit 89-2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and Investments	\$ 1,175,604	\$ 87,608	\$ 19,438	\$ 92,747
Advances to Other Funds	-	-	-	-
Other Assets	-	-	26,077	312,797
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,175,604</u>	<u>\$ 87,608</u>	<u>\$ 45,515</u>	<u>\$ 405,544</u>
LIABILITIES				
Accounts Payable	\$ 95	\$ -	\$ 78	\$ -
Advances From Other Funds	-	-	18,609	190,980
Due to Other Funds	-	-	26,828	132,475
Due to Bond Holders	1,175,509	87,608	-	82,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 1,175,604</u>	<u>\$ 87,608</u>	<u>\$ 45,515</u>	<u>\$ 405,544</u>

Tehachapi Meadows 90-1	Special Districts Revolving Fund	Total Agency Funds
\$ 37,965	\$ -	\$ 1,413,362
-	209,589	209,589
-	-	338,874
<u>\$ 37,965</u>	<u>\$ 209,589</u>	<u>\$ 1,961,825</u>
\$ -	\$ -	\$ 173
-	209,589	419,178
-	-	159,303
<u>37,965</u>	<u>-</u>	<u>1,383,171</u>
<u>\$ 37,965</u>	<u>\$ 209,589</u>	<u>\$ 1,961,825</u>



INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

City Council
City of Tehachapi
Tehachapi, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the City of Tehachapi, for the year ended June 30, 2013. These procedures, which were agreed to by the City of Tehachapi and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents 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 accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

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

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet 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.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. 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 the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the City Council and management of the City of Tehachapi and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Van Lant & Fankhaed, LLP

January 14, 2014

CITY OF TEHACHAPI
APPROPRIATIONS LIMIT COMPUTATION
2012 – 2013

	<u>2012 - 2013</u>
Change in Per Capital Personal Income	3.77%
Population Change	
County Population Growth	1.18%
Change in Per Capita Personal Income Converted to a Ratio	1.0377
Population Change Converted to a Ratio	1.0118
Calculation of Growth Factor	1.0499449
2011 - 2012 Appropriations Limit	<u>\$ 9,261,427</u>
2012 - 2013 Appropriations Limit (\$9,261,427 X 1.0499449)	<u>\$ 9,723,988</u>



CITY OF TEHACHAPI
Single Audit Report on
Federal Award Programs
June 30, 2013

CITY OF TEHACHAPI

**Single Audit Report on
Federal Award Programs
June 30, 2013**

CITY OF TEHACHAPI
SINGLE AUDIT REPORT ON FEDERAL AWARD PROGRAMS
Year Ended June 30, 2013

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**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

City Council
City of Tehachapi
Tehachapi, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Tehachapi (City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated January 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-1 that we consider to be a significant deficiency.

Compliance and Other Matters

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

City of Tehachapi's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



January 14, 2014



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

City Council
City of Tehachapi
Tehachapi, California

Report on Compliance for Each Major Federal Program

We have audited the City of Tehachapi's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Tehachapi 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, 2013.

Report on Internal Control Over Compliance

Management of the City 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'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 OMB Circular A-133, 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'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, of the City of Tehachapi, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 14, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the

purpose of forming an opinion 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 OMB Circular A-133 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Van Lant & Fankhaenel, LLP

January 14, 2014

CITY OF TEHACHAPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(SUPPLEMENTARY INFORMATION)
Year Ended June 30, 2013

Federal Grantor/ Pass-through Grantor/Program Title	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures
<u>U.S. Department of Transportation</u>			
<i>Passed through the California Department of Transportation:</i>			
Highway Planning and Construction	20.205	HSIPL-5184(015)	\$ 9,873
Highway Planning and Construction	20.205	HSIPL-5184(017)	5,747
Highway Planning and Construction	20.205	HSIPL-5184(016)	<u>359,730</u>
Subtotal			<u>375,350*</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the County of Kern</i>			
Community Development Block Grant	14.218	20.09.02	<u>\$ 203,000</u>
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through the State Water Resource Control Board:</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-55563-110	<u>170,476</u>
Total Federal Financial Assistance			<u>\$ 748,826</u>

*Major Program

CITY OF TEHACHAPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF FEDERAL AWARDS

A) Scope of Presentation

The accompanying schedule presents only the expenditures incurred (and related awards received) by the City of Tehachapi that are reimbursable under programs of federal agencies providing financial assistance. For the purpose of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received from pass-through entities by the City of Tehachapi. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with the state, local or other non-federal funds are excluded from the accompanying schedule.

B) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are incurred when the City of Tehachapi becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported include any property or equipment acquisitions incurred under the federal program.

C) Major Programs

The City had one major program for the year ended June 30, 2013, consisting of the Highway Planning and Construction grant, which had total disbursements of \$375,350. This amount calculates to 50.1% of the total disbursements from federal awards.

CITY OF TEHACHAPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditors’ Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	Yes
Noncompliance Material to Financial Statements Noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	No
Type of Auditors’ Report Issued on Compliance for Major Programs:	Unqualified
Any Audit Findings Disclosed that are Required to be Reported in Accordance With OMB Circular A-133, Section 510(a)?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
20.205	U.S. Department of Transportation Highway Planning and Construction

Dollar Threshold used to Distinguish Between Type A And Type B Programs:	\$ <u>300,000</u>
--	-------------------

Auditee Qualified as Low-Risk Auditee?	Yes
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CITY OF TEHACHAPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

2013-1 Purchasing Policy

Finding:

As part of our risk assessment procedures, we evaluated the City's internal controls over various processes by obtaining an understanding of the policies and procedures of the City. In obtaining an understanding of the City's purchasing function we noted that the City's Municipal Code governing the purchasing process does not specifically identify the procedures to be followed when contracting for services and professional services (competitive bidding, when contracts are required, etc.). In addition, Code Section 3.04.090 refers to the use of purchase orders being required for all purchases; however, based on discussions with City staff, purchase orders are not used and the City's accounting system does not have a purchase order module at this time.

For example, we selected a disbursement to a landscape maintenance company as part of our audit procedures. Upon further review, it appears this vendor is being paid monthly for services provided for the City. We were provided a contract with the company that was approved by the City Council in 2002 and amended in 2005. Included in the contract are specifications for amounts that will be charged on a monthly basis, however, the amounts charged on the actual invoice do not seem comparable to the amounts on the approved contracts. Because of the limitations in the City's Municipal Code for purchasing, as described in the first paragraph above, it is difficult to determine what steps the City should follow when contracting for services.

Recommendation:

We recommend the City review the purchasing section of the Municipal Code and determine what revisions or additions are necessary, to provide better guidance to City staff on the procedures that should be followed when contracting for services and professional services. The guidance should provide detailed limits when procuring professional services, similar to public contracts, to ensure competitive bidding and transparency in the purchasing process. It should be noted the City has competitively bid for professional service contracts including engineering and auditing services; however, as indicated above, we did not find a policy that describes in detail the necessary procedures to be followed.

Management's Response

The recommendation is well noted. We will revisit the Purchasing Policy and evaluate the current purchasing practices.

CITY OF TEHACHAPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no auditor's findings to be reported in accordance with paragraph 510(a) of OMB Circular A-133.

CITY OF TEHACHAPI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

2012-1 *Year-End Closing*

Current Status: This finding has been resolved.

2012-2 *Formal Policies and Procedures*

Current Status: This finding has not been completely resolved: See finding 2013-1.

2012-3 *General Ledger Cash and Investment Accounts*

Current Status: This finding has been resolved.

SECTION II – FINANCIAL STATEMENT FINDINGS

There were not auditor's findings required to be reported in accordance with OMB Circular A-133 in the prior year.

January 14, 2014

City Council
City of Tehachapi
Tehachapi, CA

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Tehachapi for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, 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 August 20, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 3 D, the City changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 65, *Items Previously Reported as Assets and Liabilities* in the fiscal year 2012-13. Also, in the current fiscal year, the City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. 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 financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

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

The disclosure of the fair value of investments in Note 2 A to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 2 C to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- (1) Adjustments were made to accounts receivable and revenues in the General Fund.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 6, 2014.

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

With respect to the supplementary information accompanying the financial statements, 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.

New Accounting Pronouncements

As described in Note 1 C to the financial statements, in June of 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. This will have a significant impact on the City's financial statements; however, the effect of this impact has not been determined. Statement No. 68 is required to be implemented for periods beginning after June 15, 2014 (2014-15 fiscal year for the City of Tehachapi).

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

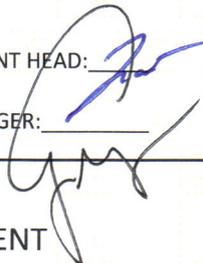
Very truly yours,

Van Lant & Fankhaed, LLP



COUNCIL REPORTS

APPROVED
DEPARTMENT HEAD: _____
CITY MANAGER: _____



MEETING DATE: JANUARY 21, 2014 **AGENDA SECTION:** POLICE DEPARTMENT

TO: HONORABLE MAYOR SMITH AND COUNCIL MEMBERS

FROM: JEFF KERMODE, CHIEF OF POLICE

DATE: JANUARY 16, 2014

SUBJECT: INFORMATION REPORT ON 2013 CRIME STATISTICS

BACKGROUND

As Council is aware, the City of Tehachapi, along with most other communities in the state, experienced a significant increase in property crimes during calendar year 2012. The most obvious contributing factor to this increase was the implementation of prison realignment.

REPORT

Staff is pleased to report to the Council that a review of the Tehachapi Police Department's year end crime statistics indicates an overall 19% reduction in reported "Part I" crimes for 2013 compared to 2012. There were 580 reported Part I crimes in the City for 2012, while only 472 were reported for 2013. Part I crimes are those that are reported to the FBI each year for national comparisons. The nine Part I crimes include: Homicide, Rape, Robbery, Aggravated Assault, Simple Assault, Burglary, Larceny (theft), Auto Theft, and Arson.

The statistics included reductions of 22% for Robbery, 38% for Aggravated Assault, 5% for Simple Assault, 13% for Burglary, 24% for Larceny, and 3% for Auto Theft. The only crime showing an increase from 2012 to 2013 was Rape, with 5 reported in 2013 compared to four in 2012.

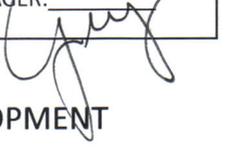
2013 also ended with a significant increase in arrests over 2012. The 2013 arrest statistics reflected increases of 49% for Misdemeanors, 31% for Felonies, and 23% for juveniles. The juvenile arrest numbers are included within the Misdemeanor and Felony arrest totals.

The TPD appreciates the community's awareness and support in recognizing and reporting suspicious activity, which can lead to arrests and reduction of crime.

**COMPARISON of 2012 & 2013 PART I CRIMES
&
TOTAL ARREST STATISTICS**

	2012	2013	% Change
Homicide	2	0	-100
Rape	4	5	+25
Robbery	9	7	-22
Aggravated Assault	47	29	-38
Simple Assault	39	37	-5
Burglary	210	183	-13
Larceny	240	183	-24
Auto Theft	29	28	-3
Arson	0	0	No Change
Total Reports	580	472	-19
Misdemeanor Arrests	455	682	+49
Felony Arrests	225	296	+31
Juvenile Arrests	78	96	+23



APPROVED
DEPARTMENT HEAD: 
CITY MANAGER: 

COUNCIL REPORTS

MEETING DATE: JANUARY 21, 2014 AGENDA SECTION: COMMUNITY DEVELOPMENT

TO: HONORABLE MAYOR SMITH AND COUNCIL MEMBERS

FROM: JH HASSELBRINK, CHIEF BUILDING INSPECTOR

DATE: JANUARY 14, 2014

SUBJECT: URGENCY ORDINANCE FOR ADOPTION OF NEW STATE CODES

BACKGROUND

The City of Tehachapi adoption of an ordinance for the State of California new construction codes (Title 24 of the California Code of Regulations) was delayed until the County ordinance number became available to incorporate into the verbiage in our ordinance. The City of Tehachapi is using the new Kern County ordinance in order to be seamless in the application of construction regulations across city boundaries. The urgency ordinance will allow for the Kern County ordinance to go into effect immediately. A non-urgency ordinance could not be adopted until your next meeting and would not become effective until 30 days later; and so, without the urgency ordinance, there would be a period of approximately 45 days in which the City would not have the new uniform codes in effect. This is considered a significant public health, safety, and welfare issue.

FISCAL IMPACT

There is no fiscal impact to the city.

OPTIONS

Adoption of these codes is mandated by the State. Without an urgency ordinance to cover the gap in the transition to the new codes, the city could not inspect and approve construction pursuant to State law during this period of time.

RECOMMENDATION

STAFF RECOMMENDS THAT THE CITY COUNCIL ADOPT, BY TITLE ONLY, AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ADOPTING ORDINANCE NO. G-8442 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA AMENDING CHAPTERS 17.04, 17.08, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, AND 17.52 OF TITLE 17 OF THE ORDINANCE CODE OF THE COUNTY OF KERN CONCERNING BUILDING REGULATIONS, BUILDING CODE, MECHANICAL CODE, HOUSING CODE, PLUMBING CODE, ELECTRICAL CODE, GRADING CODE, FIRE CODE, WILDLAND-URBAN INTERFACE CODE, DANGEROUS BUILDINGS CODE, BUILDING RELOCATION, MOBILE HOMES AND ACCESSORY STRUCTURES, FLOOD PLAIN MANAGEMENT, AND ENERGY CODE AND AMENDING SECTION 1 OF ORDINANCE NO. 671 OF THE CITY OF TEHACHAPI AND TEHACHAPI MUNICIPAL CODE SECTION 15.04.160.

URGENCY ORDINANCE NO. _____

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ADOPTING ORDINANCE NO. G-8442 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA AMENDING CHAPTERS 17.04, 17.06, 17.08, 17.10, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, and 17.56 OF TITLE 17 OF THE ORDINANCE CODE OF THE COUNTY OF KERN CONCERNING BUILDING REGULATIONS, RESIDENTIAL CODE, BUILDING CODE, GREEN BUILDING STANDARDS CODE, MECHANICAL CODE, HOUSING CODE, PLUMBING CODE, ELECTRICAL CODE, SEISMIC STRENGTHENING PROVISIONS FOR UNREINFORCED MASONARY BEARING WALL BUILDINGS, GRADING CODE, FIRE CODE, WILDLAND URBAN INTERFACE CODE, DANGEROUS BUILDINGS CODE, BUILDING RELOCATION, MOBILE HOME AND ACCESSORY STRUCTURES, FLOOD PLAIN MANAGEMENT CODE, AND ENERGY CODE AND AMENDING SECTION 1 OF ORDINANCE NO. 698 OF THE CITY OF TEHACHAPI AND TEHACHAPI MUNICIPAL CODE SECTION 15.04.160

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

Section 1. FINDINGS OF URGENCY.

The City Council has previously introduced Ordinance No. _____ (the

"Ordinance") on January 21, 2014 regarding adoption of Ordinance No. G-8442 adopted by the Board of Supervisors of the County of Kern, State of California on November 12, 2013 which is necessary for the protection of the health, safety, and welfare of the public and the construction of buildings, residences, and other structures which became effective on January 1, 2014. The City Council finds that the Ordinance includes significantly greater protections for the public in insuring the safety of buildings, residences, and other structures which could otherwise lead to the death or injury of members of the public. The City Council finds that the Ordinance will not take effect until thirty (30) days after adopted. In order for the City Council to insure the public health, welfare, and safety to the maximum extent permitted under the uniform building codes, the City Council desires that the Ordinance go into effect immediately and, in that regard, the City Council wishes to adopt this Urgency Ordinance to provide that the Code become effective on the date hereof..

Section 2. **AMENDMENT.**

Section 1 of Ordinance No. 698 and Tehachapi Municipal Code Section 15.04.160 are hereby amended to read as follows:

"15.04.160 **Adoption of uniform codes.** Ordinance No. G-8442 of the Board of Supervisors of the County of Kern County of Kern, State of California which amends Chapters 17.04, 17.06, 17.08, 17.10, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, and 17.56 of the Ordinance Code of the County of Kern adopting the following uniform codes or portion (or portions of same) is hereby incorporated by this reference into the Building Code of the City of Tehachapi: Building Regulations, Residential Code, Building Code, Green Building Standards Code, Mechanical Code, Housing Code, Plumbing Code, Electrical Code, Seismic Strengthening Provisions for Unreinforced Masonry Bearing Wall

Buildings, Grading Code, Fire Code, Wildland-Urban Interface Code, Dangerous Buildings Code, Building Relocation Code, Mobilehome and Accessory Structures, Floodplain Management Code, and Energy Code. All amendments and repealers of the foregoing Chapters by the Board of Supervisors of the County of Kern hereinafter adopted by the Board of Supervisors shall be automatically incorporated herein without further action of the City Council."

Section 3. **URGENCY.**

This Urgency Ordinance is necessary for the immediate preservation of public peace, health, and safety as expressed in the Findings of Urgency herein to assure that the Codes becomes effective as of the date hereof.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi, California, on the 21st day of January, 2014, by the following vote:

AYES: COUNCIL MEMBERS: _____

NOES: COUNCIL MEMBERS: _____

ABSENT: COUNCIL MEMBERS: _____

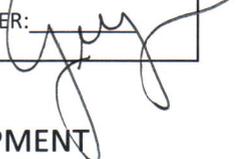
ABSTAIN: COUNCIL MEMBERS: _____

PHILIP A. SMITH, Mayor of the City
of Tehachapi, California

ATTEST:

DENISE JONES, City Clerk
of the City of Tehachapi, California



APPROVED
DEPARTMENT HEAD: 
CITY MANAGER: 

COUNCIL REPORTS

MEETING DATE: JANUARY 21, 2014 AGENDA SECTION: COMMUNITY DEVELOPMENT

TO: HONORABLE MAYOR SMITH AND COUNCIL MEMBERS

FROM: JH HASSELBRINK, CHIEF BUILDING INSPECTOR

DATE: JANUARY 14, 2014

SUBJECT: INTRODUCTION OF ORDINANCE AMENDING ORDINANCE NO. 671 AND TEHACHAPI MUNICIPAL CODE SECTION 15.04.160

BACKGROUND

The State of California has adopted a new set of construction codes as contained within Title 24 of the California Code of Regulations (CCR), also known as the International Codes. This updating of construction regulations occurs approximately every four years. This most recent change became effective on January 1, 2014.

In order for the City of Tehachapi to be consistent with Kern County, our ordinance section 15.04.160 must be revised to reflect the new county ordinance for the adoption of these codes. The City of Tehachapi is using the new Kern County ordinance in order to be seamless in the application of construction regulations across city boundaries.

FISCAL IMPACT

The only fiscal impact to the city is the purchase of the new set of codes, which occurs approximately every four years as the existing codes are updated anyway. This cost is \$1,047.53 for a complete set of code books. Incidental costs of training for the new codes are approximately \$150. Training costs have been minimized by sitting in on the county training and self-study.

OPTIONS

Adoption of these codes is mandated by the State.

RECOMMENDATION

STAFF RECOMMENDS THAT THE CITY COUNCIL INTRODUCE BY TITLE ONLY AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ADOPTING ORDINANCE NO. G-8442 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA AMENDING CHAPTERS 17.04, 17.08, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, AND 17.52 OF TITLE 17 OF THE ORDINANCE CODE OF THE COUNTY OF KERN CONCERNING BUILDING REGULATIONS, BUILDING CODE, MECHANICAL CODE, HOUSING CODE, PLUMBING CODE, ELECTRICAL CODE, GRADING CODE, FIRE CODE, WILDLAND-URBAN INTERFACE CODE, DANGEROUS BUILDINGS CODE, BUILDING RELOCATION, MOBILE HOMES AND ACCESSARY STRUCTURES, FLOOD PLAIN MANAGEMENT, AND ENERGY CODE AND AMENDING SECTION 1 OF ORDINANCE NO. 671 OF THE CITY OF TEHACHAPI AND TEHACHAPI MUNICIPAL CODE SECTION 15.04.160.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ADOPTING ORDINANCE NO. G-8442 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA AMENDING CHAPTERS 17.04, 17.06, 17.08, 17.10, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, and 17.56 OF TITLE 17 OF THE ORDINANCE CODE OF THE COUNTY OF KERN CONCERNING BUILDING REGULATIONS, RESIDENTIAL CODE, BUILDING CODE, GREEN BUILDING STANDARDS CODE, MECHANICAL CODE, HOUSING CODE, PLUMBING CODE, ELECTRICAL CODE, SEISMIC STRENGTHENING PROVISIONS FOR UNREINFORCED MASONARY BEARING WALL BUILDINGS, GRADING CODE, FIRE CODE, WILDLAND URBAN INTERFACE CODE, DANGEROUS BUILDINGS CODE, BUILDING RELOCATION, MOBILE HOME AND ACCESSORY STRUCTURES, FLOOD PLAIN MANAGEMENT CODE, AND ENERGY CODE AND AMENDING SECTION 1 OF ORDINANCE NO. 698 OF THE CITY OF TEHACHAPI AND TEHACHAPI MUNICIPAL CODE SECTION 15.04.160

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

Section 1. AMENDMENT.

Section 1 of Ordinance No. 698 and Tehachapi Municipal Code Section 15.04.160 are hereby amended to read as follows:

"15.04.160 Adoption of uniform codes. Ordinance No. G-8442 of the Board of Supervisors of the County of Kern, State of California which amends Chapters 17.04, 17.06, 17.08, 17.10, 17.12, 17.16, 17.20, 17.24, 17.26, 17.28, 17.32, 17.34, 17.36, 17.40, 17.44, 17.48, and 17.56 of the Ordinance Code of the County of Kern adopting the following uniform codes (or portions of same) is hereby incorporated by this reference into the Building Code of the City of Tehachapi: Building Regulations, Residential Code, Building Code, Green Building Standards Code, Mechanical Code, Housing Code, Plumbing Code, Electrical Code, Seismic Strengthening Provisions for Unreinforced Masonry Bearing Wall Buildings, Grading Code, Fire Code, Wildland-Urban Interface Code, Dangerous Buildings Code, Building Relocation Code, Mobile Home and Accessory Structures, Floodplain Management Code, and Energy Code. All amendments and repealers of the foregoing Chapters by the Board of Supervisors of the County of Kern hereinafter adopted by the Board of Supervisors shall be automatically incorporated herein without further action of the City Council."

Section 2. SEVERABILITY.

Each of the provisions of this Ordinance are severable. If any provision shall be declared to be invalid, the remaining provisions shall not be affected thereby but shall remain in full for and effect.

Section 3. EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days after the date of its adoption and

prior to the expiration of fifteen (15) days from the passage thereof shall be published in the manner authorized by law in the Tehachapi News, a newspaper of general circulation, printed and published in the City of Tehachapi.

INTRODUCED at a regular meeting of the City Council of the City of Tehachapi, California on the 21st day of January, 2014.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi, California, on the ____ day of _____, 2014, by the following vote:

AYES: COUNCIL MEMBERS: _____

NOES: COUNCIL MEMBERS: _____

ABSENT: COUNCIL MEMBERS: _____

ABSTAIN: COUNCIL MEMBERS: _____

PHILIP A. SMITH, Mayor of the City
of Tehachapi, California

ATTEST:

DENISE JONES, City Clerk
of the City of Tehachapi, California



APPROVED

DEPARTMENT HEAD: _____

CITY MANAGER: _____

COUNCIL REPORTS

MEETING DATE: JANUARY 21, 2014 AGENDA SECTION: ASSISTANT CITY MANAGER

TO: HONORABLE MAYOR SMITH AND COUNCIL MEMBERS

FROM: CHRIS KIRK, ASSISTANT CITY MANAGER

DATE: JANUARY 15, 2014

SUBJECT: CLASSIFICATION AND COMPENSATION STUDY

BACKGROUND

As the Council is aware, we are regularly reviewing our policies and procedures to ensure accountability and efficiency of City services. In an effort to improve the management of personnel, City Staff has drafted an agreement with CPS HR Consulting to complete a classification study for all non-elected employees, to develop or substantially revise all class specifications, and to conduct a comprehensive total compensation study of all pay, health, leave and other benefits.

The currently adopted classification specifications of City employees have been developed independently over many years. As such, there is little standardization among the current specifications and there are some specifications that are out of date. Additionally, City management has initiated an effort to streamline department responsibilities to increase efficiency and to reduce costs. To accommodate those changes, there are several classifications that need to be modified or created.

In parallel with the effort to update job classifications, we have requested that CPS HR Consulting conduct a comprehensive compensation study. The purpose of the study is assist us in setting salary ranges for newly created positions, confirming that Tehachapi is competitive within the municipal job market for existing positions, and to assist us in forming a focused performance management system.

The fee for the services described are \$34,560 for the classification study and development, and \$14,048 for the compensation study. There are additional travel and administrative fees that are estimated at \$1,800. None of these fees will be exceeded without prior City Manager approval.

RECOMMENDATION

APPROVE AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND CPS HR CONSULTING

AGREEMENT

THIS AGREEMENT (the "Agreement") made this _____ day of _____, 2014, by and between the CITY OF TEHACHAPI ("City") and CPS HR CONSULTING a California Joint Powers Authority (the "Consultant"),

W I T N E S S E T H:

WHEREAS, City wishes to complete a classification study of all non-elected employee positions, develop or substantially revise all class specifications, and conduct a comprehensive total compensation study including health, leave and other benefits in addition to base and additional pay (the "Services") and City wishes to contract with Consultant to provide the Services under the terms and conditions described hereinafter and Consultant is agreeable thereto.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth hereinafter, the parties agree as follows:

1. The parties incorporate the foregoing recitals as if fully set forth herein verbatim.

2. City hereby contracts with Consultant to perform the Services as more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

3. Consultant shall perform the foregoing Services for a fee of not to exceed \$48,608.00 (the "Fee") of which no more than \$34,560.00 will be payable for the Classification Study more particularly described as Task 1 in Exhibit "A" and no more than \$14,048.00 will be payable for the Compensation Study more particularly described as Task 2 in Exhibit "A." In addition to the Fee, City shall pay Consultant's expenses related to the Services, provided however that all expenses in excess of \$1,800.00 for travel and miscellaneous expenses shall receive prior approval of the City Manager before being incurred. City shall pay Consultant monthly based on invoices submitted by Consultant describing the Services performed, the dates of the Services, and such other information as required by the City Manager and a list with appropriate receipts for all expenses. The City Manager or his designated representative shall have the right of reasonable review of the invoice and, at the conclusion of the review, the City Manager shall place the matter on the agenda for the next available City Council meeting for consideration by the City Council. Upon approval of the invoices by the City Council, same shall be paid in the regular cycle of payments made by City

for other bills and claims.

4. Consultant shall complete the Services and each task thereunder according to the schedule attached as Exhibit "B" hereto and by this reference made a part hereof.

5. Consultant shall indemnify, defend (upon request by City) and hold harmless City, its officers, Councilpersons, employees, and agents from any and all claims, liabilities, expenses, and damages of any nature, including attorney's fees, for injury to or death of any person, and for damage to any property, including consequential damages of any nature resulting therefrom, arising out of or in any way connected with the negligent performance of this Agreement by act or omission by or on behalf of Consultant.

6. Without limiting Consultant's obligations under Paragraph 5 of this Agreement, Consultant shall obtain and maintain during the life of this Agreement:

(a) Comprehensive general liability insurance coverage, including premises – operations, products/completed operations, broad form property damage and blanket contractual liability, in an amount not less than \$1 million per occurrence and automobile liability for owned, hired, and non-owned vehicles;

(b) Professional/negligent acts, errors and omissions insurance satisfactory to the City Attorney in an amount not less than \$500,000.00; and

(c) Such workers compensation insurance as required by statute.

Consultant shall provide City with appropriate certificates of insurance and endorsements for all of the foregoing in which City, its officers, Councilpersons, employees, and agents are named as additional insureds and specifically designating all such insurance as "primary," and providing further that same shall not be terminated nor coverage reduced without ten days prior written notice to City.

7. Consultant shall not assign its interest herein or any part thereof and any attempted assignment shall be void.

8. City may terminate this Agreement at any time by giving Consultant ten days prior written notice, provided that in such event Consultant shall be entitled to payment for those Services rendered through the date of termination, provided satisfactory to City.

9. All reports, information, data and exhibits drafted or provided by Consultant shall be the property of City and shall be delivered to City upon demand without additional costs or expense to City.

10. All notices required to be given under this Agreement or by law shall be in writing and shall be deemed received by the party to whom directed if personally served or if mailed by certified mail, return receipt requested with the date of execution of the return receipt (or refusal to sign) as the date of service or when sent by facsimile transmission or when sent by electronic mail ("email") or when deposited in the United States mail, postage prepaid, addressed as follows: If to City, City Manager, 115 South Robinson Street, Tehachapi, California 93561, Fax – (661) 822-2197; Email - ggarrett@tehachapicityhall.com or if to Consultant, Linda Kegerreis, 241 Lathrop Way, Sacramento, California, 95815, _____, , Email –lkegerreis@cpsr.us . Any party may change its address by giving notice to the other party in the manner herein described.

11. Time is of the essence with regard to each covenant, condition and provision of this Agreement.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

13. This Agreement constitutes the entire Agreement between the parties with regard to the subject matter herein and supersedes all prior oral and written agreements and understandings between the parties with respect thereto.

14. This Agreement may not be altered, amended, or modified except by a writing executed by duly authorized representatives of all parties.

15. In the event any action or proceeding is instituted arising out of or relating to this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and actual costs.

16. This Agreement may be executed in counterparts and the respective signature pages for each party may thereafter be attached with the body of this Agreement to constitute one integrated Agreement which is as fully effective and binding as if the entire document had been signed at one time.

17. Notwithstanding any provision to the contrary, this Agreement shall not become effective and shall not be binding as to any party until all of the parties have executed this Agreement.

18. Waiver by a party of any provision of this Agreement shall not be considered a continuing waiver or a waiver of any other provision, including the time for performance of any such provision.

19. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, successors, and assigns.

20. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and not be affected, impaired, or invalidated thereby.

21. City and Consultant each acknowledge that each party and their respective legal counsel have reviewed this Agreement and agree that this Agreement is the product of negotiations between the parties. This Agreement shall be interpreted without reference to the rule of interpretation of documents that uncertainties or ambiguities therein shall be determined against the party so drafting the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first hereinabove written.

PHILIP A. SMITH, Mayor,
City of Tehachapi, California, "City"

CPS HR CONSULTING, [INC., a
California Joint Powers Authority,

"Consultant"

By: _____
Name: Linda Kegerreis
Its: Chief Workforce Officer

EXHIBIT "A"

B. Project Understanding and Scope of Work

Understanding of the Work to Be Performed

The City currently has 57 employees excluding elected officials, 51 full time and six (6) part-time employees in approximately 35 classifications. The full and part time employees will be included in the study. There has not been a comprehensive classification or compensation study performed in many years. The City wishes to engage a consultant to complete a classification study of all non-elected positions, develop or substantially revise all class specifications, and conduct a comprehensive total compensation study (including health, leave and other benefit in addition to base and additional pay).

Approach and Methodology for the Scope of Work

In order to provide a process and end product that best meets the City's project goals and objectives; CPS HR consulting proposes a methodology that:

- Identifies the work assigned to the City positions to establish a sound classification plan
- Encompasses an approach to classification structure which groups positions with similar responsibilities, knowledge, skills and abilities into a broader classification structure
- Provides salaries commensurate with assigned duties that are competitive with the external market, and internally equitable
- Outlines promotional opportunities for employee career paths

The details of our approach and methodologies for this project are provided in the work plan on the following page.

Work Plan

Task 1: Classification Services

An outline of the classification services proposed by CPS HR is provided on the following page.

Task 1.1 – Project Initiation/Preparation

Upon receiving approval from City to proceed, CPS HR will contact City's Internal Project Manager in order to gather background information and ensure that the CPS HR Project Team has a full understanding of relevant classification issues, as well as the reasons leading to the study of these positions. As needed, CPS HR will request allocation information, organizational charts, classification concepts for the job families, classification specifications, salary schedules, benefits summaries and related documents.

Task 1.2 – PDQ Development

CPS HR will develop a Position Description Questionnaire (PDQ) to ensure a structured method of collecting data on job content for each position. Each CPS HR tailored PDQ is designed to capture specific information, and to be used in studies with multiple analytical goals. CPS HR will work with City's Internal Project Manager to design a PDQ which meets City's project goals. A Sample PDQ is presented in **Appendix A**.

Task 1.3 – Project Initiation Meetings/Employee Orientation Sessions

The CPS HR Project Manager will conduct an on-site meeting with City's Internal Project Manager to initiate the study and discuss the timeline, methodologies, study process and deliverables. During this meeting, CPS HR and the City will discuss and agree upon a communication plan for this study since open and consistent communications are key elements to project acceptance and success.

During the same on-site visit as the initial project meetings, the Project Manager will conduct orientation sessions for all study participants to further explain the purpose of the study, to communicate study timeframes, respond to any questions or concerns, and to distribute and provide direction on how to complete the PDQ. These sessions are an important component of the work plan because they facilitate a dialogue on the study and provide an opportunity for employees to ask questions and be heard on their concerns. Without such meetings, the opportunity for every employee to hear the same study messages in a consistent manner may be missed. Our budget presumes three employee orientation sessions will be conducted. The average number of participants per session should be about 15-20, and each session typically lasts anywhere between 45 minutes to an hour. CPS HR will work with the City on the most effective and inclusive way of conducting these sessions. We will also provide an alternative for employees unable to attend, such as off duty or shift employees.

Task 1.4 – PDQ Completion

All employees included in the study will be asked to complete the Position Description Questionnaire to provide details on the current duties, responsibilities, qualifications, typical working conditions, and physical requirements of their position. Their supervisor and/or manager will review the PDQ to ensure the incumbent has accurately and sufficiently captured all pertinent information. Our project timeline anticipates PDQs being completed in two weeks and one additional week for supervisor review. Should the agency require more time for completion/review of PDQs, the remaining timelines will be adjusted accordingly.

Task 1.5 – PDQ Review/Interview Preparation

Once the completed PDQ's have been returned to CPS HR, the Project Team will review the completed PDQ's to prepare for the interview process; this review includes developing interview questions designed to clarify the essential duties, knowledge, skills, and abilities assigned to each study position.

Task 1.6 – Conduct Job Evaluation Interviews

The Project Team will conduct individual interviews with approximately 2/3 of study incumbents, at least one per classification. Logistically, where possible, we may conduct group interviews for employees in the same classification performing the same work. For planning purposes, each individual interview is approximately 30 minutes and group interviews 45 minutes to an hour, depending on the size of the group. Interviews with supervisors/or managers may also be held to further clarify information documented on their subordinate employees' PDQs.

Task 1.7 – Analyze Classification Data/Prepare and Present Draft Classification Report

The Project Team will analyze all information collected from the incumbents through the PDQ and job evaluation interviews to identify the job level, scope, typical duties, requisite knowledge, skills, abilities, and other job-related characteristics assigned to the study positions. This analysis, combined with input from the incumbents' managers, will be used to evaluate whether each study incumbent is working within the scope of the classification, and if not, what would be the most appropriate City classification, or will a new classification be needed. The Project Team will then prepare and submit a Draft Classification Report which will contain the following sections:

- Study background
- Application of, and or revisions to, City's Classification Concepts
- Study methodologies
- A list of classifications within the new classification structure
- Identification of any current Agency classifications that have been eliminated or re-titled
- Identification and documentation of any newly created or revised classifications

- Allocation of positions into the new classification structure – CPS HR will write a brief summary (two to three sentences) describing the rationale for the recommendation for each position allocation.
- Career ladders for City's job families (a sample is presented in **Appendix B**)

Once City's Internal Project Manager and designated stakeholders have had an opportunity to review the draft report, the CPS HR Project Manager will conduct an on-site meeting to discuss the report contents and receive feedback/comments.

Task #1.8-- Develop Classification Specifications

Once the contents of the Draft Classification Study are accepted by the City, the CPS HR Project Team will develop and/or review City's classification specifications. We anticipate the classification specifications would encompass the following sections:

- General statement of duties
- Statement of supervision received and exercised
- Distinguishing characteristic statements for classifications within a job series
- Essential function statements
- Knowledge, skills and abilities statements
- Minimum qualification statements consistent with the City's practices
- Required special training, licensure, or certifications (to be validated by the City for consistency with their standards)
- Physical requirements; statements to be consistent with the City's standard language
- Typical working environment; statements to be consistent with the City's standard language

Draft classification specifications will be presented to City's Internal Project Manager for review and comment prior to Task #1.9. We recommend that Department management also review them and provide feedback to CPS HR.

Task #1.9 – Prepare and Present Final Classification Report

After the completion of Task #1.8, the Project Team will review comments and issues which arose during City's review of the draft report, and will make appropriate changes before finalizing and submitting the Final Classification Report to City's Internal Project Manager. While the CPS HR Project Manager could be available to present the study findings to the City Council, our budget does not anticipate an in-person presentation. If the City deems it necessary, this can be added to the budget.

CPS HR's final report documents are designed to serve as an ongoing resource and manual for our clients. The report will contain sections that outline study methodologies including descriptions of classification concepts and an overview of the allocation factors considered within various levels and series of work across the agency. The final report document is intended to be used for ongoing study implementation and administration purposes.

Task 2: Compensation Services

The following outlines the compensations services proposed by CPS HR.

Task 2.1 – Review City's Background Materials

After award of the contract CPS HR will request background information to develop a full understanding of City's current compensation plan for the study positions. Our Project Team will review City's salary schedules, compensation policies, and any other documentation relating to the study. The budget prepared for this section presumes that total compensation data for 7 agencies and 20 classifications will be collected.

Task 2.2 – Initial Project Meeting and Labor Market Review/Development

During the same on-site visit as Task #1.3 of the classification component of the study, the CPS HR Project Manager will meet with City's Internal Project Manager, and designated stakeholders to initiate the project, and to confirm study goals, objectives, and methodologies. It is our recommendation that this on-site visit be used to conduct workshops with management and designated stakeholders to gather their views on the following policy components:

- **Labor Market Agencies** – It is our understanding that the City has not conducted compensation studies recently and does not have an agreed upon group of labor market agencies. CPS HR will prepare recommendations on labor market agencies. When identifying the agencies to be included, in order to gauge how competitive the City is within its market, the decision is generally derived through the application of market selection criteria such as:
 - Geographic Proximity - In many agencies, it is common to identify a local market from which most of the workforce is drawn; thus, geographic proximity is a strong consideration. However, it is often the case that specialized skilled, professional, management and executive employees are recruited from a state-wide, regional or national market. Hence, an agency may choose to have a tiered market approach to ensure comprehensive coverage of all classifications.
 - Size of the organization (measures may include population served, and number of employees).

- * Services provided are evaluated to ensure sufficient market comparables for the full range of services the agency provides to its citizens; for example, if there are insufficient agencies against which to compare for specialized utility classifications, a supplemental market may be developed.
 - * Additionally, we consider what labor market agencies have historically used to compare against and what organizations the agency competes with for talent on a local, statewide regional or national basis.
 - * Cost of Living/Cost of Wages Differences - When assessing regional and national markets, it is important to identify any cost of living and cost of wage differences to ensure data is not skewed by significant economic condition differences within any recommended agencies. CPS HR uses databases from the Economic Research Institute to identify and analyze any cost of living in wage differences in the prospective market.
- **Private and Public Sector Data** – Another key discussion for compensation policy is: “What is the appropriate mix of public and private sector data?” Some public agencies do include private sector data. Since private organizations are not required to respond to such requests for data, one thing to discuss is how this type of data can be included. The City may want to consider the use of published private sector data, filtered geographically, as a component of the market study. Since private sector companies are generally unresponsive to salary surveys, CPS HR recommends the use of the ERI Salary Assessor database, to which we subscribe, as a source for private sector data. This private sector data encompasses over 7,000 job titles and data can be filtered geographically to cities with a population of greater than 10,000. A sample data sheet from the ERI database is presented in **Appendix B**.
 - **Benchmark Selection** – When conducting salary surveys, the goal is to try to survey what are designated as “benchmark” classifications. Benchmark classifications should generally be selected utilizing the following criteria:
 - * They should be classifications for which counterparts can readily be found in surveyed employers so that sufficient compensation data can be gathered. Classifications which have a large number of comparables from other agencies are generally selected as benchmark classifications.
 - * Benchmark classifications should have significant relationships to other classifications in their occupational group. This ensures that they will make good reference points in relating and establishing salaries for other classifications within their occupational groups.

CPS HR will discuss with the City at this initial meeting what, if any, new bodies of work are anticipated from the classification study and ensure that market data is collected to support these

areas. The budget for this component of the study presumes that approximately twenty (20) benchmark classifications will be surveyed in a labor market comprising seven (7) agencies.

CPS HR's timelines assume that within one week of receiving the labor market and benchmark recommendations memo, the City will be able to provide CPS HR feedback and approval of the labor market and survey benchmarks so that we may keep to the proposed schedule and distribute the survey documents.

Task 2.3 – Design, Develop and Distribute Survey Instrument

The Project Team will develop a comprehensive survey instrument to ensure the effective collection of salary information from each of the survey agencies. The survey instrument will include a brief description of each of the survey classifications with a request for the minimum and maximum monthly salary for each survey classification. CPS HR's survey instrument is designed to be completed electronically or, if need be, in hard copy. Since this is a total compensation study, the following elements of total compensation and benefits practices outlined below are typically collected in studies of this nature:

- Cash add-ons premium pays such as:
 - ⊗ Longevity pay
 - ⊗ Deferred compensation
 - ⊗ Retirement pick-up practices (if applicable)
 - ⊗ Education incentives
- Agency contributions to health programs:
 - ⊗ Medical, dental and vision – for these three components, it is our practice to report the family rate for the most commonly used plan
 - ⊗ Life insurance benefit level and cost
 - ⊗ Long term disability benefit level and cost
- Agency contributions to defined-benefit retirement programs and Social Security practices.
- Leave accrual rates.

Task 2.4 – Review, Analyze and Validate Labor Market Survey Data

To ensure our clients receive the most accurate data for their study, CPS HR does not solely rely on the completed surveys received from the labor market agencies without checking the validity of the submission. Thus, in conjunction with the survey instrument received from each labor market agency, the Project Team will review any additional survey agency background materials such as copies of classification specifications, organization charts, staffing information, and other useful materials to substantiate the accuracy of the comparability of the matches. It is critical that the Project Team review such documents since titles alone can often be misleading and should not be relied upon. Once the Project Team has completed their

survey analysis tasks, the Project Manager will audit the final data as part of our quality review process. CPS HR has determined that this method of data collection, analysis and audit provides our clients with the highest quality deliverables.

In order to determine whether a match from a labor market agency is comparable to City's benchmark, CPS HR will utilize a whole job analysis methodology; this commonly used methodology analyzes the job as a whole, rather than by individual factors, by evaluating the core duties and responsibilities, the nature and level of work performed and the minimum qualifications to determine whether the classification is comparable enough to be utilized as a match. The methodology recognizes slight differences in duties assigned to matches from other labor market agencies, which do not impact the type, nature and level of work performed. Matches should not be so broad that they include classifications performing dissimilar work, or work done at a higher or lower level, but they also should not be so narrow that they exclude matches doing comparable work, albeit with slight differences in work that do not change the overall level and nature of work.

Task 2.5 – Design and Develop Data Spreadsheets

CPS HR will develop an individual data sheet for each surveyed classification that presents the comparable classification used in each agency with the relevant data associated with that classification, such as the salary range minimum and maximum. The labor market data analyses will be conducted based upon labor market position affirmed within Agency's compensation philosophy, i.e., the labor market median, mean or other percentile. A data sheet will be prepared for each benchmark survey classification. Each comparable match for each benchmark classification is reported in the relevant data sheet for full disclosure and review by others. We find this level of transparency in matching provides for a better understanding and acceptance of study results.

Task 2.6 – Conduct Benefits Analysis

The benefits data submitted from the labor market agencies will be incorporated into the base salary data sheets to provide a detailed analysis. This quantitative analysis of program costs will provide the City with an understanding of how the benchmark classifications compare against their market when the costs of benefits programs are taken into consideration. Additionally, once data has been finalized CPS HR is able to provide copies of these detailed datasheets that allow clients to use them as a tool to evaluate the overall impact of both salary and benefit adjustments under consideration.

Within each labor market data sheet, the City will see these informative analyses:

- An analysis of where the benchmark classification falls within the labor market for base salary
- An analysis of where the benchmark classification falls within the labor market when the cost of cash add-ons is taken into consideration (total cash)

- An analysis of where the benchmark classification falls within the labor market when the cost of cash add-on, and health benefits is taken into consideration
- An analysis of where the benchmark classification falls within the labor market when the cost of cash add-on, and health and retirement benefits is taken into consideration (total compensation)

This analysis will provide an accurate assessment of where and whether the City gains or loses market position for each total compensation component.

A sample total compensation data sheet is presented in **Appendix C**.

Task 2.7 – Conduct External Market and Internal Equity Analysis/Prepare Draft Salary Recommendations

A comprehensive and balanced pay program is the result of the analysis of external labor market data, combined with an analysis of important internal relationships that may reflect City's value system of jobs within the organization. With the whole job methodology, the internal pay relationship analysis for non-benchmark classifications will involve a number of steps in order to arrive at sound and equitable relationships. Among others, the most important of these will include:

- Analysis of existing and historical pay relationships
- Development of consistent, uniform and realistic guidelines for determining internal relationships including span of control, nature and level of work performed and related components
- Recommendation of equitable and appropriate internal relationship differentials based on the above.

Below is the methodology CPS utilizes for establishing salary levels for benchmark and non-benchmark classifications in our compensation studies. This methodology would be applied to all City classifications.

- The first step is to conduct a comprehensive review of the survey results to identify benchmark classifications to be used in the salary setting process.
- The second step is to establish salary recommendations for these benchmark classifications by setting the salary level based on the market data. This step will serve as the foundation for the internal alignment decisions which follow.
- The third step is to conduct a comprehensive review of City's current internal alignment differentials to determine what their practices are:
 - * What are the percentage differentials between entry, journey, and advanced journey levels, between supervisors and the highest level classification supervised, and between managers and supervisors?

- Are the percentages aligned with best practices?
- Are the percentages applied consistently?
- The fourth step is to apply recommended internal differentials within job families to build the salary recommendations for classifications which have significant relationships to each other because they are in the same job family.
- The fifth step is to determine what classifications remain that are not benchmark classifications and are also not part of a job series or family. These classifications are then reviewed to determine:
 - What classification(s) is the subject classification currently internally aligned with? Where possible, efforts are made to determine why that current internal alignment exists. The consultants carefully review this to ensure it is a reasonable placement and if it is, the recommendation to maintain its current internal equity would be made.
 - If the current internal alignment is not considered to be reasonable, or no logic can be found to determine why it is so placed, the consultants will conduct a review of other classifications within the entire plan to determine what other classification might be better used for internal alignment. Generally, the assessment is based upon (i) the nature of work performed; (ii) the level of work performed; and (iii) the minimum qualifications required.

The five steps are followed for each classification within the pay plan. The work flow diagram in **Appendix D** of this proposal provides an overview of the internal equity process.

Over the course of this analysis the salary recommendations are discussed with the City to ensure the Project Team has the benefit of historic and relevant information on how classifications have been paid in the past. The salary recommendations for each study classification will display the following information:

- Classification title
- Current monthly range maximum
- Recommended monthly range maximum
- The percentage difference and/or dollar amount difference between the current and recommended monthly range maximum

This information will provide the City with the percentage and dollar amount of any increase on a classification-by-classification basis.

Development of Salary Schedule Template and Maintenance Methodologies

CPS HR envisions working with City's Internal Project Manager, and any other stakeholders to engage in a dialogue on the processes, methodologies, goals and objectives of the salary system, to consider what the options are and what changes will mean to the organization. Our goal is to foster dialogue that leads to understanding of the impact of any changes to these structures.

When desired CPS HR's assists our clients with evaluating and developing a method to implementing compensation changes, including the development of new salary schedules, and this is included within the proposed budget. Templates of this nature provide a salary structure and apply the salary recommendations developed for the agency. Our salary recommendations will provide the City with the percentage of pay required to maintain each classification at the desired market position, as well as an average percentage of all classifications within the compensation plan. CPS HR can also provide information on typical implementation strategies such as Step-to-Step and Closest Dollar while also projecting the schedules out several years so the City can see the impact of future actions. However, CPS HR does not provide a detailed analysis of individual employee implementation and costs, since our clients typically utilize their own systems for that purpose.

Once the City has reviewed the draft salary recommendations, CPS HR will respond to any questions or concerns prior to issuing the Final Compensation Report.

Task 2.8 – Preparation/Presentation of the Draft Total Compensation Report

The CPS Project Team will prepare a Draft Compensation Report which includes:

- Scope of the study
- Labor market agencies
- Study benchmarks
- Labor market data analysis/methodologies
- Results of the base salary survey
- Results of total compensation analysis
- Salary recommendations for all Agency classifications

Once the Project Team has completed these tasks, the report will be reviewed by the CPS HR Project Manager for quality control prior to submission to the City's Internal Project Manager. CPS HR will then submit the Draft Compensation Report electronically. The CPS HR Project Manager will discuss the Draft Compensation Report contents with the City's Internal Project Manager via conference call to receive feedback and comments on the report.

Task 2.9 – Research Issues from Draft Total Compensation Report/Prepare and Present Final Compensation Report

The CPS HR Project Team will research any issues arising from the draft report make appropriate changes before finalizing and submitting the Final Compensation Report to the City's Internal Project Manager. While the CPS HR Project Manager could be available to present the study findings to the City Council, our budget does not anticipate an in-person presentation. If the City deems it necessary, this can be added to the budget.

CPS HR's final report documents are designed to serve as an ongoing manual for our clients. The report will contain sections that outline study methodologies and may be used for ongoing study implementation and administration purposes. Generally these reports will provide some options with respect to identifying a point considered to be "at market", for example, if the classification is no more than 5% or 10% below the market median, then no market adjustment is necessary – this will then permit funds to be used for those classifications more significantly under market to be raised to within that 5% or 10% threshold.

CPS can also identify some implementation strategies such as "closest dollar" or "same step" options, with the pros and cons of each option. Each agency is unique with regard to their desires for system maintenance, however, beyond the study methodologies provided within the final report documents CPS HR will also work with to identify and evaluate the best methodologies for ongoing maintenance of the developed compensation system.

On-Site Visits

CPS HR's proposed work plans anticipate that four (4) on-site visits, consisting of meetings with multiple groups during many of these trips, will be required for this study as follows:

- Initial Project Meetings and Orientation Sessions (Includes meetings conducted with the Project Representative and stakeholders)
- Audit Interviews for classification study
- Review of Draft Classification Report with Project Representatives/Stakeholders as desired.
- Presentation of Final Report documents, debriefing sessions with any designated stakeholders.

In addition to these four meetings CPS HR has also budgeted for two additional meetings per the City's request to allow for three presentations of results to designated stakeholders. Should additional on-site visits be requested by the City, we will be happy to discuss changes to schedule and/or cost estimate.

Structure and Content of Work Product

During the study process, for document control purposes, draft and preliminary final reports will be provided to the City in an Adobe Acrobat PDF format, with the exception of classification specifications, which will be provided in a Microsoft (MS) Word format.

CPS HR confirms that upon the City's acceptance of final reports and completion of the study, final deliverables can be provided to the City in the appropriate MS format for the deliverable, i.e. MS Word for reports and classification specifications, and MS Excel for total compensation data.

EXHIBIT "B"

Timelines and delivery dates projected in this Agreement are anticipated delivery dates only and are not firm, fixed delivery dates. The Parties understand and agree that a number of variable factors impact these delivery dates, including **but not limited to** completion of employee questionnaires and cooperation from Labor Market Agencies. While CPS/Contractor will make every effort to meet these projected dates, should unforeseen delays impact the schedule, the Parties will work together to revise delivery dates accordingly.

CITY OF TEHACHAPI- CLASSIFICATION AND COMPENSATION STUDY TIMELINES												
Task Name	Week of Completion											
Classification Task 1.7: Analyze Classification Data/Prepare and Present Draft Classification Report												
Compensation Task 2.6: Conduct Benefits Analysis												
Compensation Task 2.7: Conduct External Market/Internal Equity Analysis & Prepare Draft Salary Recommendations												
Classification Task 1.8: Develop Classification Specifications												
Compensation Task 2.8: Preparation/Presentation of Draft Total Compensation Report												
Classification Task 1.9: Prepare and Present Final Classification Report												
Compensation Task 2.9: Research Issues from Draft Total Compensation Report /Prepare and Present Final Compensation Report												
Weeks	1	2	3	4	5	6	7	8	9	10	11	12

Tehachapi

different
Exhilarating personal seem communities
live now things home life
Educated a asset entrepreneurs scenery friendly air events
means comes working many road higher
growing Downtown sense workforce fact quality
Tourism awareness deer great living
the community wind



YEAR END REPORT

2013



CITY OF
TEHACHAPI

CALIFORNIA

Growing a Quality Community

Thoughts and Reflections from Your City Manager



Over the last 100 years, one of the great things that have allowed us to keep Tehachapi's small town feel has been our connection to agriculture. That farming spirit is alive and well today in the boutique family farms, apple orchards, wineries and unique animal ranches. Maybe that is why when I think about the previous year at the City, I'm drawn to using agriculture as a metaphor for our successes.

Since the recession of 2008, Tehachapi- like most places in our country- has been in a bit of an economic winter. While we saw some moderate growth in jobs and retail development, the abundant economic harvests of the mid-2000's seemed like a thing of the past. But as all good farmers do, we spent the winter preparing the ground for the next great financial spring.

Like a farmer might install new irrigation equipment to satisfy his growing crops demands for water, we too spent the winter years upgrading our municipal infra-

structure to handle the growth we know will come when the frost of the winter recession begins to thaw. The upgrades to our wastewater treatment plant that were completed in 2013 have restored unused capacity to our system, allowing the opportunity for new businesses and families to thrive in Tehachapi's fertile climate.

During the past year, we also kicked off one of our most important upgrades as we began the construction of a new Tehachapi Police Department headquarters. Budding crops must be protected from birds, insects and other pests just as a community must be kept safe from those wanting to harm its citizens through their poor decisions. I am confident that our new facility will provide a functional and efficient space for the City's police officers to continue their excellent work in keeping Tehachapi a safe place to live and work.

Lastly, many of our local farms rely on visitors to purchase their goods while enjoying our crisp mountain

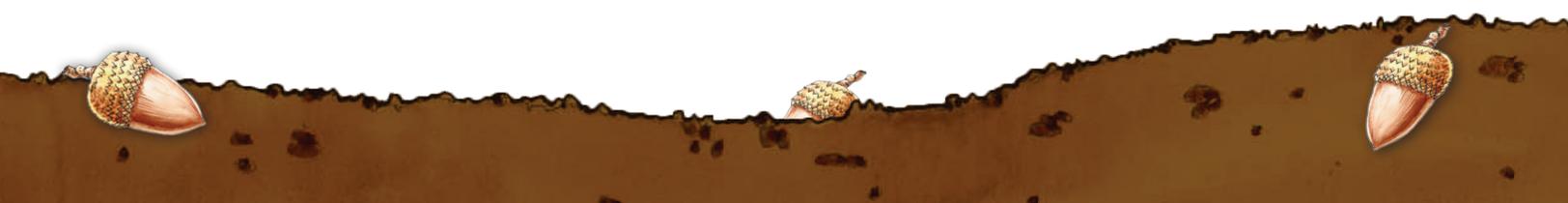
air. The City is no different. We are actively working with other organizations in town to draw as many visitors to Tehachapi as we can reasonably support, so that they can help fertilize our local businesses with new revenues from outside of the area. More information about these efforts can be found on the pages to come.

Running a successful agricultural operation requires a great amount of preparation and planning prior to the start of a growing season and a community is no different. I'm happy to share the successes of the past year with you as we continue to prepare the ground for the economic spring we believe is just around the corner. Thank you for your support and participation in the community. We look forward to tilling the fields of wealth and quality of life with you as Tehachapi continues to *Grow Up*.

Greg Garrett
City Manager



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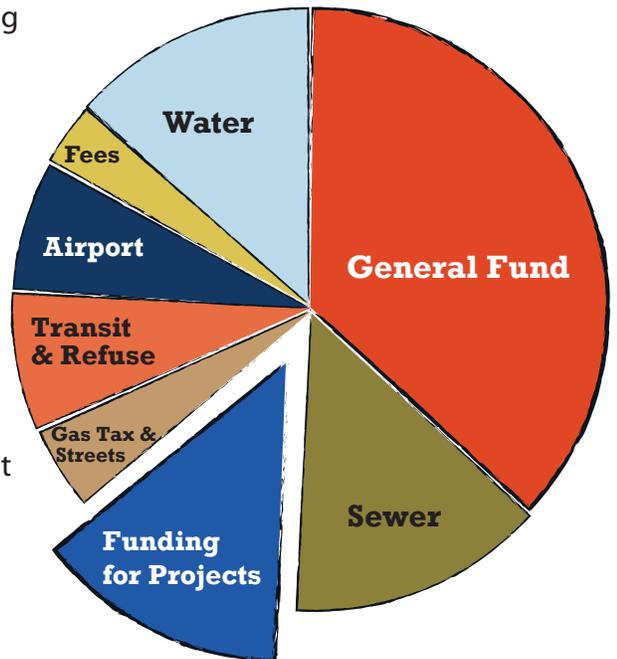


Strong Finances and Smart Planning

The City's overall financial situation has remained stable even during the recent economic recession. Although certain signs of recovery were witnessed during the last fiscal year, it is the belief of many economists that the total economic recovery remains in the future.

Despite the economic outlook, the City of Tehachapi continues to forecast a positive future. We do this by utilizing a conservative approach and smart planning that keeps our budget balanced and well-funded.

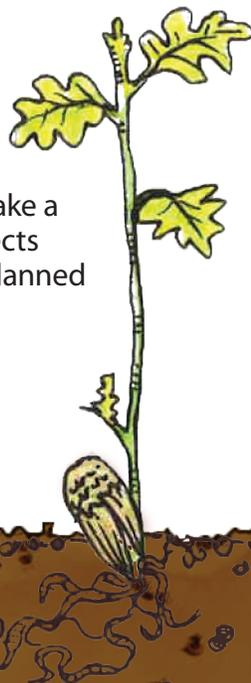
A great deal of those funds include money from grants we've obtained. People often wonder why dollars are being spent on certain projects and not others and often it is a matter of how we have obtained the funds. These categorical funds can only be spent on a specific area or project.



Seed Money

The city actively seeks, prepares for and obtains grants that act as seed money for many of our community projects and improvements. The simple truth is, we often win them because among our competition, we are the most prepared.

In 2013 alone, we will have secured over \$12.4 million for road enhancements and extensions, the new Police Department, bike routes and many more. Take a look at some of the projects recently completed or planned for the near future.



GROW MORE

- Challenger Drive - \$1,500,000
- Tehachapi Boulevard Rehabilitation Phase II - \$406,820
- Snyder Well Intertie Project - \$620,000
- East Tehachapi Improvements Project - \$1,390,000
- Bike Master Plan Implementation Phase I - \$160,000
- Pinon / Curry Safe Route 2 School - \$450,000
- Curry/Valley Cross-gutter Removal Project - \$482,000
- C Street Waterline Replacement - \$210,000
- Apple Wood Estates Storm Water Pump Station - \$440,000
- Alta Estates Improvements Project - \$1,200,000
- Alta Estates Landscaping Project - \$380,000
- Tehachapi Blvd. Improvements Phase IV - \$696,800
- Tehachapi Police Building - \$4,100,000
- Tehachapi Conduit Communications Project - \$90,000
- Valley Shoulder Widening Project - \$84,000
- Tehachapi Boulevard Rehabilitation Phase I - \$228,000

An Environment for Businesses to Thrive

A Great Place to Build Up a Business



In 2007, just prior to the economic collapse, Tehachapi was the 4th fastest growing City in the State of California. Despite that rapid expansion, Tehachapi remains an affordable place to start or expand almost any business.

High quality infrastructure and access to educated and experienced employee base is what makes Tehachapi a great choice for companies pursuing new heights. Large sections of the City already have contemporary fiber optic networks in place and innovative concepts continue to be incorporated into all aspects of governance. Recent improvements to the power grid mean that Tehachapi can support heavy users with little or no upgrades. And the City of Tehachapi, has invested over \$6 million in water and sewer system upgrades since 2007 to accommodate decades of future development and population growth.

At the Tehachapi Municipal Airport, we've invested millions of dollars on new asphalt, lighting, signage and water systems to help both executive jets and general aviation enthusiasts reach new heights. Our four-thousand foot runway is located in the heart of the city, making it a convenient travel hub for industry.

Supporting future growth requires smart long-range planning. Adopted in 2012, the Tehachapi General Plan uses contemporary form based principles to encourage appropriate development while maintaining the high quality, small mountain town atmosphere that we all already enjoy.

This year, Tehachapi assisted 15 new business owners in our community. Some of them opened by long-time residents, some of them by out of town owners and investors but all helping to employ and bring products and services our residents. Their existence is not only an example of our success in long range planning but an indication of a positive turn in our economy.



Tractor Supply – At the Mill Street Exit across from Home Depot



Fastenal – On East Tehachapi Blvd. in newer commercial district

Planning for growth means proving a sound infrastructure for both businesses and members of the community to thrive. With the right balance, growth can help bring prosperity while keeping the charm of our small, tight-knit community.



On The Blvd. Bistro – Opened this June



Municipal Airport – Welcoming air travelers day and night

Planning for Growth

Safety is a Top Priority

It is important to keep up with the changing needs of our community as Tehachapi continues to grow. One of the most fundamental needs in any community is safety.

Nearly six years ago, the city reinstated our Police Department following years of coverage by the Kern County Sheriff. As we started down that path, we knew that a strong Police Department would require the right environment. As a result, we purchased the old

garment factory on C Street earlier this year and renovations are under way.

Almost doubling their space, the renovated headquarters puts to good use a vacant building and helps to keep the TPD more centrally located. It also allows for improved services, tighter controls over evidence and helps to reduce the overall liabilities of both the department and our City. But most of all, it will continue to improve



New Police Department under construction

the safety and quality of life of our residents for decades to come.

Tehachapi - A Smart City



It wasn't long ago when a "mobile phone" required a backpack and today's phones were something only seen on StarTrek. Yet in less than two decades, the world has dramatically changed as a result of emerging technologies.

Keeping up with these emerging technologies has become a challenge for individuals, businesses, and even local governments. For years, municipal performance depended on hard infrastructure like roads, rail roads and quality water for their competitive edge. But as technology changes, so too do the demands of citizens and businesses looking for a home.

Today's most successful communities are tremendous engines for innovation and here at the City of Tehachapi, we are doing our best to become and remain one of these "Smart Cities."

We aren't just talking about smart governance that increases efficiency of city operations and improves customer satisfaction with our services, although that is certainly an important component. We are also talking about how we can build a smart economy that encourages technology driven development, a smart environment that provides a healthy lifestyle for all, and smart people capable of exceeding the demands of the 21st century.

Quality of knowledge and outreach are two of our current focuses. We've expanded our staff this year to include a new Community Outreach Coordinator and Community Service Officer who both work diligently to keep the lines of communication open. With the use of social media, monthly newsletters, neighborhood meetings and email blasts, we're able to share our happenings and gather feedback on a regular basis.

We're also in the beginning stages of starting what we hope will be the first of many business incubators. Utilizing the existing resources of the Tehachapi Senior Center, we plan to have a culinary business center open in 2014 for entrepreneurs to use to start or grow their food based businesses.

Join us in conversation on this or other topics of interest on Facebook by liking our City Of Tehachapi page.



www.facebook.com/CityofTehachapi



Cultivating a Lasting Community

Partnerships that Work

Over the years, we've taken many creative approaches to expanding the offerings of our City and one of the ways we've found work best are strong partnerships with other proactive groups. This approach allows involved citizen groups to continue to do positive work with our assistance and in all cases, the results have been outstanding.

One of the groups we collaborate with often is the Tehachapi Valley Recreation and Park District. As they begin to implement their new Master Plan, we think you'll see fantastic results and we are excited to work along side them.

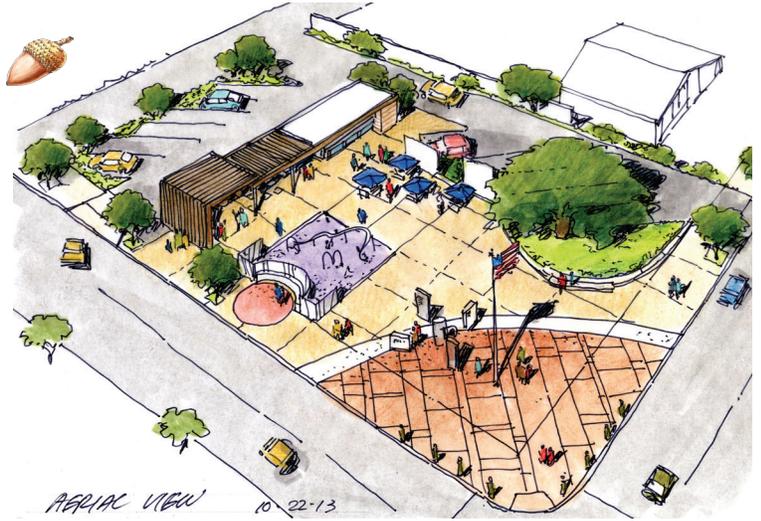
The Tehachapi Senior Center, BeeKay Theatre and Tehachapi Depot & Train Museum are all great examples of strong partnerships at work. Each building is owned by the City and houses various non-profits that work diligently to provide our community and visitors with fantastic products and services.

In 2013, we've continued to utilize this approach with two new projects: The Tehachapi Event Center and Rodeo Grounds and the Tehachapi Visitor Center. Both have moved well beyond the planning stages and in 2014 we are expecting to see some exciting developments.

BELOW & RIGHT: The Tehachapi Event Center and Rodeo Grounds will span 77 acres surrounding our existing rodeo facilities. Amenities will be greatly expanded to include a covered arena, horse stalls and warm up area, concession stands and restrooms.

Green spaces and multi-use trails will also be added providing ample space for picnics, bike rides and other outdoor activities. Later phases will include a 15,000 sf banquet hall, providing the perfect setting for year round events and gatherings. Additional parking areas will increase access and make the grounds usable for larger audiences.

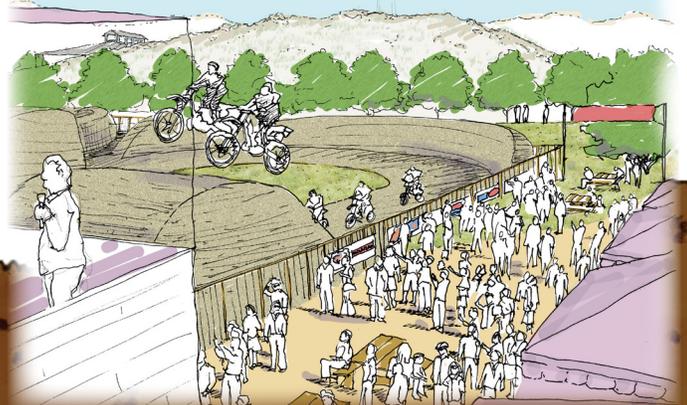
Finally, the plans include a 7 acre Motocross and BMX facility. All of these projects will be completed through partnerships with both non-profit groups and for profit companies.



ABOVE & RIGHT: Three years ago, the City of Tehachapi purchased the vacant car lot located on the corner of Tehachapi Blvd. and Curry. We're excited to say that plans are underway to convert the empty lot into the Tehachapi Visitor Center.

The prime location makes it the perfect spot for travelers to get out, stretch their legs and browse the Boulevard. A small play area, street side seating and a tribute to the Armed Forces will also make it a pleasant place to visit and learn about everything our area has to offer.

Through a proposed partnership with the Greater Tehachapi Economic Development Council and Tehachapi Tourism Commission, the location will be staffed by trained individuals ready to point visitors to local restaurants, shops and attractions.





A Place to Put Your Roots

Through all of our efforts, our staff, management team and council members work hard to keep their sites set on the ultimate goal – *Making Tehachapi a Place We Are All Happy to Live Up, Work Up, Play Up and Raise our Families.*

The advantages of living in Tehachapi are numerous. Beautiful views, clean air and cool temperatures are all part of our natural surroundings and drew many of us to put our roots here. But it's the nature of our strong community, charming town and quality schools that often keeps us here and all of those things take continued pruning and care.

As we look toward the future of Tehachapi, our sights are set on continual improvement while retaining the features that enrich our lives. We strive to keep this balance through big and bold visions, careful planning and strong, two-way communication with residents.

Like the grand oaks that stand all around us, our roots are firmly planted as we keep reaching new heights.

We're here to serve you!
(661) 822-2200
info@tehachapicityhall.com

2012/12/23

Meet the Team Behind City Hall



Chief Jeff Kermode, City Manager Greg Garrett, Finance Director Hannah Chung & Assistant City Manager Chris Kirk



Administration: Denise Jones, Annamarie Johnson, Michelle Vance, Chelsea Thompson, Tori Marsh, Ashley Whitmore & Grace Benedict



Airport Staff: Tom Glasgow & Gaston Patterson



Finance: Daisy Wee, Evelyn Clemente, Hannah Chung, Delphina Gallegos & Christie Copus



Police Dept: Kevin Paille, Annette Henning, Alexia Wood, Teri Cryer, Denise Gutierrez-Brown Michael Palmateer, Zachary Saint John & many more dedicated officers not pictured



Planning: Roxanne Davis, David James & Marcia Smith



Public Works: Jon Curry, Tom Brown, Aaron Gamble, Jerry Ingram, Dale Hamon, Tony Macias, Dennis Artzer, Jason Parks, Mike Pera, Jerry Sorenson, Larry Wiggins, Josh Thompson, Perin Cowan, Darin Redelsperger & Wyatt Misiura



Engineering: Ryan Montgomery, John Hasselbrink & Jay Schlosser

Tehachapi City Council Members



Phil Smith
Mayor



Susan Wiggins
Mayor Pro-Tempore



Ed Grimes
Council Member



Kim Nixon
Council Member



Mary Lou Zamudio
Council Member