

## **AGENDA**

**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 20, 2015 - 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**

### **CITY CLERK REPORTS**

### **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 within the subject matter jurisdiction of the Council. 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, the matter of City business to be discussed, 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 directed to an item on the agenda should be made at the time the item is called for discussion by the Mayor. Questions on non-agenda items directed to the Council or staff should be first submitted to the City Clerk in written form no later than 12:00 p.m. on the Wednesday preceding the Council meeting; otherwise response to the question may be carried over to the next City Council meeting. No action can be taken by the Council on matters not listed on the agenda except in certain specified circumstances. The Council reserves the right to limit the speaking time of individual speakers and the time allotted for public presentations.

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TUESDAY, JANUARY 20, 2015- 6:00 P.M. - PG. 2**

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1. General public comments regarding matters not listed as an agenda item.
2. Mayor to present a Certificate of Recognition to Alexia Wood – **PRESENTATION**
3. 2014 Year End Report – **PRESENTATION**

**CITY CLERK REPORTS**

Tehachapi City Council Unassigned Res. No. 01-15  
Tehachapi City Council Unassigned Ord. No. 15-01-720  
Tehachapi Redevelopment Successor Agency Unassigned Res. No. 01-15  
Tehachapi Public Financing Authority Unassigned Res. No. 01-15

- \*4. **ALL ORDINANCES SCHEDULED FOR INTRODUCTION OR ADOPTION AT THIS MEETING SHALL BE READ BY TITLE ONLY**
- \*5. Minutes for the Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority, and the Tehachapi City Financing Corporation regular meeting on December 15, 2014 – **APPROVE AND FILE**
- \*6. Destruction of Records – **ADOPT A RESOLUTION AUTHORIZING THE DESTRUCTION OF CERTAIN CITY RECORDS SUBJECT TO CITY CLERK AND CITY ATTORNEY REVIEW**

**FINANCE DIRECTOR REPORTS**

- \*7. Disbursements, bills, and claims for December 11, 2014 through January 8<sup>th</sup>, 2015 – **AUTHORIZE PAYMENTS**
- \*8. City of Tehachapi Treasurer’s Report through December, 2014 – **RECEIVE REPORT**
9. Annual financial report for the year ended June 30, 2014 – **INFORMATION ONLY**
10. California Government Code Section 53646(a) requires council members to revise and approve the Investment Policy each year. Staff has reviewed the current policy and made no adjustments– **ADOPT A RESOLUTION ADOPTING AN INVESTMENT POLICY AND REPEALING RESOLUTION NO. 05-14**

**AIRPORT MANAGER REPORTS**

- \*11. Non-Commercial Hangar Rental Agreement – **APPROVE AND AUTHORIZE THE MAYOR TO SIGN THE NON-COMMERCIAL HANGAR RENTAL AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND ADAPTIVE AEROSPACE CORPORATION FOR HANGAR 49W**
12. Update on California Division of Aeronautics State Matching Grant for the Taxiway Alpha Environmental Assessment – **INFORMATION ONLY**

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**POLICE DEPARTMENT REPORTS**

13. **PUBLIC HEARING** – The City receives \$100,000.00 from the State of California through the Supplemental Law Enforcement Services Fund (SLESF) also commonly referred to as state “COPS” funds - **OPEN HEARING; NOTICE OF PUBLIC HEARING AND CORRESPONDENCE; STAFF REPORT; RECEIVE PUBLIC COMMENT; CLOSE HEARING; STAFF RECOMMENDATION; APPROVE THE PROPOSED SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND SPENDING PLAN AS PROPOSED**

**CITY ENGINEER REPORTS**

14. Program Supplement Agreement and Resolution for the Tehachapi Boulevard Rehabilitation Project Phase III – **ADOPT A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AND EXECUTE PROGRAM SUPPLEMENT AGREEMENT NO. 021-N TO ADMINISTERING AGENCY-STATE MASTER AGREEMENT NO. 09-5184R, PROJECT NO. STPL-5184(024)**
15. Amendment to Engineering Services Agreements with Quad Knopf Inc. and Ruetters & Schuler Civil Engineers – **APPROVE AND AUTHORIZE THE MAYOR TO SIGN THE ADDENDUM TO ENGINEERING SERVICES AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND QUAD KNOPF, INC. AS WELL AS THE ADDENDUM TO ENGINEERING SERVICES AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND RUETTIGERS & SCHULER CIVIL ENGINEERS**
16. Snyder Well Intertie Project Labor Compliance Program legal representation agreement – **APPROVE AND AUTHORIZE THE CITY MANAGER TO SIGN THE LEGAL REPRESENTATION AGREEMENT WITH THE LAW OFFICES OF YOUNG WOOLDRIDGE, LLP**
17. Public Transportation Modernization, Improvement, and Service Enhancement Account local funding apportionment for the Mulberry Bus Stop Project – **ADOPT A RESOLUTION AUTHORIZING THE APPROVAL OF AN APPLICATION FOR \$2,798 IN PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT FUNDING APPORTIONED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION**
18. Transit System Safety, Security, and Disaster Response Account for the Mulberry Bus Stop Project – **ADOPT A RESOLUTION IDENTIFYING AUTHORIZED AGENT(S) TO EXECUTE ACTIONS NECESSARY TO OBTAIN CALIFORNIA TRANSIT SECURITY GRANT PROGRAM FUNDS FROM THE CALIFORNIA GOVERNOR’S OFFICE OF EMERGENCY SERVICES**
19. Challenger Drive Extension Project Notice of Completion – **APPROVE THE NOTICE OF COMPLETION FOR THE CHALLENGER DRIVE EXTENSION PROJECT AND DIRECT STAFF TO RECORD SAME**
20. Vacation of a portion of an easement and of irrevocable offer of dedication for 117 East F Street, APN 040-190-12 – **ADOPT A RESOLUTION VACATING PUBLIC SERVICE EASEMENTS AND RIGHT-OF-WAY PURSUANT TO CALIFORNIA STREETS AND HIGHWAYS CODE SECTIONS 8330 ET SEC**

**CITY MANAGER REPORTS**

21. Urgency Ordinance – **ADOPT AN URGENCY ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON THE PERMITTING OF HOOKAH (SMOKING) LOUNGE LAND USES PENDING THE REVIEW AND POSSIBLE AMENDMENT OF ZONING REGULATIONS APPLICABLE TO SUCH USES, TO BECOME EFFECTIVE IMMEDIATELY**

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22. Golden Hills Wastewater – **VERBAL REPORT**

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

**COUNCILMEMBER ANNOUNCEMENTS OR REPORTS**

24. Council committee appointments – **MAYOR TO APPOINT COUNCIL MEMBERS AND DEPARTMENT HEADS TO VARIOUS ORGANIZATIONS AND GROUPS**

25. Council Member Ed Grimes: To announce the recent appointment to President of ACCAP's and discuss recent legislative meetings pertaining to public safety issues – **INFORMATION ONLY**

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))

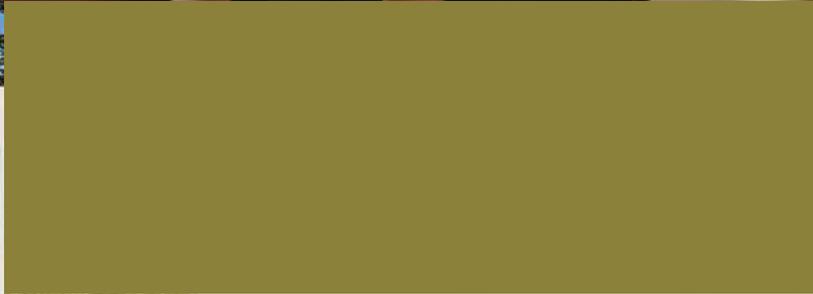
**CLOSED SESSION**

1. Approval of closed session minutes for December 15, 2014.
2. Conference with real property negotiator (City Manager) regarding first right of refusal of Airport property described as Hangar 15E, per Government Code Section 54956.8.

**ADJOURNMENT**

# 2014 Annual Report





City of Tehachapi | (661) 822-2200  
115 South Robinson Street | Tehachapi

# A Letter to our Shareholders

## Our Citizens, Business Owners and Investors

To our shareholders:

It is an honor to have another opportunity as the City Manager of Tehachapi, to provide you with a year-in-review. Over the next few pages, I hope you'll gain an understanding that overall, our municipal corporation is doing well. That's not to say that we are free from struggles and challenges, but simply that our business is improving. We've continued to adopt a balanced City budget. We've seen continued growth in sales tax numbers, indicating a rebound in the retail marketplace. We've seen home sales indicators improving, suggesting that Tehachapi continues to be a desirable place to plant roots. We've invested additional millions of dollars in our public infrastructure and have renewed and strengthened partnerships that help us to improve our business.

What is that business, you might ask? As a City, our business is not to generate profit in its truest sense. In fact, making a "profit" at the City is often looked at unfavorably. That's not to say that we're not concerned with operating efficiently and maximizing your tax dollars but instead, it means that success in our business is not so easily defined.

Unlike a typical private corporation that has a fairly well defined market that they can tailor a product or service to, we have an exceptionally diverse "customer base" that has widely varying desires and opinions about the type, quantity, and quality of services that we provide. So when we talk about our "business" and your return on your investment of tax dollars, it isn't something as objective as "Did we make a profit this year and provide a healthy dividend check to our shareholders?" but rather, it's something more akin to "Did we increase the desirability of Tehachapi to residents, visitors, and businesses?" or "Has our community value (like a stock price) increased?"

Measuring that value isn't always straightforward because a city's value is measured by so many factors outside of its direct control (e.g. schools, retail opportunities, major recreational opportunities, etc.), but there are some indicators that can give us a glimpse into our success. Population growth rates, home and business sale prices, annual numbers of visitors, etc. can offer some measure of insight into our perceived value as a community when compared to other similar communities.

Our strategy for increasing that value is straightforward. It's about creating high quality public spaces and public infrastructure. It's what we have the most control over and can have the greatest impact on. Over the past year, we've made infrastructure upgrades for our police department, wastewater department, and public spaces.

This year's review contains some information about our previous year as well as some exciting new projects and opportunities coming for the next year.



"We've seen continued growth in sales tax numbers, indicating a rebound in the retail marketplace. We've seen home sales indicators improving, suggesting that Tehachapi continues to be a desirable place to plant roots."

**Greg Garrett**  
City Manager  
City of Tehachapi



# A Sound Financial Story

## Strong Reserves and a Balanced Budget



“The best city, county, and state governments manage their money in a way to maximize value for the tax payer. That’s what we’re doing here in Tehachapi.”

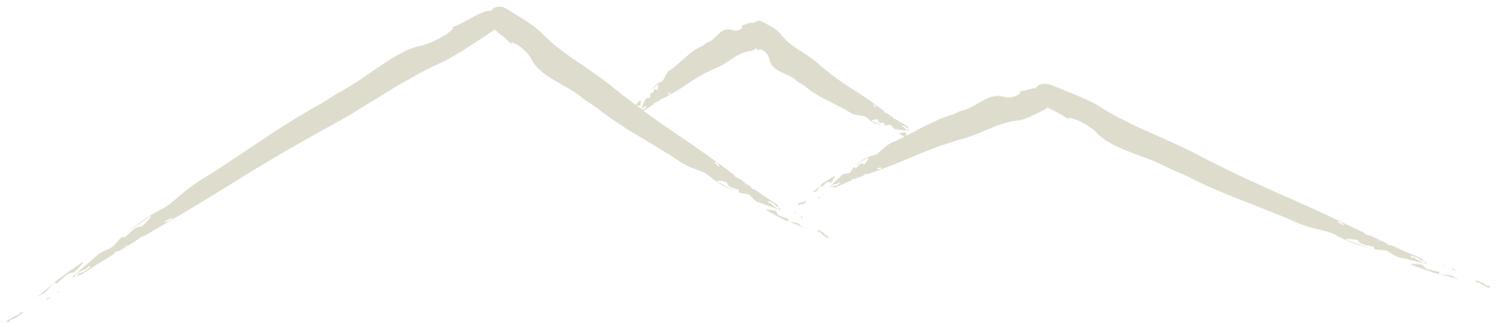
**Hannah Chung**  
Director of Finance  
City of Tehachapi

Every good company must be built on a solid financial foundation. At the City of Tehachapi, we weathered the great recession, the elimination of redevelopment money by the State, and we’ve emerged on the other side a little leaner and better able to serve our customers within our means. One of the best ways we’ve been able to do that is to internally fund our large capital improvement projects in order to save large amounts of money in financing costs and interest. That was only possible because of the healthy reserves we built during the recession. Moving forward, we need to continue to stock our reserve funds as a means of enhancing our capital improvement efforts while still looking for ways to operate more efficiently.

In addition to strong fiscal management, the Finance Department has two noteworthy developments to share from 2014. The first is the approval received from the State of California, Department of Finance to keep the Robinson and F parking lot to be used as public parking instead of selling it. This is a great victory for our city in maintaining the aesthetics of the area along with the ease of commerce.

We also received approval from the State of California Department of Finance for the use of RDA bond proceeds for a few planned projects. With this approval, we’re able to complete the construction of the Freedom Plaza and Visitor Center, make pedestrian access improvements on North Green Street and complete a pedestrian/bike path along Tehachapi Boulevard from Downtown to Stueber Road.

	2014 Expenditure Budget	
General	<b>6,227,040</b>	36.3%
Water	<b>2,867,285</b>	16.7%
Sewer	<b>2,146,819</b>	12.5%
Airport	<b>1,542,830</b>	9.0%
Transit & Refuse	<b>1,325,052</b>	7.7%
Gas Tax & TDA Street	<b>1,482,106</b>	8.6%
Development Fees	<b>398,728</b>	2.3%
Fundings for Projects	<b>1,147,697</b>	6.7%
	<b>17,137,556</b>	100.0%



# Developing a Strong Community

## Planning and Growing a Cohesive City

Think of your favorite communities to visit or shop. Chances are you like them because they feel welcoming, clean, organized and cohesive. And while it might look easy, all of this takes planning and forethought combined with action and implementation. That is what our Planning and Economic Development do.

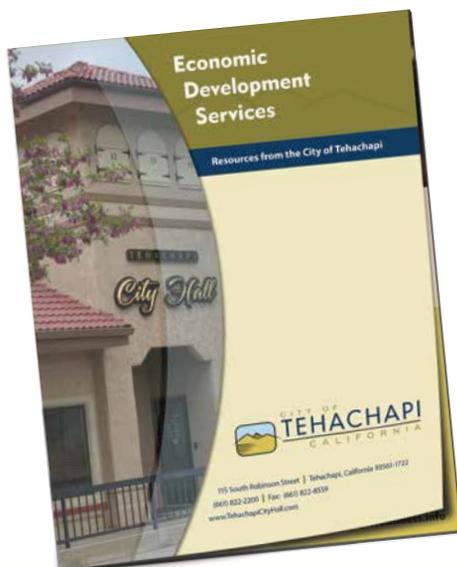
Always keeping an eye on the future, the Planning Department had a busy year of updating codes and conducting studies on how future growth might look in the City of Tehachapi. Planning Department accomplishments include:

- Updated and adopted the Housing Element
- Updated and adopted the Municipal Services Review (MSR)
- Updated and adopted the Consistency Zoning Code
- Updated the Zoning Map to correspond to the hybrid zoning code
- Submitted the Community Development Block Grant (CDBG) application for fiscal year 2015-2016
- Prepared the Event Center Mitigated Neg Dec document
- Joined California Statewide Community Development Activity (CSCDA) and California Enterprise Development Authority (CEDA) (towards diversifying our Economic Development strategy)

Our Economic Development team also had a busy year in 2014. Focused on gaining funds, we secured a \$970,000 grant to build a motocross facility at the Event Center and Rodeo Grounds. This project helps to give Tehachapi more ways to utilize our great climate to bring more consumers to local businesses.

To directly assist local business we've also initiated a Business Visitation Program. Working along side the Greater Tehachapi Economic Development Council we are reaching out to help bring tools and solutions to local business owners large and small. The process of interviewing and assisting these businesses has helped uncover new and innovative ways the City can help those who do business here build wealth.

We're also reaching out to businesses who are looking for a new or additional location and have developed a host of tools to educate prospects about all that Tehachapi has to offer. This includes updated demographics, an Economic Development Services booklet with helpful checklist, information about our free online business resources and maps of vacant or available properties.





## Developing our Future:

The Police Explorers place 3rd overall at annual competition in Federal Way, Washington

The new Police Department opens and Police Chief, Kent Kroeger is sworn in



## Shop with a Cop:

Twenty kids were able to receive gifts and spend an evening with local law enforcement in this 2nd annual event



## Banning Together:

Over 150 business owners have joined the Business Watch Program in 2014



# Protecting What's Important

Keeping You Safe to Live the Life You Want

The safety of our friends, family and personal as well as commercial assets are a top priority to the City of Tehachapi. Having re-established the Tehachapi Police Department in 2007, we've made huge strides when we took safety and protection back under local control.

2014 was another year of change, growth and development for the Police Department and overall safety of Tehachapi. This summer we officially opened the new Police Headquarters located on C Street. By purchasing an existing commercial space and remodeling it to fit our needs, we not only saved hundreds of thousands of dollars, but have a more than adequate space to house us for years to come. At the ribbon cutting of this new facility, we also welcomed and swore in the new Police Chief, Kent Kroeger.

Over the last year, we have placed an increased emphasis upon the fundamental goals of crime reduction and crime prevention. To this end, we have successfully launched an aggressive **Business Watch Program** which is a partnership between the Police Department, local businesses, and the Chamber of Commerce. The program emphasizes information sharing among merchants to raise awareness to potential crime trends in the area. TPD provides regular training and advice to merchants in an attempt to reduce and prevent crime. TPD has recruited over 150 business owners into the program.

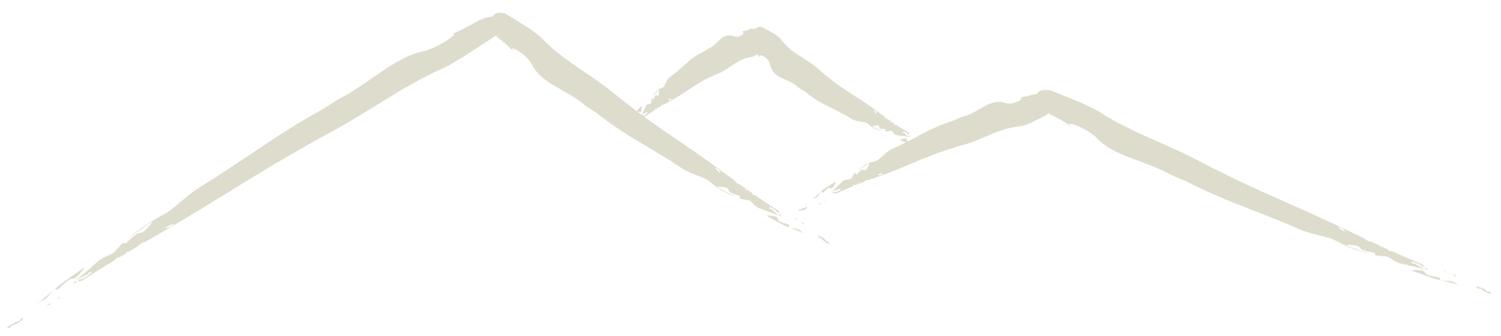
These same efforts and philosophies are now being emphasized within our neighborhoods with the creation of TPD's **Neighborhood Watch Programs**. Efforts are currently under way to engage the community in this program and we have established several new Neighborhood Watch Programs in the last month. The emphasis upon crime prevention is extremely critical with the recent passage of California's proposition 47 which reduces the penalty for many drug related crimes and property crimes to misdemeanors. Incarceration for these types of crimes will be very rare and most of these types of offenders will remain in the community.

Increased organizational effectiveness: TPD has placed an emphasis upon structure in all aspects of our organization. Supervisor work schedules have been restructured to increase the availability and presence of supervision. The management and prioritization of criminal investigations has been restructured in a manner which enables the Department to properly utilize our investigative resources. The Department Policy Manual is being updated and the documentation and review of all risk management related issues are being enhanced. TPD is also conducting a feasibility study for in-house Dispatch services.



"The emphasis upon crime prevention is extremely critical with the recent passage of California's proposition 47 which reduces the penalty for many drug related crimes and property crimes to misdemeanors."

**Kent Kroeger**  
Police Chief  
City of Tehachapi



Over  
**700**  
Participants





**400**  
Hotel Bookings

## Bringing Visitors to Our Town

Working with our Tourism Commission and the Kern County Board of Trade, the City hosted the inaugural Tehachapi GranFondo. A cycling event that showed thousands of visitors what our City and surrounding communities have to offer.

But events such as this one also have an economic benefit. Bringing consumers to local shops, stimulating sales and increasing tax revenue that provide increased city services to you and your family.

Local events, great venues and our natural resources all stimulate tourism and the resulting economic benefits. That's why we work hard to promote our community and encourage events that help us all grow.

Economic Benefit  
**\$300,000**

# Public Works

## Investing in Sound Infrastructure and Quality of Life



"The public space between the buildings is what truly defines a town and our public works staff has done a good job keeping those public spaces in excellent condition."

**Jon Curry**  
Public Works Director  
City of Tehachapi

One of the biggest responsibilities of any municipality is the planning, development, and maintenance of sound infrastructure. It is the Public Works Department under which all the city's essential services fall including the operation and maintenance of the Water, Sewer, and Streets and Roads departments.

In fact, the overall health of any city is easily measured by the collective strength of these items. In a day where a state-wide drought has left communities struggling for water and homes literally dry of the necessary resource, we are happy to report that Tehachapi is doing well on all accounts.

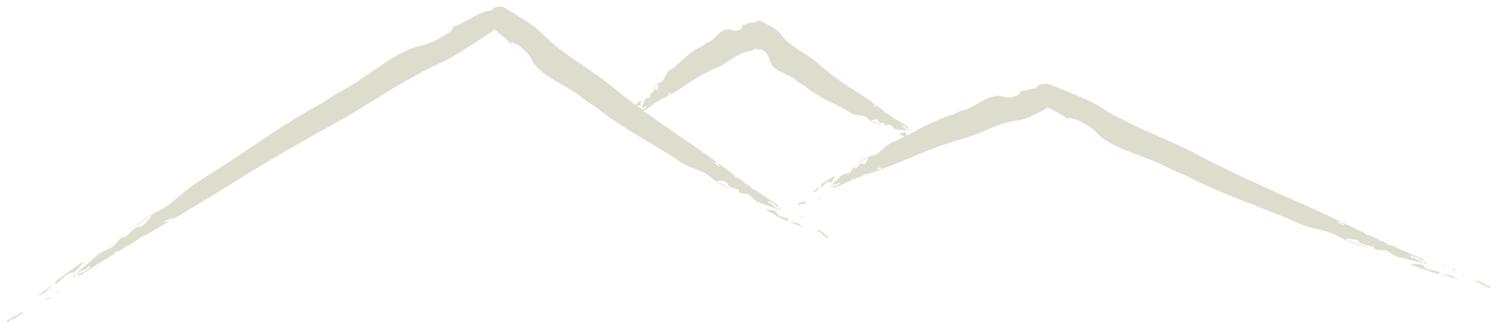
In 2014, the Public Works Department worked hard to clean over twenty-five miles of sewer main line, repaired and replaced ninety-eight water sewer lines and rehabilitated the Pinon Well. We also received funding in the amount of \$660,000 to complete the Snyder Well Intertie Project.

This project will benefit our community by connecting a City of Tehachapi water well that produces groundwater with high nitrate concentrations to the Tehachapi Cummings County Water District's raw water pipeline system to deliver non-potable water for irrigation of nearby school athletic fields as well as crops. This will decrease water demands on the City's system and provide beneficial use of the nitrate-laden groundwater thereby removing high nitrate groundwater from the aquifer.

The work completed by the Public Works Department also contributes to our quality of life. Assisting in the beautification of our public areas and keeping the City clear of trash and graffiti are just a few of the ways we work hard to keep our community attractive. We also help to maintain the city's physical holdings which include the Tehachapi Depot, BeeKay Theatre, Senior Center, City Parks and Tehachapi Museum.

In fact, through these buildings, the City of Tehachapi has built strong partnerships with many local non-profits. Working together to add to the community by providing resources, preserving our heritage and offering art and entertainment to our residents and guests are all ways in which we serve.

But more importantly, we work hard to maintain our City to such high standards because we know it has a financial impact on our property and business owners. All of our hard work on roads, sidewalks, lighting and more helps to keep [and raise] property values for all of us. Without a solid infrastructure, none of this would be possible.



## Something Old & Something New:

The Tehachapi Museum gets new landscaping to go with all the updates made by the Heritage League inside



Public Works employees start the process of renovating the old Police Department into the new City Hall Annex which will house Operations Staff from the City of Tehachapi

## Safer Routes to School:

Grants help to provide children with safer routes to get to and from school each day at Tompkins Elementary



Public discussions of the OHV track planned for the Tehachapi Rodeo Grounds & Event Center



## Paving the Way to Tehachapi's Future:

The completion of Challenger Way provides additional routes to reach Capital Hills and the future Hospital.



New Police Department opened on June 27, 2014.



## All Part of the Master Plan:

New bike lanes on Curry provide safer routes for Tehachapi cyclists

# Engineering the Tehachapi Lifestyle

Keeping our Community Growing in the Right Direction

The Engineering Staff welcomed three full-time employees in 2014, significantly adding to the resources and capabilities of our department. Now with a full-time Building Inspector, we're ready and able to conduct inspections five days a week helping to reduce wait-time and costs to residents and property owners during construction and renovation projects.

The planning that occurs in the Engineering Department is constant. Always looking to improve our great City with our emphasis on safety, functionality and design. In 2014, we launched several new projects into the planning phase including:

- HSIP East Tehachapi Traffic Improvements Project
- Freedom Plaza & Visitor Center
- Snyder Well Intertie Project
- Capital Hills Parkway Rehabilitation Project
- Tehachapi Boulevard Improvements Phase III

We also started and/or completed nearly \$8 million worth of projects in 2014. Most of them funded with grant dollars to help us stretch our budgets in ways we could not do otherwise, these Capital Projects all help to keep Tehachapi growing in the right direction. Projects from 2014 include:

- Tehachapi Police Department - \$4.4 million
- City Hall Annex Project - \$260,000
- Challenger Drive - \$1.9 million
- Tehachapi Boulevard Rehabilitation Phase II - \$350,000
- Pinon/Curry Safe Routes to School Intersection Improvement Project - \$450,000
- Bicycle Master Plan Implementation Phase I - \$160,000
- WWTP Recycled Water Pump Station - \$220,000

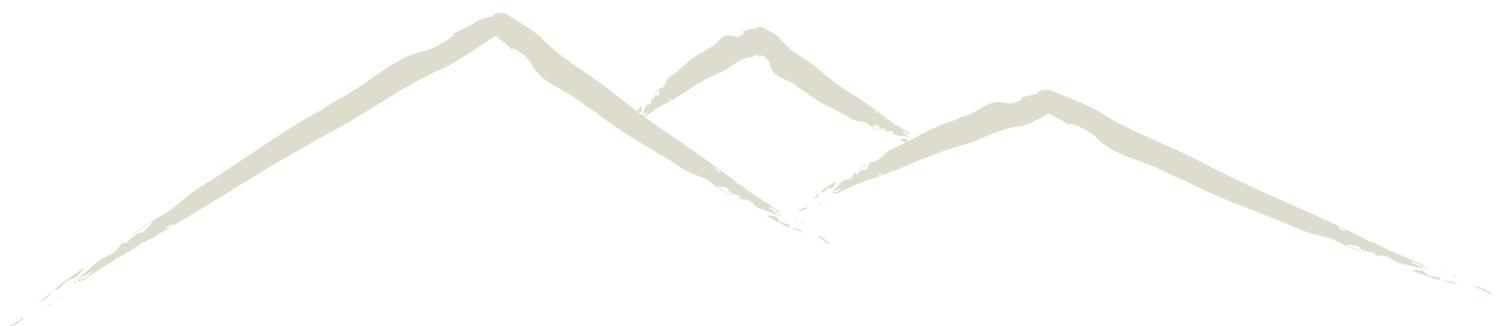
Additional grants received in 2014 that you will see work in the future include:

- ATP SRTS Various Sidewalks Project - \$900,000
- ATP Valley Bike Path Improvements Project Phase II - \$1.2 million
- TDA Tehachapi Boulevard Bike Path Project - \$360,000



"For a City of Tehachapi's size, our staff has been able to capture a sizable portion of available grant funding. These grants are helping to make Tehachapi a better, healthier, and more beautiful place to live."

**Jay Schlosser**  
City Engineer  
City of Tehachapi



# Flying High

## Tehachapi's Airport is Soaring to New Heights

One of the City's biggest businesses is the Tehachapi Municipal Airport. Our dedicated airport management staff have been improving the airport in the past several years with new pavement, new striping, new lighting, new signage, new offices, and more. In the coming year, they will begin the planning and environmental work on a multi-million dollar grant project through the Federal Aviation Administration to replace failing asphalt and to relocate the taxiway to improve safety for larger aircraft.

The Airport passed the 2014 Department of Transportation Safety Inspection with no identifiable safety, maintenance or compliance issues and coordinated construction efforts with the Tehachapi Society of Pilots to construct an Aviator Monument at Aviator Park.

The property on and around the Airport also proves to be valuable to outside resources and have allowed us to stretch our budget with two new revenue sources. The first is a newly negotiated cell site lease with AT&T which provide not only better coverage for their customers but \$24,000 per year to the City. The Airport is also a great training ground for motorcycle riders. We have negotiated an agreement for DMV motorcycle training to be conducted through Johnston's Motorcycle Training Center allowing locals in need to training to stay in town.

Like many of our departments, the Airport relies heavily on grant funding for many of our improvements. This allows us to utilize tax dollars to the fullest extent and treat them with the respect they deserve. Some of the grants received in 2014 include:

- Federal Grant (\$151,200.00) – To acquire .74 acres of real property concurrently eliminating a safety concern
- Federal Grant (\$164,122.00) – For Runway Safety Improvements to include runway marking & lighting enhancements
- Federal and State Grant (\$199,903.21) – For an Environmental Assessment to remove, relocate and replace the primary taxiway
- California Transit Security Grant (\$11,268.00) – to provide LED lighting for the terminal parking area
- Eastern Kern Air Pollution Control District Grant (\$35,360.00) for a new Dodge Ram 1500 service vehicle
- Annual Credit Grant (\$10,000.00) from the Department of Aeronautics for fuel facility upgrades



## Warbird Fly-In:

2nd Annual Celebration Hosted  
in September 2014

## Friends of the Tehachapi Airport mark the beginning of the Hangar 1 Restoration Project



# Our Board of Directors

## Strong Council and Active Governance

Just as a for-profit corporation has a board of directors that provide direction and leadership, municipalities such as the City of Tehachapi, have Councils. Comprised of members of the community, these elected councilmembers are the visionaries behind our great City. They are the voice of our community, provide a high level of fiscal responsibility and represent you, the residents of Tehachapi.



**Mayor, Susan Wiggins** – Mrs. Wiggins previously served on the Tehachapi Valley Recreation and Park District board and is a lifelong East Kern resident. She has lived in Tehachapi for over twelve years and is retired from the Mojave Unified School District. Mrs. Wiggins also worked on Space Shuttles for Rockwell at its Palmdale facility and on the B-1 program at Edwards Air Force Base.

“My goal is to maintain our small town atmosphere while allowing growth in a manner that benefits everyone in our city.”

**Mayor Pro-Tem, Kim Nixon** – Mrs. Nixon has lived in Tehachapi since 1986 and served the City Planning Commission for thirteen years before becoming a council member. She is a member on the Event Center Oversight Committee and the Airport Advisory Committee and formerly represented the City on the Kern LAFCO.

“Our community is an exceptional reflection of the talents, heart and kindness of each one who calls Tehachapi home. The team effort to maintain our mountain top jewel is exciting and challenging.”

**Councilmember, Phil Smith** – Mr. Smith has called Tehachapi home for over forty-seven years. Originally elected to the City Council in 1986, he has served continuously and just finished his term as Mayor in November 2014,

“Our greatest challenge now is dealing with inevitable growth while maintaining our quality of life and we all have an opportunity and obligation to be involved in the planning process.”

**Councilmember, Ed Grimes** – Mr. Grimes has lived in the Tehachapi area for over 53 years. He went to school here and raised his four children in Tehachapi. Mr. Grimes has a B.A. in Criminal Justice and is a retired Supervising Parole Agent.

“By working hard and showing good judgment in our decision-making process, I believe the City of Tehachapi can be the best in Kern County if not in the State.”

**Councilmember, Dennis Wahlstrom** – On a holiday trip in 1982 with my family to Northern California, freeway traffic was diverted into the City of Tehachapi, until Highway 58 could be cleared of snow. This event was my first taste of Tehachapi and my family and I were impressed with the City’s quaint charm. Sixteen months later my family and I moved to Tehachapi and later worked for the City for over twenty-five years.

“It was my honor to work for the City of Tehachapi for 25 years; and with that work-experience and vision of doing what’s in Tehachapi residents’ *best interests*, I’m now proud to serve as one of Tehachapi’s City Council Members.”



# City Staff

The Teams Behind All We Do

**Executive Team:**  
Chief Kent Kroeger,  
Assistant City Manager  
Chris Kirk, Finance  
Director Hannah Chung,  
City Manager Greg  
Garrett, Office Manager  
Ashley Whitmore &  
Public Works Director  
Jon Curry



**Finance:** Hillorie  
Thomas, Evelyn  
Clemente, Hannah  
Chung, Chelsea  
Thompson & Christie  
Copus



**Administration:** Anna Frescas, Tori Marsh,  
Ashley Whitmore, Michelle Vance & Grace  
Benedict



**Airport Staff:** Tom  
Glasgow & Gaston  
Patterson



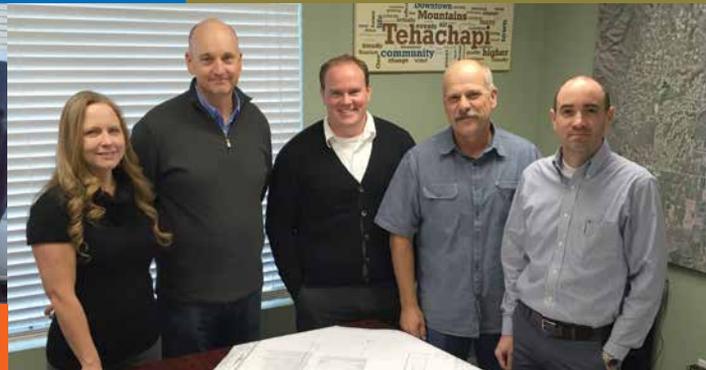
**Police Dept:** Chief  
Kent Kroeger, Denise  
Gutierrez-Brown,  
Annette Henning, Mike  
Christian, Matt Goe,  
Zachary Saint John,  
Jason Dunham, Wayne  
Horning & many more  
dedicated officers not  
pictured



**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:** Denise Jones, Jason Wyatt, Ryan  
Montgomery, Charles Arbaut & Jay Schlosser

**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 15, 2014 – 6:00 P.M.**

**NOTE:** Sm, Gr, Wi, Ni and Wa are abbreviations for Council Members Smith, Grimes, Wiggins, Nixon and Wahlstrom, 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><b><u>CALL TO ORDER</u></b></p> <p>Meeting called to order by Mayor Smith at 6:00 p.m.</p> <p><b><u>ROLL CALL</u></b></p> <p>Roll call by City Clerk Denise Jones</p> <p>Present: Mayor Smith, Mayor Pro-Tem Wiggins, Councilmembers Grimes, Nixon and Corpus-Zamudio</p> <p>Absent: None</p> <p><b><u>INVOCATION</u></b></p> <p>By Brent Whitney, Pastor Country Oaks Baptist Church</p> <p><b><u>PLEDGE TO THE FLAG</u></b></p> <p>Led by Councilmember Corpus-Zamudio.</p> <p><b><u>CITY CLERK REPORTS</u></b></p> <p>1. A Resolution declaring the result of the General Municipal Election held November 4, 2014 – <b>CITY CLERK DENISE JONES GAVE STAFF REPORT; ADOPTED RESOLUTION NUMBER 81-14 RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 4, 2014, DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW.</b></p> <p>City Councilmember Dennis Wahlstrom took his seat at the dais.</p> <p>2. Swearing in of new officers and presentation of Certificates of Election by City Clerk Denise Jones. New officers will be seated at this time – <b>CITY CLERK DENISE JONES ADMINISTERED THE OATH OF ALLEGIANCE AND PRESENTED</b></p>	<p><b>Adopted Res. No. 81-14 Reciting The Fact Of The General Municipal Election Held On November 4, 2014, Declaring The Result &amp; Such Other Matters As Provided By Law</b> Gr/Ni Ayes All</p> <p><b>NAT</b></p>
---	--

**CERTIFICATES OF ELECTION TO COUNCILMEMBERS DENNIS WAHLSTROM, PHIL SMITH AND SUSAN WIGGINS.**

3. According to Tehachapi Municipal Code Section 2.08.040, "The presiding officer of the council shall be the Mayor, who shall be elected biannually at the first meeting of each even-numbered year, by the Council Members, from among their membership except that the outgoing Mayor may not succeed himself or herself; provided, however, that should the Mayor be subject to reelection during his or her term as the Mayor and either not seek reelection or otherwise fail to be reelected, then the Council shall elect a new Mayor following the election and, thereafter, the Mayor shall be elected biannually at the first meeting following an election of Council Members and shall be so elected by the Council Members from among their membership except that the outgoing Mayor may not succeed himself or herself" –

**CITY CLERK DENISE JONES DECLARED NOMINATIONS FOR MAYOR OPEN.**

**COUNCILMEMBER GRIMES NOMINATED COUNCILMEMBER WIGGINS FOR THE OFFICE OF MAYOR.**

**WITHOUT OBJECTION, CITY CLERK DENISE JONES DECLARED THE NOMINATIONS CLOSED AND PROCEEDED WITH THE VOTE.**

**COUNCIL UNANIMOUSLY ELECTED COUNCILMEMBER SMITH TO THE OFFICE OF MAYOR.**

**COUNCILMEMBER WIGGINS WAS DECLARED MAYOR FOR A TWO-YEAR PERIOD, EXPIRING DECEMBER 2016.**

4. Election of Mayor Pro-Tempore called by Mayor Wiggins –

**MAYOR WIGGINS DECLARED NOMINATIONS FOR MAYOR PRO-TEMPORE OPEN.**

**COUNCILMEMBER SMITH NOMINATED COUNCILMEMBER NIXON FOR THE OFFICE OF MAYOR PRO-TEMPORE.**

**WITHOUT OBJECTION, MAYOR WIGGINS DECLARED THE NOMINATIONS CLOSED AND PROCEEDED WITH THE VOTE.**

**COUNCIL UNANIMOUSLY ELECTED COUNCILMEMBER NIXON TO THE OFFICE AS MAYOR PRO-TEMPORE.**

**CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT**

Approved consent agenda

Opened Nominations For Mayor

Grimes Nominated Wiggins For Mayor

Declared The Nominations Closed

Elected Wiggins To The Office Of Mayor  
Ayes All

Opened Nominations For Mayor Pro Tem

Smith Nominated Nixon For Mayor Pro Tem

Declared The Nominations Closed

Elected Nixon To The Office Of Mayor Pro Tem  
Ayes All

Approved Consent Agenda  
Ni/Sm Ayes All

**AUDIENCE ORAL AND WRITTEN COMMUNICATIONS**

5. General public comments regarding matters not listed as an agenda item were received from:
- a. Maryann Hester, city resident, welcomed new mayor and new mayor pro-tem.
  - b. Richard Felter, city resident, congratulated Dennis Wahlstrom and thanked Mary Lou Corpus-Zamudio for her service and asked about tumbleweed situation.
  - c. David Butler, city resident, thanked Council for their hard work and wished everyone a happy holiday.

**CITY CLERK REPORTS**

Tehachapi City Council Unassigned Res. No. 81-14  
Tehachapi City Council Unassigned Ord. No. 14-04-716  
Tehachapi Redevelopment Successor Agency Unassigned Res. No. 08-14  
Tehachapi Public Financing Authority Unassigned Res. No. 01-14

**\*6. ALL ORDINANCES SCHEDULED FOR INTRODUCTION OR ADOPTION AT THIS MEETING SHALL BE READ BY TITLE ONLY**

All Ord. Read By Title Only  
Ni/Sm Ayes All

**\*7. Minutes for the Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority, and the Tehachapi City Financing Corporation regular meeting on December 1, 2014 – APPROVED AND FILED**

Approved & Filed  
Ni/Sm Ayes All

**8. City Council will need to appoint one member to the Tehachapi Valley Recreation and Parks District Board to fill the vacancy created by Board Member Nick Cyr's resignation. Applications were received from Mary Lou Corpus-Zamudio – DEPUTY CITY CLERK ASHLEY WHITMORE GAVE STAFF REPORT; CRAIG JANSEN, CITY RESIDENT, ASKED FOR COUNCIL TO EXTEND DEADLINE AND TABLE ITEM; APPOINTED MARY LOU CORPUS-ZAMUDIO TO THE TEHACHAPI VALLEY RECREATION AND PARKS DISTRICT BOARD TO COMPLETE A FOUR YEAR TERM TO EXPIRE ON FEBRUARY 2, 2019. CITY CLERK DENISE JONES ADMINISTERED OATH OF OFFICE TO MARY LOU CORPU-ZAMUDIO.**

Appointed Mary Lou Corpus-Zamudio To The Tehachapi Valley Recreation & Parks District Board To Complete A Four Year Term To Expire On February 2, 2019  
Wa/Sm Ayes All

**FINANCE DIRECTOR REPORTS**

**\*9. Disbursements, bills and claims for November 26, 2014 through December 10, 2014 – AUTHORIZED PAYMENTS.**

Authorized Payments  
Ni/Sm Ayes All

**\*10. City of Tehachapi Treasurer's Report through November, 2014 – RECEIVED REPORT.**

Received Report  
Ni/Sm Ayes All

**POLICE DEPARTMENT REPORTS**

**11. Second reading of ordinance prohibiting loitering, aggressive solicitation, and any solicitation at specified locations – CHIEF KROEGER GAVE STAFF REPORT; CARL GERHICKE, CITY RESIDENT, QUESTIONED THE WAY THE ORDINANCE IS**

Adopted Ord. No. 14-04-718  
Prohibiting Loitering, Aggressive Solicitation, & Any Solicitation At Specified Locations

**ACTION TAKEN**

<p><b>WRITTEN; DAVID BUTLER, CITY RESIDENT, SPOKE AGAINST ORDINANCE, COUNCILMEMBER WAHLSTROM SUGGESTED CREATING A PERMIT FOR CERTAIN ACTIVITIES THAT MIGHT VIOLATE THIS ORDINANCE; MAYOR PRO-TEM NIXON SPOKE IN FAVOR OF PERMIT AND OF ORDINANCE; COUNCILMEMBER SMITH ASKED CHIEF KROEGER TO GIVE A SENERIO DEMONSTRATING HOW THIS ORDINANCE WOULD BE ENFORCED; ADOPTED ORDINANCE NUMBER 14-04-718 PROHIBITING LOITERING, AGGRESSIVE SOLICITATION, AND ANY SOLICITATION AT SPECIFIED LOCATIONS.</b></p> <p>12. Second reading of ordinance prohibiting unauthorized entry into waste containers – <b>CHIEF KROEGER GAVE STAFF REPORT; ADOPTED ORDINANCE NUMBER 14-05-719 PROHIBITING UNAUTHORIZED ENTRY INTO WASTE CONTAINERS.</b></p>	<p>Sm/Ni Ayes All</p> <p><b>Adopted Ord. No. 14-05-719 Prohibiting Unauthorized Entry Into Waste Containers</b> Sm/Ni Ayes All</p>
<p><b><u>CITY ENGINEER REPORTS</u></b></p> <p>13. Waste Water Treatment Plant Recycled Water Pump Station Project bids – <b>CITY ENGINEER JAY SCHLOSSER GAVE STAFF REPORT; PUBLIC WORKS DIRECTOR JON CURRY GAVE PRESENTATION; AWARDED THE WASTE WATER TREATMENT PLANT RECYCLED WATER PUMP STATION PROJECT TO HIGH DESERT CONTRACTORS INC. IN THE AMOUNT OF \$206,635.00 AND AUTHORIZED THE CITY MANAGER TO APPROVE ANY NECESSARY CHANGE ORDERS UP TO A MAXIMUM OF 5% OF THE ORIGINAL CONTRACT (OR \$10,331.75).</b></p>	<p><b>Awarded The Waste Water Treatment Plant Recycled Water Pump Station Project To High Desert Contractors Inc. In The Amount Of \$206,635.00 &amp; Authorized The City Manager To Approve Any Necessary Change Orders Up To A Maximum Of 5% Of The Original Contract (Or \$10,331.75)</b> Gr/Ni Ayes All</p>
<p><b><u>CITY ATTORNEY REPORTS</u></b></p> <p>14. General update for Councilmembers on relevant portions of the Ralph M. Brown Act and requirements it imposes on City Councilmembers – <b>VERBAL REPORT BY CITY ATTORNEY TOM SCHROETER</b></p>	<p>NAT</p>
<p><b><u>CITY MANAGER REPORTS</u></b></p> <p>15. Amendment to 2012/13, 2013/14 and 2014/15 pay schedules to include the pay of contract employees and positions created or amended during the fiscal year in accordance with CalPERS audit findings – <b>CITY MANAGER GREG GARRETT GAVE STAFF REPORT; KIM CUMMINGS, CITY RESIDENT, ASKED A QUESTION ABOUT CALPERS AS IT RELATES TO CONTRACT EMPLOYEES; DAVID BUTLER, CITY RESIDENT, COMMENTED ON CALPERS RETIREMENT PLANS; CARL GERHICKE, CITY RESIDENT, COMMENTED ON CALPERS RETIREMENT PLANS; ADOPTED RESOLUTION NUMBER 82-14 AMENDING THE SALARY PLAN FOR CERTAIN POSITION CLASSIFICATIONS IN CITY SERVICE AND AMENDING RESOLUTION NUMBER. 24-12; ADOPTED RESOLUTION NUMBER 83-14 AMENDING THE SALARY PLAN FOR CERTAIN POSITION CLASSIFICATIONS IN CITY SERVICE AND AMENDING RESOLUTION NUMBER 28-13; ADOPTED RESOLUTION NUMBER 84-14 ESTABLISHING THE SALARY PLAN FOR EACH POSITION CLASSIFICATION IN CITY SERVICE AND REPEALING RESOLUTION NUMBER 42-14.</b></p>	<p><b>Adopted Res. No. 82-14 Amending The Salary Plan For Certain Position Classifications In City Service &amp; Amending Res. No. 24-12; Adopted Res. No. 83-14 Amending The Salary Plan For Certain Position Classifications In City Service &amp; Amending Res. No. 28-13; Adopted Res. No. 84-14 Establishing The Salary Plan For Each Position Classification In City Service &amp; Repealing Res. No. 42-14</b> Ni/Sm Ayes All</p>

16. Report to Council regarding current activities and programs – **VERBAL REPORT BY CITY MANAGER GREG GARRETT.**

NAT

**COUNCIL MEMBER ANNOUNCEMENTS OR REPORTS**

1. Councilmember Wahlstrom thanked Council for welcoming him aboard.
2. Mayor Pro-Tem Nixon commended Police Department for Shop With A Cop event this last week.
3. Councilmember Grimes welcomed Councilmember Wahlstrom again to the Council and wished everyone a merry Christmas and a happy new year.
4. Councilmember Smith asked about the reporting process for potholes and/or street lights and wished everyone a merry Christmas.
5. Mayor Wiggins wished everyone a merry Christmas, welcomed Dennis to the Council and thanked the Council for electing her Mayor.

**CLOSED SESSION**

1. Approval of closed session minutes for December 1, 2014.
2. Conference with legal counsel regarding Broome Trust v. Tehachapi per Government Code Section 54956.9(d)(1) - **FORM A LITIGATION COMMITTEE TO DIRECT LITIGATION COUNSEL IN THE CASE OF BROOME VS. TEHACHAPI CONSISTING OF THE MAYOR, MAYOR-PRO-TEM, AND CITY MANAGER**

Approved Minutes  
Gr/Ni Motion Carried  
Abd: Wa

Form A Litigation Committee To  
Direct Litigation Counsel In The  
Case Of Broome Vs. Tehachapi  
Consisting Of The Mayor, Mayor-  
Pro-Tem, & City Manager  
Sm/Ni Ayes All

**ADJOURNMENT**

The City Council/Boards adjourned at 7:20 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 Tuesday, January 20, 2015, at 6:00 p.m.

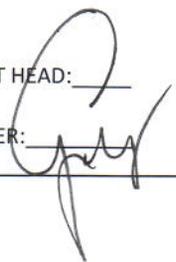
\_\_\_\_\_  
DENISE JONES, CMC  
City Clerk, City of Tehachapi

Approved this 20<sup>th</sup> day  
Of January, 2015.

\_\_\_\_\_  
SUSAN WIGGINS  
Mayor, City of Tehachapi



APPROVED
DEPARTMENT HEAD: _____
CITY MANAGER: _____



# COUNCIL REPORTS

**MEETING DATE:** JANUARY 20, 2015    **AGENDA SECTION:** CITY CLERK

---

**TO:** HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:** ASHLEY WHITMORE, DEPUTY CITY CLERK

**DATE:** JANUARY 12, 2015

**SUBJECT:** DESTRUCTION OF RECORDS

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## BACKGROUND

On June 5, 2000, the City Council adopted Resolution No. 23-00, adopting the local government records retention guidelines created by the City Clerk's Association of California, and endorsed by the Secretary of State. This records retention schedule consists of a list of all records produced or maintained by an agency and the length of time such records must be retained to fulfill administrative, fiscal and/or legal function.

Staff has determined that according to our records retention schedule it is appropriate to properly dispose of certain city records. The proposed resolution authorizes the destruction of these records that have fulfilled their administrative, fiscal, or, legal function. The records have been reviewed by both the City Clerk and the City Attorney and it has been determined that they are no longer required for any purpose.

## RECOMMENDATION

**Adopt a resolution to authorize the destruction of certain city records subject to approval by the City Clerk and City Attorney.**

## Certificate of Records Destruction

This certificate documents the destruction of the records specified below under the authority of an approved Records Retention and Disposal Schedule.

Contact

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Content Description	Retention	Code
1	Completed Records Requests 2009-2010	CL+2 GC34090
	Misc Receipts 4/2004-1/2008	AU+4 GC34090 CCP337
	2008 Special Event Insurance Reports	CL+2 GC34090
	AIMS Claims Kyle 2007, County Island Orchards 2007, Liberty Ins/Wren 2008, Lutge 2009, Escoto 2009	CL+5 GC34090 GC25105.5
	Gen Correspondence City Council 2009-2010	CU+2 GC34090
	Adj JE/notes Transportation Fund 1985 & 1987	AU+2 GC34090
	Ann Financial Rpt Transport Fund 1986-87 copy	CL+2 GC34090
	Claims for Mandated Costs 1974-1977 A/R	AU+4 GC34090
	Volunteer firefighter employee info 1988-1990	T+5 29CFR16273 CCR1174 29CFR1607.4
	Que Pasa Bankruptcy Taxes Receivable 2010	AU+3 CCP338
2	Deposit memorandum/receipts 1929-1964	AU+4 GC34090 CCP337
	Check stubs 1929-1959	AU+5 GC34090 CCP337
	Log listing appls for Bldg Permits (unknown)	CU+5 none
	Annual Fin Rpts other state agencies 1992-1998	CL+2 GC34090
	Audit drafts/worksheets/corresp 1996-2000	AU+2 GC34090 CCP3375
	Transit Development Plan 1993-1998 w/drafts	CU+2 GC34090
	Contract Transit Terminated 1999	T+5 CCP3372 343 B&P70425
3	General plan working documentation 1984-1990	CU+2 GC34090d
4	General plan working documentation 1993	CU+2 GC34090d
5	General plan working documentation 1999	CU+2 GC34090d

6	Proposed projects (unsuccessful) 1997-1999	CL+2	GC34090d
7	Recruitment documentation - Office Assistant 2004, Police Chief 2006, Maintenance Worker 2007 & 2010, Clerk Typist 2008, Airport Manager 2009, Public Works Inspector 2009, Police Officer 2009 & 2010, Airport Laborer 2010	CL+3	GC12946 GC6250 29CFR1602 29CFR1607 29CFR16273
8	Recruitment documentation - Capital Projects Manager 2004, Administrative Secretary 2009	CL+3	GC12946 GC6250 29CFR1602 29CFR1607 29CFR16273
	USA Ticket Transmittals 2007-2008	CU+2	GC34090
	Public Records Requests 2008	CL+2	GC34090
9	Y2K guide	S+2	GC34090
	Crossing Newsletter w/questionnaire 2009, Citizen Satisfaction Report 2005	CU+2	GC12946 GC34090
	Water turn on/shut off 2007-2008	CU+2	GC34090
	Appraisals - property not purchased 2008-2009, Wells School 2005 (not city property)	CL+2	GC34090 GC6254h
	Research for City Hall phone system 2010	CU+2	GC34090
	Gen. Correspondence - Capital Project Mgr 2009	CU+2	GC34090
	Grant application 2009 Carl Mayer airport ground equipment - grant not accepted	CL+5	GC34090
	Grant application 1997-1998 CA Arts Council - grant successful completed 2000	CL+5	GC34090
	Mural Project Report 2000	CU+2	GC34090
	Council candidate- Christine Lee Gen Election 11/05/2002 unsuccessful	E+2,E+4, E+5	GC81009b
	Council candidate- David Hansen Gen Election 11/05/2002 unsuccessful	E+2,E+4, E+5	GC81009b
	Emergency Operations Plan 1st draft 2005	S+2	GC34090
	Discharge Monitoring Tehachapi Shell 2004-2009	CU+5	40CFR122.41
10	Proof of Publication Commission Appts 2009-10	CU+4	CCP343 349 GC9112 GC34090
	Unsuccessful Applications-Airport Commission, City Clerk, City Treasurer, Planning Commission Recreation & Parks District 1994-2012	CL+2	GC34090
	Successful Applications-council/commission members w/expired terms 1984-2008	T+5	GC34090 GC40801
	Unsuccessful nomin pprs, campaign disclosure campaign stmt/conflict of int Schaeffer 2006	E+2 E+7 CU+5	ED17100 GC81009b

	Stmts of Economic Int not elected Sprinkle 2007 Wupperfeld 2008, Martin 2007, Pugh 2008, M Meyer 2005, R Meyer 2008, Nafziger 2005, Stone 2009, Destefani 2008, Sparks 2007, Caudle 2007, McLaughlin 2007, Minton 2008, Zweigle 2008	E+5	FPPC
	Correspondence - TOT ballot measure 2006, election manuals 2006, 2008, 2010	CU+2	GC34090d
11	Tehachapi Vision Foundation - closed 2008 agendas, misc correspondence 1999-2002	CU+2	GC34090d
	Vision correspondence Adopt a Highway 2001- 2003, Fourth of July 2001-2003, Best of the Best 1999-2000, Open Space 2001-2006, Bike Path 2006	CU+2	GC34090d
	Vision retreat correspondence/report 2000-2001	CU+2	GC34090d
	Vision Expired Bz Tax Certificate 2000-2001	T+4	GC34090 CCP337
	Vision Treasurer's Reports, bank stmts 1999-2008	AU+2	FC3368 30210 GC43900
	Vision St/Fed Tax Forms/Correspond 2000-2008	AU+4	TGC34090 29USC436

I hereby certify that I witnessed the destruction of the above noted records.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

I hereby certify that the above noted records were properly destroyed on site and that the shredded material will then be recycled.

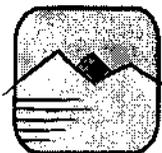
**Benz Sanitation:** \_\_\_\_\_

**Date:** \_\_\_\_\_

# Accounts Payable

## Checks by Date - Detail By Vendor Number

User: hthomas  
 Printed: 1/13/2015 - 2:49 PM



CITY OF  
**TEHACHAPI**  
 CALIFORNIA

Vendor	Invoice No	Line Description	Check Amount
0015	211 Praxair Distribution Inc.		
Check No:	0	Check Date:	
	51319765	PW/Acetylene/Ind high press 100cf	134.15
		Check Total:	134.15
		Vendor Total:	134.15
0027	Atco International		
Check No:	0	Check Date:	
	I0422223-1	PW/Pursuit-94	532.50
	I0422223-2	Use Tax	-36.00
	I0422502-1	Swr/Pursuit-94	139.64
	I0422502-2	Use Tax	-9.44
		Check Total:	626.70
		Vendor Total:	626.70
0035	BC Laboratories Inc.		
Check No:	0	Check Date:	
	B190957-1	Wtr/Dennison & Wahlstrom Wells	50.00
	B190957-2	Wtr/Hayes/Fair Oak/Alder	36.00
	B191100	Wtr/Curry Resv	15.00
	B191101	Wtr/Dennison & Mojave Wells	30.00
	B191334	Swr/Influent/Effluent	325.00
	B191561	Swr/Influent/Effluent	325.00
		Check Total:	781.00
		Vendor Total:	781.00
0182	P&J Electric Inc.		
Check No:	0	Check Date:	
	4859	Swr/labor/trouble shoot UPS/electrical materials	270.16
	84081	Swr/battery	95.68
		Check Total:	365.84
		Vendor Total:	365.84
0241	Kern Bros. Trucking Inc.		
Check No:	0	Check Date:	
	67112	Wtr/plaster sand	1,247.00
	67256	Srts/0150/04 Cold mix/freight	264.00
		Check Total:	1,511.00
		Vendor Total:	1,511.00
0260	Liebert Cassidy Whitmore		
Check No:	0	Check Date:	

Vendor	Invoice No	Line Description	Check Amount
	1397032	PD/Graff & Disney lit-legal svcs through 11/30/	3,746.80
	1397033-1	PD/Negotiations 2014 legal svcs through 11/30/1	2,175.00
	1397033-2	PW/Negotiations 2014 legal svcs through 11/30/	2,044.50
		Check Total:	7,966.30
		Vendor Total:	7,966.30
0300	Mission Linen & Uniform Service		
Check No:	0	Check Date:	
	140179275	PW/Linen maintenance/2-3x4 mats/2-fender cov	104.52
	140180593	PW/Linen maintenance/2-3x4 mats Dec 2014	99.10
	140181909	PW/Linen maintenance/2-3x4 mats/2-fender cov	104.52
	140183209	PW/Linen maintenance/2-3x4 mats Dec 2014	99.10
	140183210	Swr/dust mop/2-3x4 mats/3-3x10 mats Dec 2014	44.46
	140184495	PW/Linen maintenance/2-3x4 mats/2-fender cov	104.52
	140184496	Swr/dust mop/2-3x4 mats/3-3x10 mats Jan 2015	44.46
		Check Total:	600.68
		Vendor Total:	600.68
0304	Mojave Sanitation		
Check No:	0	Check Date:	
	2461424	Swr/Acct#965528800/800 Enterprise/3yd bin fee	132.23
	2462454	Swr/Acct#975428801/800 Enterprise/storage De	85.00
	2462715	PW/Acct#975570700/Valley Blvd/rolloff svc/fee	1,594.58
	2463316	PW/Acct#310163000/Gate fee/trailer Dec 2014	515.71
		Check Total:	2,327.52
		Vendor Total:	2,327.52
0362	RSI Petroleum Products		
Check No:	0	Check Date:	
	0279187	PW/unleaded gas	800.23
		Check Total:	800.23
		Vendor Total:	800.23
0431	Tehachapi News		
Check No:	0	Check Date:	
	13710467-1	Air/Surplus Auction Ad	26.22
	13710467-2	PW/Surplus Auction Ad	26.22
	13710467-3	Swr/Surplus Auction Ad	26.22
	13710467-4	PD/Surplus Auction Ad	26.22
	13734198-12/24	GG/Ordinance NO 14-04 Ad	580.00
	13734272-12/24	GG/Ordinance NO 14-05 Ad	168.75
		Check Total:	853.63
		Vendor Total:	853.63
0441	Vulcan Materials Company Western D		
Check No:	0	Check Date:	
	70620610	Wtr/3/8" fine PG64-10/env fee	348.53
	70637873	Strts/ST#4 Max CMIX SC3/env fee	747.36
		Check Total:	1,095.89
		Vendor Total:	1,095.89

Vendor	Invoice No	Line Description	Check Amount
0450	USA Bluebook		
Check No:	0	Check Date:	
	527385	Swr/CorePRO Sr 15' Sampler	155.52
		Check Total:	155.52
		Vendor Total:	155.52
0476	WITTS Everything for the Office		
Check No:	0	Check Date:	
	135544-1	GG/adding machine tape	60.95
	135661-0	PD/address labels/1-blk 1-magenta 1-yellow toner	452.90
	135695-0	PD/light duty knife blade/recorder 2 mic stereo	67.05
	135756-0	GG/copy paper/notes/pens/flags/markers	122.62
	135808-0	CD/black ink cartridge	39.76
		Check Total:	743.28
		Vendor Total:	743.28
0509	Safety-Kleen Systems Inc.		
Check No:	0	Check Date:	
	65509851	PW/30G parts washer solvent/fuel surcharge fee	351.10
		Check Total:	351.10
		Vendor Total:	351.10
0675	Kapy's Electronics		
Check No:	0	Check Date:	
	10196867	Swr/#2-APC Back-UPS ES 8 outlet	128.98
		Check Total:	128.98
		Vendor Total:	128.98
0689	Pioneer True Value Home Center		
Check No:	0	Check Date:	
	65578	PW/single cut key	1.92
	65639	Wtr/screw extractor/3/4-14 NPT pipe tap/2-reset	69.94
		Check Total:	71.86
		Vendor Total:	71.86
0832	ACWA/IPIA		
Check No:	0	Check Date:	
	0331335-1	Medical/February 2015	79,329.00
	0331335-2	Medical/Adjustment/February 2015	1,926.02
	0331335-3	Dental/February 2015	8,444.34
	0331335-4	Vision/February 2015	1,186.08
	0331335-5	Vision/Adjustment/February 2015	-21.18
	0331335-6	Life/February 2015	1,513.89
	0331335-7	Life/Adjustment/February 2015	13.44
		Check Total:	92,391.59
		Vendor Total:	92,391.59
0842	Kern Transit		
Check No:	0	Check Date:	
	10012014-1	Dial-A-Ride Oct 2014/Operating Costs	13,372.68
	10012014-2	Dial-A-Ride Oct 2014/Less Farebox Revenue	-560.08

Vendor	Invoice No	Line Description	Check Amount
	10012014-3	Dial-A-Ride Oct 2014/Sat Operating Costs	1,000.90
	10012014-4	Dial-A-Ride Oct 2014/Less Sat Farebox Revenue	-30.29
	11012014-1	Dial-A-Ride Nov 2014/Operating Costs	10,852.73
	11012014-2	Dial-A-Ride Nov 2014/Less Farebox Revenue	-401.15
	11012014-3	Dial-A-Ride Nov 2014/Sat Operating Costs	1,251.44
	11012014-4	Dial-A-Ride Nov 2014/Less Sat Farebox Revenue	-48.82
		Check Total:	25,437.41
		Vendor Total:	25,437.41
0956	League of California Cities		
Check No:	0	Check Date:	
	147549	GG/Membership Dues 2015	5,639.17
		Check Total:	5,639.17
		Vendor Total:	5,639.17
1032	Jack Davenport Sweeping Services Inc		
Check No:	0	Check Date:	
	106627	Strts/broom sweeping service 12/2014	8,640.00
		Check Total:	8,640.00
		Vendor Total:	8,640.00
1286	M&M's Sports Uniforms & Embroider		
Check No:	0	Check Date:	
	32811	GG/Logo Embroidery on supplied blk vest	11.29
	32913	Standard cast plaque-In Memory of S Cumming	234.67
		Check Total:	245.96
		Vendor Total:	245.96
1313	Certified Laboratories		
Check No:	0	Check Date:	
	1752860-1	Swr/towels/toilet paper/kleenex/seat covers	273.04
	1752860-2	GG/towels/toilet paper/kleenex/seat covers	426.18
	1752860-3	PW/towels/toilet paper/kleenex/seat covers	158.09
	1752860-4	Air/towels/toilet paper/kleenex/seat covers	205.08
	1752860-5	Depot/towels/toilet paper/kleenex/seat covers	273.04
		Check Total:	1,335.43
		Vendor Total:	1,335.43
1441	Grainger		
Check No:	0	Check Date:	
	9626218995	Swr/4 Inch information label pk 5	38.68
		Check Total:	38.68
		Vendor Total:	38.68
1505	Benz Construction Services		
Check No:	0	Check Date:	
	238310201	PW/Acct#1228101/800 Enterprise/tank deliv/lea	198.90
	238310202	Wtr/Acct#1228102/750 Enterprise/Dec 2014	609.72
	2460703	PW/Acct#966755300/800 Enterprise/toilet servi	55.75
	2462774	Swr/Acct#58021002/800 Enterprise/roll off rent	196.16
	2462783	PW/Acct#300421000/800 Enterprise/rolloff svc/	429.31

Vendor	Invoice No	Line Description	Check Amount
		Check Total:	1,489.84
		Vendor Total:	1,489.84
1724	Banks Pest Control Inc.		
Check No:	0	Check Date:	
	432198	GG/bimonthly service/115 S Robinson 12/2014	72.00
		Check Total:	72.00
		Vendor Total:	72.00
1729	Alpha Landscape Maintenance		
Check No:	0	Check Date:	
	12227-1	GG/City Offices	48.02
	12227-10	Strts/South Curry	222.50
	12227-11	LLD/Heritage Oak	843.12
	12227-12	LLD/KB tract/Dennison	3,524.54
	12227-13	Strts/Street trees	10.09
	12227-14	Strts/Dennison Street	704.20
	12227-15	LLD/Clear View	314.65
	12227-16	Parks/Pioneer Park	541.45
	12227-17	GG/Old Town Planters	80.15
	12227-18	LLD/Mill Street Cottages	24.09
	12227-19	Parks/Robinson Park	493.30
	12227-2	GG/Market Place & Union Pacific	215.91
	12227-20	GG/Taco Samich & wall	27.48
	12227-21	GG/Senior Center	102.57
	12227-22	Depot/Railroad Depot	124.59
	12227-23	GG/Phase 4 downtown planters	33.95
	12227-24	LLD/Red Barn	86.22
	12227-25	LLD/Red Barn Phase 2	7.00
	12227-26	GG/Robinson parking lot	24.45
	12227-27	LLD/Alta/Warrior Park	1,564.62
	12227-28	PD/Police Department	33.75
	12227-3	Strts/Mill Street Islands	415.98
	12227-4	Strts/Capitol Hills (South Island)	263.91
	12227-5	LLD/Manzanita Park	706.41
	12227-6	LLD/KB Tract-Highline LMD	500.85
	12227-7	LLD/Alta Tract/Warrior Park	4,367.95
	12227-8	LLD/All planters-Highline & tract perimeters	1,534.02
	12227-9	LLD/Alta Parkway Lawns	171.51
	12228-1	GG/Mar Pl/Un Pac/trash dump Dec 2014	0.75
	12228-10	LLD/Heritage Oaks/trash dump Dec 2014	7.45
	12228-11	LLD/KB-Dennison/trash dump Dec 2014	20.82
	12228-12	Strts/Dennison Street/trash dump Dec 2014	2.24
	12228-13	GG/Clear View/trash dump Dec 2014	0.75
	12228-14	Parks/Pioneer Park/trash dump Dec 2014	2.24
	12228-15	GG/Old Town planter/trash dump Dec 2014	0.75
	12228-16	LLD/Mill Street Cottages/trash dump Dec 2014	0.37
	12228-17	PD/Police Station/trash dump Dec 2014	0.75
	12228-18	Parks/Robinson Park/trash dump Dec 2014	0.75
	12228-19	GG/Taco Samich/trash dump Dec 2014	0.75
	12228-2	Strts/Mill Street Island/trash dump Dec 2014	2.24
	12228-20	GG/Senior Center/trash dump Dec 2014	0.75
	12228-21	Depot/trash dump Dec 2014	1.49
	12228-22	GG/Robinson Parking lot/trash dump Dec 2014	0.37
	12228-3	Strts/Cap Hills/trash dump Dec 2014	1.49
	12228-4	LLD/Manzanita Park/trash dump Dec 2014	2.24

Vendor	Invoice No	Line Description	Check Amount
	12228-5	LLD/KB Tract-Highline/trash dump Dec 2014	0.75
	12228-6	LLD/Alta Tract-Warrior Park/trash dump Dec 20	17.14
	12228-7	LLD/Alta Parkway lawns/trash dump Dec 2014	1.49
	12228-8	LLD/Alta planters-Highline Tract/trash dump De	7.45
	12228-9	Strts/South Curry/trash dump Dec 2014	1.49
		Check Total:	17,061.80
		Vendor Total:	17,061.80
1801	HD Supply Waterworks LTD		
Check No:	0	Check Date:	
	D310374	Wtr/#10 1x3 Redi-clamp full circle 1.32 OD	363.89
		Check Total:	363.89
		Vendor Total:	363.89
1849	Government Finance Officers Associa:		
Check No:	0	Check Date:	
	0123001	Fin/Membership Renewal 02/01/15-01/31/16	190.00
		Check Total:	190.00
		Vendor Total:	190.00
1856	Jackie Wood Photography		
Check No:	0	Check Date:	
	0091116	GG/Sitting fee/8x10/D Wahlstrom	75.25
		Check Total:	75.25
		Vendor Total:	75.25
1947	Tehachapi Lawn and Garden Equipme		
Check No:	0	Check Date:	
	0102	Strts/2-battery tenders	94.58
	1006	PW/case of Opti oil	129.00
		Check Total:	223.58
		Vendor Total:	223.58
2111	Swift Napa Auto Parts		
Check No:	0	Check Date:	
	830842	Air/#6-Battery Cables Lugs	9.61
	831037	Air/#2-Relays	11.83
	832793	Strts/Connector/#7-Quality HTR hoses	34.91
		Check Total:	56.35
		Vendor Total:	56.35
2113	Fuel Controls Inc.		
Check No:	0	Check Date:	
	82815	Air/Jet A Wholesale	10,194.32
	82816	Air/100 Octane Wholesale	17,472.95
		Check Total:	27,667.27
		Vendor Total:	27,667.27
2147	Coffee Break Service Inc.		
Check No:	0	Check Date:	

Vendor	Invoice No	Line Description	Check Amount
	JAN4522	GG/water cooler rental Jan 2015	26.95
		Check Total:	26.95
		Vendor Total:	26.95
2200	Argo Chemical		
Check No:	0	Check Date:	
	1412149	Wtr/Chlor Sol 12.5% NSF/freight	439.11
		Check Total:	439.11
		Vendor Total:	439.11
2478	DataProse Inc.		
Check No:	0	Check Date:	
	DP1403705-1	Refuse/Printing 12/1-12/31/2014	105.78
	DP1403705-2	Wtr/Printing 12/1-12/31/2014	211.58
	DP1403705-3	Swr/Printing 12/1-12/31/2014	211.58
	DP1403705-4	Refuse/Postage 12/1-12/31/2014	216.72
	DP1403705-5	Wtr/Postage 12/1-12/31/2014	433.46
	DP1403705-6	Swr/Postage 12/1-12/31/2014	433.46
		Check Total:	1,612.58
		Vendor Total:	1,612.58
2902	Sim Sanitation Inc		
Check No:	0	Check Date:	
	31044	Air/standard & handicap rental 01/15	82.00
		Check Total:	82.00
		Vendor Total:	82.00
2981	Burke Williams & Sorenson LLP		
Check No:	0	Check Date:	
	184286	AD 89-2 Fees Prof svcs through 11/30/2014	74.90
		Check Total:	74.90
		Vendor Total:	74.90
2989	My Fleet Center.com		
Check No:	0	Check Date:	
	672175	PD/WB-Hydrogard wiper 22"/2003 Ford Crown	23.20
	672487	PD/Oil change/2011 Ford Crown Victoria	28.36
		Check Total:	51.56
		Vendor Total:	51.56
3004	Motor City Auto Center		
Check No:	0	Check Date:	
	710014	PW/door panel/flat bed V5 truck	367.32
		Check Total:	367.32
		Vendor Total:	367.32
3051	Tehachapi Transmissions Inc.		
Check No:	0	Check Date:	
	6484	PD/replace exhaust manifold/shocks/oil chg- 08	1,170.29

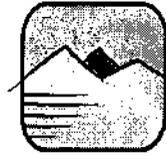
Vendor	Invoice No	Line Description	Check Amount
		Check Total:	1,170.29
		Vendor Total:	1,170.29
3234	L.S.T. Services		
Check No:	0	Check Date:	
	294230	PD/Service call/2 locks installed	75.00
		Check Total:	75.00
		Vendor Total:	75.00
3295	A-C Electric Company		
Check No:	0	Check Date:	
	27803	Strts/Valley & Curry/replaced PROM module &	1,336.95
		Check Total:	1,336.95
		Vendor Total:	1,336.95
3306	Precision Labs		
Check No:	0	Check Date:	
	28225	Swr/ser chg & calibration-ultra sonic flow meter	430.00
		Check Total:	430.00
		Vendor Total:	430.00
3346	Tehachapi Collaborative		
Check No:	0	Check Date:	
	01072015	GG/Corporate Membership enrollment 2015	100.00
		Check Total:	100.00
		Vendor Total:	100.00
3363	RSINet		
Check No:	0	Check Date:	
	2348	Air/Data service Oct-Dec 2014	180.00
		Check Total:	180.00
		Vendor Total:	180.00
3503	Solenis LLC		
Check No:	0	Check Date:	
	130935322	Swr/Praestol K 148 L IBC 1000L	3,916.31
		Check Total:	3,916.31
		Vendor Total:	3,916.31
3674	Secure On-Site Shredding		
Check No:	0	Check Date:	
	2462474	GG/Acct#300421002/115 South Robinson Dec 2	205.00
	2462475	Swr/Acct#300421004/750 Enterprise Way Dec :	35.00
		Check Total:	240.00
		Vendor Total:	240.00
3680	Vortex Industries Inc.		
Check No:	0	Check Date:	
	42-838491-1	Air/FBO gate/motor & repairs	3,462.50

Vendor	Invoice No	Line Description	Check Amount
		Check Total:	3,462.50
		Vendor Total:	3,462.50
3708	Customized Custodial Services		
Check No:	0	Check Date:	
	COTC0115-1	GG/Janitorial service/City Hall Jan 2015	890.00
	COTC0115-2	GG/Janitorial service/Senior Center Jan 2015	450.00
	COTC0115-3	Depot/Janitorial service Jan 2015	250.00
	COTC0115-4	PD/Janitorial service Jan 2015	1,950.00
	COTC0115-5	Air/Janitorial service Jan 2015	420.00
	COTC0115-6	Constr/Janitorial service Jan 2015	140.00
	COTC0115-7	Swr/Janitorial service Jan 2015	530.00
		Check Total:	4,630.00
		Vendor Total:	4,630.00
3712	Cooley Construction		
Check No:	0	Check Date:	
	R13015-2	Bicycle Master Pl Ph 1 &Tr #6216/Prog pay #2	85,188.82
		Check Total:	85,188.82
		Vendor Total:	85,188.82
3725	Powerstride Battery Co. Inc.		
Check No:	0	Check Date:	
	84081	Swr/battery	95.68
		Check Total:	95.68
		Vendor Total:	95.68
3825	Cadence Environmental Consultants		
Check No:	0	Check Date:	
	205	Event Center noise analysis	7,238.77
		Check Total:	7,238.77
		Vendor Total:	7,238.77
3826	Discount Playground Supply		
Check No:	0	Check Date:	
	157834	LLD/fast patch 50-50/clr surface cond/ship/Warr	1,596.27
		Check Total:	1,596.27
		Vendor Total:	1,596.27
		Report Total:	311,756.91

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
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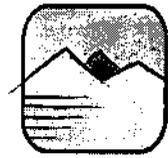
CITY OF  
**TEHACHAPI**  
CALIFORNIA

				Check Amount
Check No:	41744	Check Date:	12/15/2014	
Vendor:	2556	Franchise Tax Board		
12152014		Dennis A. Artzer Acct. No. 556974146	PR Batch 00015.12.2014 Frar	57.48
				<hr/> 57.48
Check No:	41745	Check Date:	12/15/2014	
Vendor:	3268	State Disbursement Unit		
12152014		Jason P. Dunham MF 004190	PR Batch 00015.12.2014 CA:	242.15
				<hr/> 242.15
Date Totals:				<hr/> 299.63
Report Total:				<hr/> <hr/> 299.63

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
 Printed: 12/15/2014 - 1:37 PM



CITY OF  
**TEHACHAPI**  
 CALIFORNIA

			Check Amount
Check No:	41746	Check Date: 12/11/2014	
Vendor:	1285	CA Dept of Corrections and Rehabilitation	
1800262186-1		Strts/Maint CCI Crew- July 14	837.18
1800262186-2		PW/CCI Crew- July 14	1,255.76
1800262186-3		Land/CCI Crew- July 14	837.18
1800262186-4		Rodeo/CCI Crew- July 14	837.18
1800262186-5		Old PD/CCI Crew- July 14	837.18
1800274911-1		PW/CCI Crew- Oct 14	415.86
1800274911-2		Land/CCI Crew- Oct 14	415.86
1800274911-3		LLD/Alta Homes Maint/CCI Crew- Oct 14	415.86
1800274911-4		PW/prison grounds/CCI Crew- Oct 14	1,663.42
			7,515.48
Check No:	41747	Check Date: 12/11/2014	
Vendor:	2893	Cardmember Service	
010240		GG/Christmas decorations/City Hall	221.18
			221.18
Check No:	41748	Check Date: 12/11/2014	
Vendor:	1739	Chevron & Texaco Business Card Services	
42998796-1		GG/mgt/fleet veh fuel 11/06-12/05/14	359.99
42998796-2		PD/fleet veh fuel 11/06-12/05/14	3,825.57
			4,185.56
Check No:	41749	Check Date: 12/11/2014	
Vendor:	3428	Red House BBQ	
12082014		GG/Catered meat for City Christmas Party	500.00
			500.00
Check No:	41750	Check Date: 12/11/2014	
Vendor:	1658	Springbrook Software Inc.	
INV28994		Fin/Monthly web payments July 2014	246.55
INV29321		Fin/Monthly web payments Sept 2014	256.05
INV29543		Fin/Monthly web payments Oct 2014	258.90
			761.50
Check No:	41751	Check Date: 12/11/2014	
Vendor:	0433	Tehachapi Recycling	
1032014		Recycling Contract Per 4	14,520.51
			14,520.51
Check No:	41752	Check Date: 12/11/2014	
Vendor:	0434	Tehachapi Sanitation	
1012014		Kern County Gate Fees Per 4	14,346.17
1022014		Refuse Contract Per 4	68,321.45
			82,667.62

Check No:	41753	Check Date:	12/11/2014	
Vendor:	2940	US Bank Corporate Payment System		
001047		Eng/lunch/Ryan & Jay w/Caltrans		22.95
0012128		Air/combo lock		14.68
009263		GG/Halloween party B-Day cupcakes		13.98
014926		Air/coffee & cookies		49.21
020377		Air/postage		7.19
022942		GG/Advertising/Tehachapi Lifestyle Magazine		1,550.00
0277403712480		CD/flight/National APA Confer/M Smith 04/17/1		220.20
029971		Fin/lunch/Cal Pers workshop/Hannah & Christie		26.71
032006		Air/office drinking water/paper towels		24.78
042144		Air/Aerokroil/repair wind indicator		17.19
051851		GG/Halloween party gift card		20.00
053059		Air/#2-boxes disposable gloves		23.62
056310		Fin/Chevron/Cal Pers workshop Fresno		45.22
056546		GG/soda/Towery Homes meeting		7.07
057120		CD/fuel city veh/housing workshop Kern		36.29
066031		GG/lunch meeting		33.87
066510		Air/computer mount/G Patterson		950.90
08113		Air/postage/SW diag taxiway CAT EX 90 FAA \		9.39
084344		GG/Christmas Train float/fog machine/1g liquid		108.97
086317		Fin/lunch/RMA orientation/Hannah & Hillorie		25.72
087089		GG/sandwiches/Towery Homes meeting		52.75
095321		GG/FAA LA meeting meal/Jon/Chris/Jay		54.97
1012049		Air/#2-4pk & #2-12pk light bulbs		71.33
10188187		PD/#6-450-470 MHz antenna 3/4 hole mounts		179.38
10202997137		IT/Microsoft access/Daisy Wee		109.99
10222014		IT/610F PSU power supply		433.84
10222014-2		CD/CALED membership 2014-2015		250.00
102314		GG/notary service		20.00
10232014		CD/eFax monthly subscription 11/14		16.95
10232014-1		IT/Google Earth Pro renewal		399.00
10232014-2		GG/Bakersfield Calif/subscribe renewal 11/13/14		183.00
10272014		GG/Main Street/Garland sponsorship		500.00
10282014		GG/presenter w/green laser pointer/council meet		69.59
10292014		GG/Halloween party gifts		31.15
10302014		GG/wall photos/Charles & Jeff		5.35
10312014		GG/Facebook Ad payment 09/29/14-10/31/14		299.97
10488		Air/#2-6-led lighthouse blue/red-Micropulse light		167.27
11012014		GG/Creative Cloud Nov 2014		49.99
11032014		Fin/CA Society of Muni Finance Officers 2015 I		110.00
11042014		Coun/Internat Institute Municipal Clerks/Ann fee		95.00
11072014		GG/Constant Contact Nov 2014		50.00
11182014		GG/Credit Refund/Avery #9070542659		-140.91
11232014		CD/eFax monthly subscription 12/14		16.95
1138860		GG/webCommerce Subscription 11/18/14-12/18		38.88
1177019		GG/wall frame/council member photo		25.54
1430574		CD/Downtown Idea Exchange renewal 11/1/14-		236.50
167018		GG/Conference calling		7.88
178012299		GG/#2-Men's frost free quilted Vests XXL		75.24
178012301		GG/#2-Men's frost free quilted Vests XXL		75.24
178012303		GG/#2-Men's frost free quilted Vests XXXL		75.26
178012304		GG/Men's frost free quilted Vest XL tall		37.62
1992		GG/Nov Talk it Up/Strategic Planning & Coachir		205.00
1997		GG/Loop Ad/Talk it UP Nov 2014		65.00
20141023		PD/Indoor/Outdoor convex mirror		85.57
20141104		PD/lodging/Glock training-M Christian 11/3-11/		130.96
20141123		IT/Itunes		4.99

215390	Eng/Builder's Book/quick-card combo	99.72
33435193	GG/#1-Women's frost free quilted Vests S/#6-M	150.50
33435209	GG/#3-Women's frost free quilted Vests XL/#4-I	150.50
33435520	GG/#4-Men's frost free quilted Vests L	150.48
33435759	GG/#4-Men's frost free quilted Vests XL	150.52
33435766	GG/#4-Men's frost free quilted Vests XL	150.48
33435773	GG/#2-Men's frost free quilted Vests L	150.48
33436060	GG/#1-Men's frost free quilted Vests S/ #3-Wom	142.42
33436329	GG/#4-Men's frost free quilted Vests XL	150.52
33436565	GG/#2-Women's frost free quilted Vests XXL/#5	150.50
33436671	GG/#1-Women's frost free quilted Vests M/#6-L	150.50
33436688	GG/#1-Men's frost free quilted Vests XL/#1-XX	150.51
33436695	GG/#2-Men's frost free quilted Vests L/#2-XL	150.50
33436718	GG/#2-Men's frost free quilted Vests/M/#2-L	150.48
33437128	GG/#4-Men's frost free quilted Vests L	150.48
33437357	GG/#2-Men's frost free quilted Vests XXL/#1-W	139.74
33437364	GG/#4-Men's frost free quilted Vests XL	150.52
33437371	GG/#2-Men's frost free quilted Vests XL	150.52
33437388	GG/#4-Men's frost free quilted Vests L	150.48
343889	Wtr/550VA/330W energy efficient desktop ECO	65.12
4020174	Air/cable ties/pipe wrap/gloves/multi purp & ins	128.47
556024942	GG/paper plates/forks/spoons	81.01
7246669	GG/presenter w/green laser pointer/Community	69.59
81307370	CD/CoreLogic/Realquest property search	241.67
83965796	PD/lodging/Glock training-M Goe 11/3-11/4/14	130.96
9221	PD/wool pants/wool LS shirt/M Adams	184.20
9337	PD/wool pants/4-navy pants/4-navy shirts/wool s	677.77
9490	PD/wool pants/2-navy pants/2-navy shirts/rip stc	422.38
9528	PD/alterations/shorten cuffs	11.00
9570	PD/alterations/patches & buttons on shirts	56.00
9715013202	PD/envelopes/paper/#2-magnetic card holders	121.86
FRVX897	Air/Toughbook-53/G Patterson	1,287.66
QW35690	PD/MS GSA Office Pro Plus 2013	348.04
W2185	PD/evidence envelopes	129.00
X2-1356561732	GG/Sirius XM service 11/4/14-12/4/14	11.24

14,053.01

Check No: 41754 Check Date: 12/11/2014

Vendor: 3814 Jason Wyatt

028888	GG/Reimburse/Christmas party gift card/Kohner	25.00
048296	GG/Reimburse/Christmas party gift card/Red Hc	40.00
093912	GG/Reimburse/Christmas party/knives/forks	18.32
151178	GG/Reimburse/Christmas party gift card/TK Piz	25.00
153235	GG/Reimburse/Christmas party gift card/Red Hc	40.00
1592931	GG/Reimburse/Christmas party gift card/Home l	40.00
244478	GG/Reimburse/Christmas party gift card/Tractor	40.00
891270	GG/Reimburse/Christmas party/water/plates/sod	95.53

323.85

Date Totals: 124,748.71

Report Total: 124,748.71

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
Printed: 12/15/2014 - 5:09 PM



			Check Amount
Check No:	41755	Check Date: 12/15/2014	
Vendor:	3431	Air Resources Board - PERP Renewal	
12152014		Swr/Renewal Fees/i Engine	570.00
			<hr/>
			570.00
Check No:	41756	Check Date: 12/15/2014	
Vendor:	3714	DTSC	
12152014		PW/Manifest Corr Fees-004360266 & 00454458	40.00
			<hr/>
			40.00
			<hr/>
Date Totals:			610.00
			<hr/>
			<hr/>
Report Total:			610.00
			<hr/>
			<hr/>

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
 Printed: 12/17/2014 - 1:10 PM



CITY OF  
**TEHACHAPI**  
 CALIFORNIA

			Check Amount
Check No:	41832	Check Date: 12/17/2014	
Vendor:	0832	ACWA/JPIA	
0324360-1		Medical/January 2015	77,402.98
0324360-2		Medical/Adjustment/January 2015	3,471.94
0324360-3		Dental/January 2015	8,444.34
0324360-4		Dental/Adjustment/January 2015	293.48
0324360-5		Vision/January 2015	1,207.26
0324360-6		Vision/Adjustment/January 2015	21.18
0324360-7		Life/January 2015	1,501.41
0324360-8		Life/Adjustment/January 2015	45.50
			92,388.09
Check No:	41833	Check Date: 12/17/2014	
Vendor:	2963	AT&T	
6002792		Air/BAN#9391006711/DSL FAX	49.87
6002793		Air/BAN#9391006714/telemetry system	17.82
			67.69
Check No:	41834	Check Date: 12/17/2014	
Vendor:	3274	Bright House Networks	
12022014		GG/Internet Services Dec 14-Jan 15	173.85
			173.85
Check No:	41835	Check Date: 12/17/2014	
Vendor:	0395	The Gas Company	
12102014-1		GG/non-residential heat/200 W Tehachapi Blvd	23.20
12102014-2		PD/non-residential heat/200 W C St	616.69
12102014-3		Air/non-residential heat/100 Commercial Way	160.73
12112014-1		PD/non-residential heat/129 E F St	23.20
12112014-2		Air/non-residential heat/409 Bryan Ct	92.46
			916.28
Check No:	41836	Check Date: 12/17/2014	
Vendor:	0372	Southern California Edison	
11292014-1		Strts/113 S Mojave St	185.15
11292014-2		Strts/Curry/D St	16.41
11292014-3		Wtr/328 E D St	2,323.53
11292014-4		Strts/Tehachapi Bl W/O Green	16.41
11292014-5		Strts/103 Tehachapi Blvd	100.98
11292014-6		Strts/101 ETehachapi Blvd #B	247.03
11292014-7		Strts/110 S Mill St	158.94
12052014-1		Strts/Highway 202	79.43
12052014-2		Strts/Highway 202	31.25
12062014-1		Strts/Curry St/Walnut	17.55
12062014-2		Wtr/1299 S Curry St	1,786.28
12062014-3		Wtr/Curry	6,983.98
12062014-4		Swr/Pinon	2,222.00

12062014-5	LLD/1347 Clasico Dr PED	40.16
12062014-6	LLD/1115 Alder Ave PED	27.14
12062014-7	LLD/1415 Alder Ave PED	27.14
12062014-8	LLD/1002 Applewood St	38.77
12092014-1	Strts/Tucker Rd/HWY 202	176.45
12092014-10	Strts/710 W Tehachapi Blvd	160.21
12092014-11	Strts/Tehachapi Blvd/Dennison	12.12
12092014-12	Strts/800 S Curry St	31.25
12092014-13	Strts/Dennison/Brett Ave	44.44
12092014-14	Strts/Goodrick Dr E/O Dennison	203.73
12092014-15	Strts/Valley Bl E/O Dennison	407.46
12092014-16	Strts/100 W Tehachapi Blvd #B	244.02
12092014-17	Strts/101 W F St	382.40
12092014-18	Strts/TR 2995 Oakwood/Valley	7,421.88
12092014-19	LLD/TR 2995 Oakwood/Valley	264.30
12092014-2	Strts/Mill & J St	74.04
12092014-20	LLD/TR 2995 Oakwood/Valley	279.30
12092014-21	Wtr/129 Brentwood Dr	1,791.74
12092014-22	Swr/000000 Tehachapi Blvd	158.58
12092014-23	Strts/Tehachapi/Tucker	50.29
12092014-24	LLD/180 Valley	28.97
12092014-25	LLD/115 Manzanita Ln	28.81
12092014-26	LLD/311 Sutter St	29.28
12092014-27	LLD/501 1/2 Pinon	28.96
12092014-28	LLD/Pinon St/East Orchard/Curry St	323.64
12092014-29	LLD/Industrial PKWy/Curry St	67.05
12092014-3	Strts/TR 45361 Mullberry AP	55.84
12092014-30	LLD/Industrial PKWy/Curry St	49.16
12092014-4	Strts/Mill & J St	111.13
12092014-5	Strts/F St E/O Mulberry	263.96
12092014-6	Strts/213 W J St	11.21
12092014-7	Strts/Highline & Curry	16.76
12092014-8	Strts/Mill St S/O E St	11.21
12092014-9	Strts/Tucker/Valley	41.58
12102014-1	Strts/1300 Goodrick Dr #Z	28.50
12102014-10	LLD/Dennison/Pinon St	1,214.55
12102014-11	LLD/Mill St/D St	68.93
12102014-12	Drain/409 Bailey Ct	45.45
12102014-2	Strts/Mulberry/Brentwood	72.83
12102014-3	Wtr/White Oak Extnd/E Curry	958.50
12102014-4	Swr/755 Steuber Well	194.33
12102014-5	LLD/Manzanite/Green	269.82
12102014-6	LLD/1199 Canyon Dr East	28.97
12102014-7	LLD/1200 S Dennison	29.11
12102014-8	LLD/1202 S Dennison	30.32
12102014-9	LLD/1000 Canyon Dr W	29.27
12112014-1	Wtr/126 S Snyder Ave	40.56
12112014-2	Wtr/NW Cor Anita/Dennison	2,445.00
12112014-3	LLD/115 Manzanita St	29.27
12112014-4	Strts/209 E Highline Rd PED	28.96
		32,586.29
Check No:	41837 Check Date: 12/17/2014	
Vendor:	0426 Tehachapi-Cummings County Water District	
102780	LLD/water usage/Median 10/31-11/30/14	6.07
12563000	Wtr/water usage/Benz Sanitation 10/31-11/30/14	96.99
28802700	LLD/water usage/Landscaping 10/31-11/30/14	8.70
3028600	Wtr/water usage/Henway 10/31-11/30/14	4.50

		Check Amount
4537690	Wtr/water usage/Chemtool 10/31-11/30/14	193.96
45882300	LLD/water usage/Warrior Park 10/31-11/30/14	76.00
906.859	Wtr/water usage/TUSD 10/31-11/30/14	4,222.04
		<hr/>
		4,608.26
		<hr/>
Date Totals:		130,740.46
		<hr/>
Report Total:		130,740.46
		<hr/> <hr/>

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
Printed: 1/13/2015 - 1:18 PM

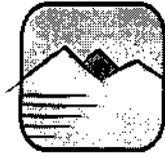


				Check Amount
Check No:	41838	Check Date:	12/31/2014	
Vendor:	2556	Franchise Tax Board		
12312014		Dennis A. Artzer Acct. No. 556974146	PR Batch 00031.12.2014 Frac	57.48
				<hr/> 57.48
Check No:	41839	Check Date:	12/31/2014	
Vendor:	3268	State Disbursement Unit		
12312014		Jason P. Dunham MF 004190	PR Batch 00031.12.2014 CA:	228.22
				<hr/> 228.22
Date Totals:				<hr/> 285.70
Report Total:				<hr/> <hr/> 285.70

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
 Printed: 12/23/2014 - 4:44 PM



CITY OF  
**TEHACHAPI**  
 CALIFORNIA

			Check Amount
Check No:	41840	Check Date: 12/23/2014	
Vendor:	3659	ACCAPS Attn: Ron Ramsey	
12232014		GG/ACCAPS 2015 Membership Dues/Ed Grimt	1,500.00
			<u>1,500.00</u>
Check No:	41841	Check Date: 12/23/2014	
Vendor:	2963	AT&T	
6015105		GG/BAN#9391006712/CH Line 1	334.72
6015107		Depot/BAN#9391006715/Depot	49.90
6015109		GG/BAN#9391006717/CH Fax	64.32
6015110		Air/BAN#9391006718/AWOS	17.83
6015111		PW/BAN#9391006719/DSL Fax	33.89
6015112		Air/BAN#9391006720/Fuel system	17.83
6015113		LLD/BAN#9391006721/auto dialer/1002 Apple	17.83
			<u>536.32</u>
Check No:	41842	Check Date: 12/23/2014	
Vendor:	3018	CDW Government Inc.	
RB83605-1		CC/MS GSA Office Pro Plus 2013	348.04
RB83605-2		CC/MS OEM WIN Pro 7 32BIT	160.52
RB83605-3		IT/8GB 1600MHZ/extra memory/J Curry's Com	103.08
RD45800		GG/HP 500GB 4GB laptop Ser#5CG43709X0/N	915.54
RF99034		IT/8GB 1600MHZ/extra memory/J Curry's com	115.52
RG25008		GG/MS GSA Office STD 2013/M Vance	254.89
RG96438		CC/Refund/MS GSA Office Pro Plus 2013	-348.04
			<u>1,549.55</u>
Check No:	41843	Check Date: 12/23/2014	
Vendor:	2147	Coffee Break Service Inc.	
0219556		GG/coffee & supplies-November	453.20
			<u>453.20</u>
Check No:	41844	Check Date: 12/23/2014	
Vendor:	3807	Diamond Technologies	
13396		IT/#7 Servers-Storage Craft License	338.80
13402		IT/Block Time Renewal	25,000.00
			<u>25,338.80</u>
Check No:	41845	Check Date: 12/23/2014	
Vendor:	0155	FedEx	
2-882-55194		GG/standard overnight/Korek Land Co	27.92
			<u>27.92</u>
Check No:	41846	Check Date: 12/23/2014	
Vendor:	2695	Home Depot Credit Services	
0012086		PW/14" resist cable tie 500pk/Christmas decor	32.22
0012100		PW/48" box level/78" magnetic box level	136.55

0012108	PD/cells/#30-joist hangers/#6-brwn stain/#9-2x4	278.25
0013109	PD/#2-50'ext cords/ #2-timers	133.06
0013140	GG/#2-GFCI outlet 3pk/GFI duplx outlet 3pk	117.59
0561791	Wtr/#2-keys	4.02
1013064	GG/low voltage staple gun	24.14
1013485	Swr/#12-16oz foaming root killer	243.55
1013490	GG/key for key box	2.01
1022974	GG/key for City Hall	2.01
1023014	GG/#7-LED string lights/#3-25L LED white light	198.39
1023823	Swr/#4-ext cords/#7 adapters/elect tape/lights	167.57
1023864	Swr/#3-hard faucet covers	7.68
1311059	Strts/lumber/stain/City Limit sign/Highline & Tu	58.95
1580381	Wtr/3pc locking plier set	16.00
1580398	Wtr/ext paint/#2-instant change knives	87.54
1580403	GG/200L LED dome warm white lights	32.23
1580739	Swr/#7-ext cords/string multi lights/LED white l	230.66
2012517	GG/#3-3"x25' wrap insulation	12.71
2012546	PD/cells/modular plugs & crimper/stripper	58.92
2013434	Constr/3pc 4-in-1 chisel set	20.98
2013437	Swr/GFCI outlet/NM in-use cover	25.10
2023733	GG/2pk lighted tree/cable ties/15' gliter garland	59.53
2023741	GG/2"x1-1/4 PVC bushings	0.95
2041743	PW/#2-mach screws	2.54
2563089	Wtr/hardwood dowels	4.76
2563097	GG/#2-clamps/shielded coupling	9.75
2570529	Wtr/#2-rodent repell	55.62
2580047	Wtr/14.1oz cylinder & 3/4 hose bib	20.20
3012437	PW/16'x20' blue tarp	42.98
3012461	PD/1"connectors/couplings/steel box/hanger rep:	69.58
3013385	GG/ratchet 2pk/#2-ratchet tie down/Christmas fl	52.44
3013386	PW/#2-18" MNT mover combo shovels	29.36
3021992	Wtr/1-9/16" lam rusto 1-1/2" shackle 4pk	24.70
3592221	PD/1gal white paint	24.43
4013332	Strts/#4-concrete mix/City Limit sign/Highline &	14.15
4013358	Air/#2-pipe wrap/#4-pipe tape/#2-roll insulation	46.32
4023606	GG/#2-Fuse-midget 5A/downtown streetlights	20.95
4571304	Air/10x100 clear poly sheeting/batt insul/sump	121.24
4580639	Air/#3-pipe wrap tape/#3-roll insul/sump	32.22
5012302	PD/cells/drywall sanding sheets/screens	32.50
5012889	Wtr/#3-18x27 charcoal mats	12.80
5012893	Wtr#2-/industrial pistol nozzles/#4-concrete mix	33.22
5022651	Wtr/hosebibbs/bushings/2.5qt bucket	14.87
5022675	Rodeo/#2-2x10 & 2x12 lumber/back-flow	37.47
5562518	GG/#10-garland lights/60"Santa w/sign/#5 LED	414.78
5592465	Depot/ext cords/timers/dome LED/Christmas tre	126.03
6012866	Swr/50gal 50ct bags/13gal drawstring bags 55ct	31.43
6012874	Air/2x6 8ft lumber	4.90
6012878	Depot/staples/bows w/ bells & hangers/Christma	201.97
6022535	PW/18v cutoff tool/18v batery 2pk/3" carb brush	233.24
6022542	Constr/18v cutoff tool/18v batery 2pk/3" carb br	172.71
7012769	PD/1" LR conduit/square box/wt rm electrical	17.69
7012785	PD/1" zinc chase nipple/wt rm electrical	2.44
7012797	PD/sensor light switch	31.50
7012806	Wtr/exterior & extreme mounting tape	12.84
7012817	Land/#3-1-5/8 in tension bands	2.84
7022484	PD/sensor light switch	42.00
7022503	Wtr/knife blades/instant chg knife/2-2x12 lumbe	47.54
7580181	Wtr/10x100 6mil poly sheeting/duct tape	84.00
8012749	PD/1" LR conduit/single outlets/wt rm electrical	29.26

8012755	Strts/#2-splice connector 50pk	14.17
9012140	PD/#24-galv steel angles/weight room	22.69
9012165	PD/#2-5gal orange buckets & lids	7.59
9013162	GG/#4-ceiling fan sockets/keyless socket adapter	25.82
9300712	PD/cells/#4- 5/8 4x8 drywall/topping/all purp JC	81.95

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4,260.10

Check No:	41847	Check Date:	12/23/2014	
Vendor:	1286	M&M's Sports Uniforms & Embroidery		
32443		GG/embroidery on #74 Black vests		497.19
32445		CC/desk plate w/engraving/holder		17.09
32446		GG/hats/embroidery w/City logo/US Flag		878.75

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1,393.03

Check No:	41848	Check Date:	12/23/2014	
Vendor:	2707	MailFinance		
H5029521		GG/Lease# H11061830 9-28-14 to 12-27-2014		454.50

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454.50

Check No:	41849	Check Date:	12/23/2014	
Vendor:	3674	Secure On-Site Shredding		
2430215		GG/Acct#300421002/115 S Robinson		562.00

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562.00

Check No:	41850	Check Date:	12/23/2014	
Vendor:	0372	Southern California Edison		
12172014		Strts/800 S Curry St #A		46.10
12192014-1		GG/115 S Robinson St		731.64
12192014-10		Air/9999 1/2 Hayes		110.90
12192014-11		Air/316 S Mojave St		54.26
12192014-12		Air/314 N Hayes St PAPI		69.66
12192014-13		Air/409 Bryan Ct		215.74
12192014-14		Air/West End Teh Aiport		40.07
12192014-15		Air/314 N Hayes St #B		354.10
12192014-16		Air/NE Cor Teh Airport		35.76
12192014-17		Air/314 N Hayes St #G3		38.77
12192014-18		Air/Dennison/SO Hwy 58		184.37
12192014-19		Air/314 N Hayes St		148.30
12192014-2		PD/129 E F St		322.57
12192014-3		GG/303 E D St		28.68
12192014-4		PW/100 Commercial Way		255.54
12192014-5		PW/101 Commercial Way		157.07
12192014-6		PW/800 Enterprise		101.72
12192014-7		PW/800 Enterprise Shop		240.37
12192014-8		Swr/800 Enterprise		474.27
12192014-9		Air/314 N Hayes St		149.60

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3,759.49

Check No:	41851	Check Date:	12/23/2014	
Vendor:	1674	Springbrook National User Group Inc		
10132014		Fin/User Group Annual renewal dues Jan-Dec 20		175.00

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175.00

Check No:	41852	Check Date:	12/23/2014	
Vendor:	3011	Verizon Wireless		
9736358813		PD/Mobil Broadband Dec 2014		576.72
9737167787-1		GG/Mobil Broadband/11/14-12/9/14 C Kirk		-5.07
9737167787-2		GG/Mobil Broadband/H Chung		29.65

**Check Amount**

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9737167787-3	Wtr/Mobil Broadband/J Curry	15.01
9737167787-4	Swr/Mobil Broadband/J Curry	15.01
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	Date Totals:	40,641.23
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		<hr/>

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
 Printed: 1/8/2015 - 4:55 PM



			Check Amount
Check No:	41856	Check Date: 01/06/2015	
Vendor:	3066	AECOM Technical Services Inc.	
37491457		Tompkin Street Improvement/Curry Median	1,813.50
37491460		Freedom Plaza project	5,500.55
37491463		Snyder Well Intertie Project	7,252.52
37491464		Challenger Dr Constr Phase Support	390.50
37491465		Eng/2014-2015 General Services	422.88
37491469		Effluent Disposal Operations Report	3,951.62
37491472		Air/SPCC plan update	1,662.26
			20,993.83
Check No:	41857	Check Date: 01/06/2015	
Vendor:	0525	All American Tire & Service Center LLC	
12152014		Wtr/#2-tires/disposal/balance/2011 Dodge Ram	425.39
			425.39
Check No:	41858	Check Date: 01/06/2015	
Vendor:	2200	Argo Chemical	
1412048		Wtr/Chlor Sol 12.5% NSF/Freight-delivery top c	1,370.49
			1,370.49
Check No:	41859	Check Date: 01/06/2015	
Vendor:	2963	AT&T	
6005121		Air/DSL Fax/Credit Calnet 2 (tran to Calnet 3 #	-48.93
6006791		Air/telemetry sys/Credit Calnet 2 (tran to Calnet	-17.14
6015104		Swr/BAN#9391006710/Scada	97.82
6015106		Swr/BAN#9391006713/WWTP office	106.12
6015108		Swr/BAN#9391006716/Lift station	17.83
6028494		PD/BAN#9391006708/T1 Line	285.66
6037591		PD/BAN#9391006709/Subscriber Access line	158.43
			599.79
Check No:	41860	Check Date: 01/06/2015	
Vendor:	3823	B & L Automatic Fire Protection Inc	
2014-54		NPD/Contract amount-Proposal dated 11/5/14	2,080.00
			2,080.00
Check No:	41861	Check Date: 01/06/2015	
Vendor:	3216	Dave Bang Associates Inc.	
39072		Depot/PlayExpress logo	105.73
			105.73
Check No:	41862	Check Date: 01/06/2015	
Vendor:	2243	The Bank of New York Mellon	
252-1830041		TEHACHARDA07/Redevelopment project 2007	1,600.00
			1,600.00

Check No:	41863	Check Date:	01/06/2015	
Vendor:	1724	Banks Pest Control Inc.		
429283		PD/bimonthly pest control		95.00
				<hr/>
				95.00
Check No:	41864	Check Date:	01/06/2015	
Vendor:	0035	BC Laboratories Inc.		
B190082-1		Wtr/samples/Curry Well/Curry Resv #1 & #2		75.00
B190082-2		Wtr/samples/Mulberry/Fig/Hickory		36.00
B190244		Swr/samples/Influent/Effluent		325.00
B190327-1		Wtr/samples/MojaveWell/Pinon Well		50.00
B190327-2		Wtr/samples/Oakwood/Brentwood/Tanglewood		36.00
B190822		Swr/samples/Influent/Effluent		325.00
				<hr/>
				847.00
Check No:	41865	Check Date:	01/06/2015	
Vendor:	1505	Benz Construction Services		
24334523		Swr/Acct#58021002/750 Enterprise/rolloff svc		106.88
2434656		GG/Acct# 975736201/Hangar 1 & Paint Hangar		2,183.94
				<hr/>
				2,290.82
Check No:	41866	Check Date:	01/06/2015	
Vendor:	3566	BlueLine Rental		
1633165-0001-1		GG/Artic boom lift rental/gas/hang Christmas lig		1,150.19
1633165-0001-2		Strts/Artic boom lift rental/gas/hang Christmas li		1,150.19
				<hr/>
				2,300.38
Check No:	41867	Check Date:	01/06/2015	
Vendor:	3645	Blueprint Service		
830401		Old PD/#90-24x36 & #90-12x18 blueprints/City		32.79
830715		Old PD/#60-26x36 & #60-12x18 blueprints/City		19.35
				<hr/>
				52.14
Check No:	41868	Check Date:	01/06/2015	
Vendor:	0061	BSK Associates		
0071999		Swr/reclamation soil sample/drilling & rpt prep		4,232.50
A427309		Swr/storm water (NPDES) TOC		195.00
				<hr/>
				4,427.50
Check No:	41869	Check Date:	01/06/2015	
Vendor:	1285	CA Dept of Corrections and Rehabilitation		
1800276214-1		Strts/Maint CCI Crew-Nov 2014		1,664.85
1800276214-2		PW/CCI Crew- Nov 2014		2,081.07
1800276214-3		Land/CCI Crew- Nov 2014		416.21
1800276214-4		Depot/CCI Crew/Christmas Tree-Nov 2014		416.21
1800276214-5		GG/CCI Crew/Christmas Lights City Hall-Nov 2		416.21
				<hr/>
				4,994.55
Check No:	41870	Check Date:	01/06/2015	
Vendor:	2147	Coffee Break Service Inc.		
DEC3918		GG/water cooler rental- December		26.95
				<hr/>
				26.95
Check No:	41871	Check Date:	01/06/2015	
Vendor:	2568	Cooperative Personnel Services		
INV347212		GG/Professional fees/Task 1.9		8,640.00
INV347213		GG/Professional fees/Task 2.9		6,128.00

			14,768.00
Check No:	41872	Check Date: 01/06/2015	
Vendor:	3708	Customized Custodial Services	
COTC1214-1		GG/Janitorial service -City Hall Dec 2014	890.00
COTC1214-2		GG/Janitorial service -Senior Center Dec 2014	450.00
COTC1214-3		PD/Janitorial service Dec 2014	1,950.00
COTC1214-4		Depot/Janitorial service Dec 2014	250.00
COTC1214-5		Air/Janitorial service Dec 2014	420.00
COTC1214-6		Constr/Janitorial service Dec 2014	140.00
COTC1214-7		Swr/Janitorial service Dec 2014	530.00
			4,630.00
Check No:	41873	Check Date: 01/06/2015	
Vendor:	3483	Endura Steel	
8-523235		PW/#9-8" flat HR 3/4x12 A36	197.67
			197.67
Check No:	41874	Check Date: 01/06/2015	
Vendor:	0263	Lebeau Thelen LLP	
26		GG/Broome Family Trust v City of Tehachapi-11	266.00
42		GG/Walmart CEQA Litigation-11/14	57.00
			323.00
Check No:	41875	Check Date: 01/06/2015	
Vendor:	3706	Lee Wilson Electric Co. Inc.	
4		Air/runway 11-29 enhancements/req #4/retentior	9,852.90
			9,852.90
Check No:	41876	Check Date: 01/06/2015	
Vendor:	1286	M&M's Sports Uniforms & Embroidery	
32475		Eng/Expedition vest w/City logo	41.93
32545		Standard cast plaque-In Memory of The Rogers	234.67
			276.60
Check No:	41877	Check Date: 01/06/2015	
Vendor:	1071	Main Street Tehachapi Inc.	
12162014		GG/Valentine's Wine & Chocolate Tasting	500.00
			500.00
Check No:	41878	Check Date: 01/06/2015	
Vendor:	0485	McMaster-Carr Supply Company	
18580976		Swr/Fiberglass panel air filters pkg-12	81.24
			81.24
Check No:	41879	Check Date: 01/06/2015	
Vendor:	1055	Mercury Graphics	
4578		Eng/#500-building inspect approval 2x2 grn w/t	120.94
4583-1		Ref/#5000-water bill 2 color perforation/#1000 e	117.93
4583-2		Wtr/#5000-water bill 2 color perforation/#1000 e	235.88
4583-3		Swr/#5000-water bill 2 color perforation/#1000 e	235.88
4584		Freedom Plaza/art work	793.35
4585-1		Ref/#500-door hangers-2-up scored	40.85
4585-2		Wtr/#500-door hangers-2-up scored	81.70
4585-3		Swr/#500-door hangers-2-up scored	81.70
			1,708.23

Check No:	41880	Check Date:	01/06/2015	
Vendor:	0300	Mission Linen & Uniform Service		
140180594		Swr/dust mop/#2 3x4 mats/#3 3x10 mats		39.30
				<hr/>
				39.30
Check No:	41881	Check Date:	01/06/2015	
Vendor:	2989	My Fleet Center.com		
671880		PD/Signature oil svc/08 Ford Expedition		84.77
689002		GG/Signature oil svc/08 Ford Escape		44.09
				<hr/>
				128.86
Check No:	41882	Check Date:	01/06/2015	
Vendor:	2236	Pacific West Sound Inc.		
20119		GG/Sound system show/Christmas Parade		1,034.85
				<hr/>
				1,034.85
Check No:	41883	Check Date:	01/06/2015	
Vendor:	3568	Provost & Pritchard		
50971		Wtr/Proj 2233-14-B1/Professional svcs to 10/31/14		492.00
				<hr/>
				492.00
Check No:	41884	Check Date:	01/06/2015	
Vendor:	1005	Quad Knopf Inc.		
78334		Cycle 6 HSIP Tehachapi Blvd/prof svcs 10/19-11/14		20,084.28
				<hr/>
				20,084.28
Check No:	41885	Check Date:	01/06/2015	
Vendor:	0362	RSI Petroleum Products		
0278578		PW/unleaded gas		306.62
0278785		PW/unleaded gas & diesel fuel		1,116.34
				<hr/>
				1,422.96
Check No:	41886	Check Date:	01/06/2015	
Vendor:	0373	Thomas F. Schroeter Attorney @ Law		
12242014-1		Air/Legal Services 11/24/14-12/23/14		123.50
12242014-2		GG/Legal Services 11/24/14-12/23/14		110.50
12242014-3		Wtr/Legal Services 11/24/14-12/23/14		617.50
12242014-4		PERS M1 Contribution 11/24/14-12/23/14		-224.73
12242014-5		GG/Legal Services 11/24/14-12/23/14		3,776.50
				<hr/>
				4,403.27
Check No:	41887	Check Date:	01/06/2015	
Vendor:	1658	Springbrook Software Inc.		
INV29877		Fin/Monthly web payments Nov 2014		248.45
				<hr/>
				248.45
Check No:	41888	Check Date:	01/06/2015	
Vendor:	1982	SSD Systems		
1063906-A-1		Air/314 Hayes St Pilots Lounge/burglar alarm svcs		36.75
1063906-A-10		PD/220 C St/fire alarm svcs		420.00
1063906-A-11		GG/115 S Robinson/burglar alarm svcs		34.65
1063906-A-12		Air/314 Hayes St/Pilots lounge/radio backup svc		23.10
1063906-A-2		Air/100 Commercial Way/burglar alarm svcs		17.33
1063906-A-3		Constr/100 Commercial Way/burglar alarm svcs		17.32
1063906-A-4		PW/800 Enterprise Way/burglar alarm svcs		46.50
1063906-A-5		Swr/750 Enterprise/treatment/burglar alarm svcs		30.98
1063906-A-6		Wtr/750 Enterprise/treatment/burglar alarm svcs		30.97

			Check Amount
1063906-A-7	Swr/750 Enterprise/storage/burglar alarm svcs		25.73
1063906-A-8	Swr/750 Enterprise/storage/burglar alarm svcs		25.72
1063906-A-9	Depot/101 Tehachapi Blvd/fire alarm svcs		79.00
			788.05
Check No:	41889	Check Date: 01/06/2015	
Vendor:	0127	State of California Department of Justice	
072558		Fingerprint apps/FBI/Child abuse index Nov 201	145.00
			145.00
Check No:	41890	Check Date: 01/06/2015	
Vendor:	3281	Statewide Traffic Safety & Signs Inc.	
10523		Strts/#2- 36x36 Stop Ahead custom signs	290.25
2717		Strts/50ft nylon hose	140.93
9939		Strts/#6-30x30 R5-1 HIP/#6-30x18 R5-1 HIP cu	1,032.00
A60316		Strts/Credit/ 6x4 Grn/Wht "Bailey" sign	-69.88
A60317		Strts/Credit/36" Solar stop sign	-1,773.75
K02687		Strts/#3-12x18 R9-6 No PED BLK/WHT HIP	70.95
K02699		Strts/30x18 R5-1A HIPcustom sign/#6 posts	311.66
			2.16
Check No:	41891	Check Date: 01/06/2015	
Vendor:	2111	Swift Napa Auto Parts	
830246		Wtr/wheel cleaner/Armor All tire foam	13.48
831287		Wtr/#2-wiper blades 08 GMC Sierra Truck	25.78
			39.26
Check No:	41892	Check Date: 01/06/2015	
Vendor:	0431	Tehachapi News	
13663212-11/10		GG/Adj/Kern Energy watch ad	-17.76
13668032-11/10		GG/Adj/Gran Fondo thank you ad	-35.40
13688624-11/05		CD/Notice of public hearing ad	127.50
13710467-1		Air/Surplus Auction ad	26.22
13710467-2		PD/Surplus Auction ad	26.22
13710467-3		Swr/Surplus Auction ad	26.22
13710467-4		Wtr/Surplus Auction ad	26.22
13711017-11/26		GG/TVRPD Appointment ad	104.88
			284.10
Check No:	41893	Check Date: 01/06/2015	
Vendor:	3104	Hilltop Publishers Home of The Loop	
15468		GG/Full page color Ad/ Vol 2711- 12/6/14	400.00
			400.00
Check No:	41894	Check Date: 01/06/2015	
Vendor:	3011	Verizon Wireless	
9737480609-1		Wtr/Mobile Broadband/J Curry	15.01
9737480609-2		Swr/Mobile Broadband/J Curry	15.01
			30.02
Check No:	41895	Check Date: 01/06/2015	
Vendor:	0476	WITTS Everything for the Office	
135360-0		GG/#5-legal pads	13.17
135365-0		24x36 copies	33.86
135467-0		GG/1 ream 11x17 & 1 ream 8 1/2 x14 copy pape	57.97
135507-0-1		PD/Tissue 36 CTN	85.99
135507-0-2		PD/labels/carbon paper	53.47

135542-0	Constr/#2-12" Arch Tri Scale White	10.04
135544-0	GG/tape/ink/labels/pads/markers/pens/batteries/1	320.23
135553-0	Fin/#2-boxes copy paper/file folders	85.43
135560-0	Fin/#5-binders/#2-envelope moisteners	35.03
135569-0	PD/Calendar/binder/paper/#2-cabinet keys	174.08
135569-1	PD/1 box AAA batteries	25.79
135569-2	PD/1 box AA batteries	25.79
135600-0	GG/Apt book/J Parks	50.03
677331-0	Air/1dz med blue flexgrip pens/1dz bold black p.	31.69
C135185-1	GG/Credit/copy stamp/Annamarie	-9.97
C135544-0	GG/Credit/Tape	-25.40

967.20

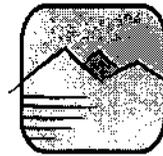
Date Totals: 105,056.97

Report Total: 105,056.97

# Accounts Payable

## Checks by Date - Detail By Check Date

User: hthomas  
 Printed: 1/8/2015 - 4:43 PM



CITY OF  
**TEHACHAPI**  
 CALIFORNIA

			Check Amount
Check No:	41896	Check Date: 01/08/2015	
Vendor:	0994	Auditor Controller-County Clerk-Mary Bedard	
12312014		CD/CEQA Exemption CUP No. 2014-06	50.00
			<hr/> 50.00
Check No:	41897	Check Date: 01/08/2015	
Vendor:	2243	The Bank of New York Mellon	
252-1824630		RDA 2005 Tax alloc-extraord svc fee/C Matthe	400.00
252-1835299		RDA 2005 Admin Fees 12/21/14-12/20/15	1,600.00
			<hr/> 2,000.00
Check No:	41898	Check Date: 01/08/2015	
Vendor:	3735	California Building Standards Commission	
01052015		SRS Fees October-December 2014	65.70
			<hr/> 65.70
Check No:	41899	Check Date: 01/08/2015	
Vendor:	3736	Department of Conservation	
01052015		SMIP Fees October-December 2014	217.42
			<hr/> 217.42
Check No:	41900	Check Date: 01/08/2015	
Vendor:	0372	Southern California Edison	
01032015-1		Strts/326 E D St	24.38
01032015-2		Strts/303 E Avenue D	14.21
01032015-3		LLD/Tehachapi Blvd/Bailey	78.18
01062015-1		Strts/Highway 202	84.03
01062015-2		Strts/Highway 202	31.25
12232014-1		Strts/113 S Mojave St	214.52
12232014-2		GG/311 E D St	82.21
12232014-3		Land/114 S Green	172.44
12232014-4		CC/104 S Robinson St	182.07
12232014-5		LLD/318 E E St	130.72
12242014-1		GG/200 W Tehachapi Blvd	30.97
12242014-2		Strts/213 S Curry St A	22.01
12242014-3		LLD/329 1/2 D St	130.15
12262014-1		GG/1125 Capital Hills	25.38
12262014-2		GG/109 E Tehachapi Blvd	187.83
12262014-3		GG/111 W I St	67.17
12262014-4		PD/220 W C	1,540.00
12262014-5		Strts/209 1/2 E Tehachapi Blvd	25.99
12262014-6		Strts/333 1/2 E Tehachapi	228.74
12262014-7		Swr/800 Enterprise	2,205.77
12262014-8		Swr/800 Enterprise	5,718.38
12262014-9		I.L.D/119 Industrial Pkwy	28.84
12272014		Traffic/801 Mountain View Ave	57.32
12302014-1		Strts/Curry/D St	17.55

12302014-2	Wtr/358 E D St	1,834.78
12302014-3	Strts/Tehachapi Bl W/O Green	17.55
12302014-4	Strts/103 Tehachapi Bl	123.72
12302014-5	Strts/101 E Tehachapi Blvd #B	285.56
12302014-6	Strts/110 S Mill St	197.35
12302014-7	Wtr/358 E D St/late charge	31.34
12302014-8	Strts/Curry/D St/late charge	0.25

13,790.66

Check No:	41901	Check Date:	01/08/2015	
Vendor:	3824	Global Corporate Trust Services TFMCM9705 L		
61667-1		Strts/Facility Lease #CIEDB-01-019/Interest		10,198.48
61667-2		Wtr/Facility Lease #CIEDB-01-019/Interest		614.37
61667-3		Swr/Facility Lease #CIEDB-01-019/Interest		1,474.48

12,287.33

Check No:	41902	Check Date:	01/08/2015	
Vendor:	2676	USPS-Hasler		
01072015		GG/Postage-Acct #216528/Agr #400086982		1,000.00

1,000.00

Check No:	41903	Check Date:	01/08/2015	
Vendor:	3011	Verizon Wireless		
9737380200-1		GG/Mobile Broadband/R Montgomery		38.01
9737380200-10		Wtr/Mobile Broadband/J Curry		15.01
9737380200-11		Swr/Mobile Broadband/J Curry		15.01
9737380200-12		GG/Equip bill incentive Cr/G Garrett 11/25/14		-25.00
9737380200-13		Air/Equip bill incentive Cr/G Patterson/toughbo		-25.00
9737380200-2		Air/Mobile Broadband/G Patterson		38.01
9737380200-3		GG/Mobile Broadband/C Arbaut		38.01
9737380200-4		GG/Mobile Broadband/G Garrett		38.01
9737380200-5		Air/Mobile Broadband/G Patterson/toughbook		38.01
9737380200-6		Air/Mobile Broadband/T Glasgow		29.65
9737380200-7		GG/Mobile Broadband/M Vance		29.65
9737380200-8		GG/Mobile Broadband/J Schlosser		29.65
9737380200-9		CD/Mobile Broadband/D James		38.01

297.03

Date Totals: 29,708.14

Report Total: 29,708.14

CITY OF TEHACHAPI  
 TREASURER'S REPORT  
 FY 2014-15

MONTH END BANK STATEMENT BALANCE

			7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014
<b>BANK ACCOUNTS</b>								
General Checking	Bank of the Sierra	21002-06457	658,433.71	357,898.32	902,143.84	1,510,171.78	675,543.40	1,180,240.68
Water Deposit Trust	Bank of the Sierra	21002-08503	113,246.00	116,716.00	118,936.00	110,000.32	111,261.00	109,175.00
AD 83-1/87-1, Tucker	Bank of the Sierra	21004-80193	87,633.41	87,633.41	87,633.41	87,633.41	87,633.41	87,633.41
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	0.00	0.00
Payroll	Bank of the West	709-031215	45,640.26	99,423.53	99,664.94	99,357.12	99,016.31	99,154.68
AFLAC Flex Spending	Bank of the West	709-039747	16,875.89	17,781.26	18,784.59	19,821.59	19,520.71	20,727.69
Airport key Deposit/Cr Card Purch	Bank of the West	709-029821	44,327.61	75,284.23	114,818.04	147,988.45	19,346.77	67,793.52
Ashdown Water Escrow	Bank of the West	CD 709-000-855969	107,434.61	107,434.61	107,978.09	107,978.09	107,978.09	107,978.09
1994/2004 Refunding Bond	Bank of New York	870513-870517	0.00	0.00	0.00	193,490.63	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	226,042.90	226,042.90	226,042.90	226,042.90	728,487.24	333,060.99
RDA 2005	Bank of New York	870711-16	195,720.53	195,720.53	195,720.53	195,720.53	292,456.25	292,456.25
LAIF	State of California	98-15-914	11,162,226.56	10,762,266.56	9,862,266.56	8,368,906.87	8,968,906.87	8,968,906.87
<b>Total Funds in Banks</b>			<b>12,680,489.71</b>	<b>12,069,109.58</b>	<b>11,756,897.13</b>	<b>11,090,019.92</b>	<b>11,110,978.87</b>	<b>11,267,956.00</b>

**INVESTMENTS**

CSIRMA Investment Pool	Chandler Asset Mgt	1113	2,031,113.00	2,036,451.00	2,033,062.00	2,041,339.00	2,047,847.00	2,043,210.00
Various Money Market Funds	Morgan Stanley (2)	117-067378-235	187,098.97	187,337.42	187,576.08	323,540.81	323,543.48	0.00
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	136,252.93	136,081.60	135,907.63	0.00	0.00	0.00
Federal Hm Ln Bank/Fannie Mae	BNY-Custodian (3)	8870586	0.00	0.00	0.00	0.00	0.00	0.00
* named to Wtr/Swr to pay-off COP2000			431,231.94	431,231.94	431,231.94	431,231.94	289,622.70	289,622.70
<b>Total Investments</b>			<b>2,785,696.84</b>	<b>2,791,101.96</b>	<b>2,787,777.65</b>	<b>2,796,111.75</b>	<b>2,661,013.18</b>	<b>2,332,832.70</b>
<b>TOTAL PORTFOLIO</b>			<b>15,466,186.55</b>	<b>14,860,211.54</b>	<b>14,544,674.78</b>	<b>13,886,131.67</b>	<b>13,771,992.05</b>	<b>13,600,788.70</b>



APPROVED
DEPARTMENT HEAD: _____
CITY MANAGER: _____

# COUNCIL REPORTS

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: FINANCE DIRECTOR

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**TO:** HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:** HANNAH CHUNG, FINANCE DIRECTOR

**DATE:** JANUARY 13, 2015

**SUBJECT:** FISCAL YEAR END 2014 FINANCIAL REPORTS

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## BACKGROUND

Financial reports for the fiscal year 2013-14 are now audited and completed.

The reports included are:

1. Independent Account's Report on Agree-Upon Procedures Applied to Appropriations Limit Worksheets:  
The Appropriations Limitation imposed by Proposition 4 and 111 creates a restriction on the amount of revenue which can be appropriated in any fiscal year. Auditors performed agreed-upon procedures based on standards established by the American Institute of Certified Public Accountants and reported findings. Staff calculates annual Appropriations Limit as a part of the budget process.
2. Annual Financial Report and Independent Auditor's Report:  
Audited financial statements for the period ending June 30, 2014.
3. Statements of Audit Standards (SAS) 114:  
Auditor's communication with governing body who oversees the financial reporting process.
4. Single Audit Report on Federal Award Programs:  
Refers to Single Audit, also known as "OMB A-133 Audit." In general, for any entity that expends \$500,000 or more of federal grants or awards in a year is required to undergo a Single Audit.

## RECOMMENDATION

Information only

**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, 2014. 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*

December 22, 2014

**CITY OF TEHACHAPI  
 APPROPRIATIONS LIMIT COMPUTATION  
 2013 – 2014**

		<u>2013 - 2014</u>
Change in Per Capital Personal Income		5.12%
Population Change		
County Population Growth		1.11%
Change in Per Capita Personal Income Converted to a Ratio		1.0512
Population Change Converted to a Ratio		1.0111
Calculation of Growth Factor		1.0628683
2012 - 2013 Appropriations Limit	<u>\$ 9,723,988</u>	
2013 - 2014 Appropriations Limit (\$9,723,988 X 1.0628683)	<u>\$ 10,335,319</u>	



# City of Tehachapi

## Annual Financial Report and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2014



**CITY OF TEHACHAPI**  
**ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2014**

**City of Tehachapi**  
**Annual Financial Report**  
Year Ended June 30, 2014

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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, 2014, 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, 2014, 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.

### ***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, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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 December 22, 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*

December 22, 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, 2014. The City encourages readers to consider the financial statements and notes presented here in conjunction with the financial statements which are included with this report.

### Financial Highlights

- The City's net position decreased 5% to \$51,861,981 from \$54,485,806 as a result of this year's operations.
- Total City revenues, including program and general revenues, were \$14,644,388 which is \$2,032,739 less than the prior year.
- Net position in governmental activities decreased by \$2,912,031 to \$34,956,632.
- Net position in business activities increased by \$288,208 to \$16,905,351.
- Governmental revenue decreased by \$1,989,543 to \$7,803,093.
- Governmental expense was increased by \$1,558,383 to \$9,268,614.
- Revenues from business-type activities decreased by \$43,196 to \$6,841,295.
- Expenses from business-type activities increased by \$612,291 to \$6,553,087.
- General fund revenue was decreased by \$22,861 to \$7,069,378.
- General fund balance as of June 30, 2014 is \$7,638,553; a decrease of \$526,263 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. 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 44 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, Challenger Drive Extension capital project fund, and New Police Building capital project fund which are considered to be major funds. Data from the other 40 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 whereas 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 do not pertain to the City as it cannot use assets belonging to fiduciary funds to finance its operations. Financial activities included in the fiduciary statement consist of the Successor Agency to the former Tehachapi RDA (Successor Agency), Special Assessment Districts (AD) and Community Facilities District (CFD).

**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 and Supplementary Information. The Required Supplementary Information section includes budgetary comparison schedules for major governmental funds and the Supplementary Information section includes illustration of conditions and activities for all non-major funds as well as special districts agency 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 \$51,861,983 at June 30, 2014.

The largest portion of the City's net position is in investments in capital assets. The Net Investment in Capital Assets (e.g. land, infrastructures, buildings, machineries and equipment) was increased to \$43,212,750 (83% of total net position) from \$41,169,979. The increase of \$2,042,771 was contributed mainly by the 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, as the capital assets themselves cannot be used to liquidate these liabilities.

The restricted fund balance was increased from the prior year by \$3,548,658. The increase was due to a loan from General Fund to Public Safety Facility Impact Fee fund to finance the construction of the new Police building. This loan will eventually be paid by future Public Safety Facility Fees.

The unrestricted fund balance was decreased to \$3,907,618 from \$8,194,324. The major reasons for the decrease are listed below:

- \$3.5 million payment for the construction of New police building
- \$1.4 million was returned to Tehachapi Redevelopment's (Successor Agency) bond proceed funds by the General Fund and Street and Road Fund. This represents expenses paid from January 1, 2011 through June 30, 2012 for certain capital projects that the State of California Department of Finance deemed to be unenforceable obligations.

## Summary of Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	6,979,709	11,413,665	3,922,950	3,538,196	10,902,659	14,951,861
Capital Assets	30,283,115	28,212,876	18,572,105	19,052,856	48,855,220	47,265,732
Total Assets	<u>37,262,824</u>	<u>39,626,541</u>	<u>22,495,055</u>	<u>22,591,052</u>	<u>59,757,879</u>	<u>62,217,593</u>
Current Liabilities	1,565,417	921,444	779,671	701,986	2,345,088	1,623,430
Long-term Liabilities	740,775	836,434	4,810,033	5,271,923	5,550,808	6,108,357
Total Liabilities	<u>2,306,192</u>	<u>1,757,878</u>	<u>5,589,704</u>	<u>5,973,909</u>	<u>7,895,896</u>	<u>7,731,787</u>
Net Investment in Capital Assets	29,619,903	27,522,736	13,592,847	13,647,243	43,212,750	41,169,979
Restricted	1,408,183	1,750,367	3,333,432	3,371,136	4,741,615	5,121,503
Unrestricted	3,928,546	8,595,560	(20,928)	(401,236)	3,907,618	8,194,324
Total Net Position	<u>34,956,632</u>	<u>37,868,663</u>	<u>16,905,351</u>	<u>16,617,143</u>	<u>51,861,983</u>	<u>54,485,806</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 decreased the City's net position by \$2,912,031 thereby accounting for 67% of the City's total net position. This decrease is mainly due to use of funds for construction of New Police Building and reimbursement to Successor Agency for RDA projects which were considered as unobligated items by the State of California, Department of Finance.

### Business-Type Activities

The City operates five business-type activities. These activities are captured in Refuse, Water, Sewer, Transit and Airport funds. While the City wide total net position was decreased by \$2,623,823, the net position in business type activities was increased by \$288,208. The increase is due to unspent water connection fees collected during the fiscal year.

## Statement of Activities

	Governmental Activities		Business Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenue</b>						
Program Revenues:						
Charges for Services	946,329	1,370,266	6,226,599	6,338,533	7,172,928	7,708,799
Operating contribution & Grant	606,281	726,682	440,453	151,973	1,046,734	878,655
Capital Grants & Contribution	1,311,289	1,495,913	33,290	200,409	1,344,579	1,696,322
General Revenues:						
Property taxes	1,187,822	1,266,510			1,187,822	1,266,510
Sales Taxes	1,986,771	1,842,393			1,986,771	1,842,393
Other Taxes	1,884,570	1,536,684			1,884,570	1,536,684
License and permits	1,204,395	1,191,288			1,204,395	1,191,288
Other sources of funds					-	-
Miscellaneous	238,008	436,300	118,296	73,881	356,304	510,181
Interest	37,005	41,022	19,514	5,273	56,519	46,295
Loss on Disposal	(189,709)				(189,709)	-
Transfer to Fiduciary Fund	(1,406,525)				(1,406,525)	-
Transfers	(3,143)	(114,422)	3,143	114,422	-	-
	<u>7,803,093</u>	<u>9,792,636</u>	<u>6,841,295</u>	<u>6,884,491</u>	<u>14,644,388</u>	<u>16,677,127</u>
<b>Expenses</b>						
Primary Government						
General Government	2,709,575	619,917			2,709,575	619,917
Public Works	1,834,154	4,243,430			1,834,154	4,243,430
Police	3,181,899	2,824,312			3,181,899	2,824,312
Community Development	1,521,265				1,521,265	-
Interest	21,721	22,572			21,721	22,572
Business-type Activities						
Refuse			1,168,082	1,025,326	1,168,082	1,025,326
Water			2,129,184	1,870,875	2,129,184	1,870,875
Sewer			2,032,645	1,893,294	2,032,645	1,893,294
Transit			183,382	171,642	183,382	171,642
Airport			1,039,794	979,657	1,039,794	979,657
Total Expense	<u>9,268,614</u>	<u>7,710,231</u>	<u>6,553,087</u>	<u>5,940,794</u>	<u>15,821,701</u>	<u>13,651,025</u>
Extraordinary Items						
Change in Net Assets	(1,465,521)	2,082,405	288,208	943,697	(1,177,313)	3,026,102
Net Assets at beginning of yr	37,868,663	35,786,258	16,617,143	15,923,229	54,485,806	51,709,487
Prior Period Adj	(1,446,510)			(249,783)	(1,446,510)	(249,783)
<b>Net Assets at end of year</b>	<u>34,956,632</u>	<u>37,868,663</u>	<u>16,905,351</u>	<u>16,617,143</u>	<u>51,861,983</u>	<u>54,485,806</u>

### 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, 2014, the City's governmental funds reported a combined ending fund balance of \$4,784,741. This number shows an approximate 53% (\$5,421,948) fund balance decrease from the prior year. The reasons for this decrease parallel those provided for the decrease in unrestricted fund balance as illustrated earlier in this report.

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 \$7,638,553 which includes \$5,311,956 of Non-spendable fund balance. The non-spendable funds consist of advances made to other funds such as Airport, special district funds and various capital project 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 we have in past years. In fiscal year 2000/01, the General Fund wrote off an outstanding loan balance of \$359,533 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 will be used to pay for various City services such as police, contracted fire, public works and the City's general operations.

Among the four major governmental funds, three governmental funds resulted in negative fund balances at the end of this fiscal year. These funds are Streets and Roads fund, Challenger Drive Extension capital project fund (Challenger Project Fund) and New Police Building capital project fund. The final fund balances of these funds are all negative \$228,838, \$324,907 and \$3,523,515 respectively.

The negative fund balance in Streets and Roads fund will be replenished by available Transportation Development Act funds (TDA funds) for the City during the next fiscal year while the Challenger Project Fund's negative fund balance will be remedied by a grant which is to be paid by the State of California. However, the fund shortage in New Police Building capital project fund will be covered by a loan from the General Fund to be paid when enough Facility Impact development fees are collected in the future.

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. The combined fund balance from other Governmental Funds is \$1,223,448.

## **Proprietary Fund**

The balances in net position of major proprietary funds such as, Water, Sewer, Airport and Refuse funds are \$6,726,498, \$9,033,448, \$818,229 and \$330,150 respectively. The unrestricted net position of the Water and Sewer funds at the end of the fiscal year are \$336,956 and \$611,463 respectively.

The balance of unrestricted net position in water fund was increased by \$441,329 from the prior year. The additional unrestricted funds are due to revenues from connection fees. The prior year's negative balance in net position in Water Fund was due to the internally funded Water Capacity Increase capital projects completed in year 2008. 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, 2014, the Airport Fund owes \$1,519,058 to the General Fund. This loan is a result of continuous deficits in Airport Fund operations.

### GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2014 is presented as Required Supplementary Information following the notes to the financial statements. The final budget amounts differ from those presented in the 2013/14 – 2017/18 original five-year budget documents. This modification is a result of changes that occurred between the original budget and the mid-year budget adjustments.

#### General Fund

	Original Budget	Final Budget	2013/14 Actual	Variance Actual vs. Final Budget (Negative)
Revenues incl. Other Sources	5,995,010	6,432,781	7,069,378	636,597
Expenditures incl. Other Uses	5,991,051	7,343,399	7,595,641	(252,242)
Net changes in fund balances	3,959	(910,618)	(526,263)	384,355
Fund Balance Beginning (Adjusted)	8,164,816	8,164,816	8,164,816	0
Fund Balance - Ending	8,168,775	7,254,198	7,638,553	384,355

Overall, the General Fund actual ending fund balance is \$384,355 more than what was budgeted in the final budget. The major contributions to positive revenue variance are generated from sales tax (\$181,966), landscape, construction and miscellaneous staff labor charges (\$163,643), property tax (\$54,443) and transient occupancy tax (\$110,251). While General Fund revenues yield \$636,597 favorable variance when compared with the budget, the overall General Fund expenditures resulted in \$252,242 unfavorable variance.

During fiscal year 2013/14, the status of the general economy has improved from the recession of the last few years. It seems the increase in sales tax was affected by the growth of economy as

well as high gasoline prices during the year. Another substantial General Fund revenue increase was from the transient occupancy tax (TOT) which is also known as lodging tax. This is mainly due to additional payments received from one of the hotels and their effort to settle their account that had turned delinquent in previous years. Another reason for the TOT increase was contributed by the room occupancy rate hike.

The departments in General Fund that caused unfavorable variances to budgets are General Government (\$82,007), Community Development (\$25,013), Police department (\$188,680); and City Park maintenance fund (13,390).

## CAPITAL & DEBT ADMINISTRATION

### Capital Assets

	Governmental Activities	Business-type Activities	Totals
<b>Non-Depreciable Assets:</b>			
Land	800,789	728,399	1,529,188
Water Rights		1,829,036	1,829,036
Construction in Progress	8,337,190	129,251	8,466,441
<b>Total non-depreciable assets</b>	<b>9,137,979</b>	<b>2,686,686</b>	<b>11,824,665</b>
<b>Depreciable Assets (net of accumulated depreciation)</b>			
Buildings	2,302,092	8,407,288	10,709,380
Machinery and equipment	319,229	716,089	1,035,318
Improvements other than building	18,287,654	6,762,042	25,049,696
Parks	236,161		236,161
Other			
<b>Total depreciable assets-net</b>	<b>21,145,136</b>	<b>15,885,419</b>	<b>37,030,555</b>
<b>Total Capital Assets</b>	<b>30,283,115</b>	<b>18,572,105</b>	<b>48,855,220</b>

The City of Tehachapi's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$48,855,220 (net of accumulated depreciation) which is a \$1,589,488 increase from fiscal year 2012/13. The construction costs spent for the New Police Facility is main reason for increase in capital assets total.

During this fiscal year, the City sold the record center located on Pinon Street at the price of \$165,750. The proceeds from the sale will consequently be used to remodel the former police building to facilitate the Engineering and Community Development departments.

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	2,860,549	2,860,549
Loans		1,982,871	1,982,871
Capital Leases	663,212	135,838	799,050
Compensated absences	168,325	117,484	285,809
<b>Total Long-Term Liabilities</b>	<b>831,537</b>	<b>5,096,742</b>	<b>5,928,279</b>

The City of Tehachapi's total long term debt decreased by \$469,012 compared to the last fiscal year. No new debts were issued during the fiscal year. The reduction in debt was from the debt service payments made during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue to fifteen percent of its total assessed valuation. The City has not exceeded this limit.

## NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In June, 2014, the Council adopted the 2014/15 through 2018/19 five-year budget, with total appropriations of \$16,375,031 in fiscal year 2014/15. The following factors were taken into consideration for the next fiscal year budget:

- No cost of living increase is granted to employees.
- The 2014/15 General Fund revenue budget (\$6,232,073) was projected at \$837,305 less than the actual revenue received in 2013/14. A \$100,000 COPS grant is not included in this budget since there is no certainty that the State will continue with its funding. No administration fee from Successor Agency is included in the General Fund revenue budget since the tax increment revenues for Successor Agency are barely sufficient to make the annual debt service payments.
- The 2014/15 General Fund expenditure budget (\$6,227,040) was projected at \$1,368,601 less than the actual expenditure in 2013/14. The main reason for the reduction is the return of \$1,083,912 to Successor Agency from the General Fund in 2013/14.
- An average of 29 equivalent dwelling units (EDU) were considered for new water connections and 43 EDU's were the basis for sewer connection fees revenue budget calculation.
- Other development related impact fees such as facilities impact, traffic mitigation, and park and recreation capital improvement were estimated based on the same development assumptions as with water and sewer.
- Various capital projects included in this budget:
  - Two police vehicle replacements \$62,200
  - IT related equipment and computers \$77,000

- Fire services contract \$82,730 (not including the City's portion of fire fee from the property tax that Kern County keeps)
- Community Promotion \$66,000
- Snyder Well Intertie \$550,000
- Process Water Project \$160,000
- Water truck and equipment \$70,000
- Sewer plant Headworks Screw re-coat \$60,000
- Airport truck \$35,360 (50% will be paid by DMV grant)
- Challenger Drive Extension Project \$359,332
- Safe Route to School-Pinon/Curry, \$334,365
- Alternative Transportation Program \$454,000

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

The economy has improved during the last few years after the Great Recession. The unemployment rate has declined substantially as the job market gradually gains. The economic outlook is positive for 2014 and 2015. The economists are forecasting approximately 3% GDP growth in 2015. When it comes to the interest rate prediction, the consensus is "Higher interest rate is coming." The good news is that the economy has been and continues to head toward a positive direction.

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## **BASIC FINANCIAL STATEMENTS**

**City of Tehachapi**  
**Statement of Net Position**  
June 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 2,566,687	\$ 4,556,776	\$ 7,123,463
Receivables (Net of Allowance)	1,852,559	970,396	2,822,955
Due from Agency Funds	516,194	-	516,194
Internal Balances	1,950,289	(1,950,289)	-
Restricted Cash and Investments	-	110,516	110,516
Prepays	93,980	551	94,531
Capital Assets, Not Being Depreciated	9,137,979	2,686,686	11,824,665
Capital Assets, Depreciated, Net	21,145,136	15,885,419	37,030,555
Other	-	235,000	235,000
	<u>37,262,824</u>	<u>22,495,055</u>	<u>59,757,879</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,244,288	338,999	1,583,287
Accrued Liabilities	203,645	15,601	219,246
Accrued Interest Payable	-	22,846	22,846
Deposits Payable	26,722	115,516	142,238
Noncurrent Liabilities:			
Due within One Year	90,762	286,709	377,471
Due in More Than One Year	740,775	4,810,033	5,550,808
	<u>2,306,192</u>	<u>5,589,704</u>	<u>7,895,896</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	29,619,903	13,592,847	43,212,750
Restricted for:			
Maintenance of Water Lines	-	107,434	107,434
Construction and Expansion of Facilities	-	3,225,998	3,225,998
Highways and Streets	1,263,120	-	1,263,120
Development	51,522	-	51,522
Public Safety	93,541	-	93,541
Unrestricted	3,928,546	(20,928)	3,907,618
	<u>\$ 34,956,632</u>	<u>\$ 16,905,351</u>	<u>\$ 51,861,983</u>

The accompanying notes are an integral part of this statement.

**City of Tehachapi**  
**Statement of Activities**  
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 2,709,575	\$ 598,282	\$ 15,015	\$ -
Public Works	1,834,154	263,888	11,352	1,311,289
Public Safety	3,181,899	84,159	570,597	-
Community Development	1,521,265	-	9,317	-
Interest	21,721	-	-	-
<b>Total Governmental Activities</b>	<b>9,268,614</b>	<b>946,329</b>	<b>606,281</b>	<b>1,311,289</b>
<b>Business-type Activities:</b>				
Water	2,129,184	2,374,272	-	-
Sewer	2,032,645	1,953,530	-	33,290
Airport	1,039,794	714,825	238,737	-
Refuse	1,168,082	1,179,008	-	-
Transit	183,382	4,964	201,716	-
<b>Total Business-type Activities</b>	<b>6,553,087</b>	<b>6,226,599</b>	<b>440,453</b>	<b>33,290</b>
<b>Total Primary Government</b>	<b>\$ 15,821,701</b>	<b>\$ 7,172,928</b>	<b>\$ 1,046,734</b>	<b>\$ 1,344,579</b>

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)  
Transfer to Fiduciary Fund

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>
\$ (2,096,278)	\$ -	\$ (2,096,278)
(247,625)	-	(247,625)
(2,527,143)	-	(2,527,143)
(1,511,948)	-	(1,511,948)
<u>(21,721)</u>	<u>-</u>	<u>(21,721)</u>
<u>(6,404,715)</u>	<u>-</u>	<u>(6,404,715)</u>
-	245,088	245,088
-	(45,825)	(79,115)
-	(86,232)	(86,232)
-	10,926	10,926
-	23,298	23,298
<u>-</u>	<u>147,255</u>	<u>113,965</u>
<u>(6,404,715)</u>	<u>147,255</u>	<u>(6,290,750)</u>
1,187,822	-	1,187,822
1,986,771	-	1,986,771
622,826	-	622,826
830,251	-	830,251
1,204,395	-	1,204,395
196,623	-	196,623
234,870	-	234,870
238,008	118,296	356,304
37,005	19,514	56,519
(189,709)	-	(189,709)
(3,143)	3,143	-
<u>(1,406,525)</u>	<u>-</u>	<u>(1,406,525)</u>
<u>4,939,194</u>	<u>140,953</u>	<u>5,080,147</u>
(1,465,521)	288,208	(1,177,313)
37,868,663	16,617,143	54,485,806
<u>(1,446,510)</u>	<u>-</u>	<u>(1,446,510)</u>
<u>\$ 34,956,632</u>	<u>\$ 16,905,351</u>	<u>\$ 51,861,983</u>

The accompanying notes are an integral part of this statement.

**City of Tehachapi  
Balance Sheet  
Governmental Funds  
June 30, 2014**

	General Fund	Streets and Roads	Challenger Dr. Extension Capital Projects Fund
<b>ASSETS</b>			
Cash and Investments	\$ 669,080	\$ -	\$ -
Receivables	704,099	-	499,885
Due from Fiduciary Funds	516,194	-	-
Due from Other Funds	857,521	-	-
Prepays	93,980	-	-
Advances to Other Funds	5,217,976	-	-
<b>Total Assets</b>	<b>\$ 8,058,850</b>	<b>\$ -</b>	<b>\$ 499,885</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 189,930	\$ -	\$ 381,882
Accrued Liabilities	203,645	-	-
Due to Other Funds	-	228,838	135,677
Deposits Payable	26,722	-	-
Advances from Other Funds	-	-	-
<b>Total Liabilities</b>	<b>420,297</b>	<b>228,838</b>	<b>517,559</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues - Grants	-	-	307,233
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>307,233</b>
<b>FUND BALANCES</b>			
Nonspendable	5,311,956	-	-
Restricted	-	-	-
Committed	887,757	-	-
Assigned	-	-	-
Unassigned	1,438,840	(228,838)	(324,907)
<b>Total Fund Balances</b>	<b>7,638,553</b>	<b>(228,838)</b>	<b>(324,907)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,058,850</b>	<b>\$ -</b>	<b>\$ 499,885</b>

The accompanying notes are an integral part of this statement.

New Police Building Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,897,607	\$ 2,566,687
-	648,575	1,852,559
-	-	516,194
-	-	857,521
-	-	93,980
-	-	5,217,976
<u>\$ -</u>	<u>\$ 2,546,182</u>	<u>\$ 11,104,917</u>
\$ 255,828	\$ 416,648	\$ 1,244,288
-	-	203,645
-	493,006	857,521
-	-	26,722
<u>3,267,687</u>	<u>-</u>	<u>3,267,687</u>
<u>3,523,515</u>	<u>909,654</u>	<u>5,599,863</u>
<u>-</u>	<u>413,080</u>	<u>720,313</u>
<u>-</u>	<u>413,080</u>	<u>720,313</u>
-	-	5,311,956
-	1,511,574	1,511,574
-	-	887,757
-	100,859	100,859
<u>(3,523,515)</u>	<u>(388,985)</u>	<u>(3,027,405)</u>
<u>(3,523,515)</u>	<u>1,223,448</u>	<u>4,784,741</u>
<u>\$ -</u>	<u>\$ 2,546,182</u>	<u>\$ 11,104,917</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, 2014

Fund Balances of Governmental Funds \$ 4,784,741

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	40,268,957
Accumulated Depreciation	(9,985,842)

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	(663,212)
Compensated Absences	(168,325)

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

720,313

Net Position of Governmental Activities \$ 34,956,632

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, 2014

	General Fund	Streets and Roads	Challenger Dr. Extension Capital Projects Fund
<b>REVENUES</b>			
Taxes	\$ 5,745,248	\$ -	\$ -
Licenses, Permits, and Fines	71,965	-	-
Intergovernmental	363,428	580,054	192,651
Charges for Services	540,430	-	-
Investment Earnings	28,075	269	-
Miscellaneous Revenues	300,164	-	350
Total Revenues	<u>7,049,310</u>	<u>580,323</u>	<u>193,001</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,429,523	-	-
Public Works	634,742	2,070	-
Public Safety	3,181,899	-	-
Community Development	1,112,422	-	-
Capital Outlay	-	28,731	676,925
Debt Service:			
Interest Expense	-	21,721	-
Principal	-	26,928	-
Total Expenditures	<u>6,358,586</u>	<u>79,450</u>	<u>676,925</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>690,724</u>	<u>500,873</u>	<u>(483,924)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	20,068	-	-
Transfers Out	(153,143)	(407,098)	-
Transfer to Successor Agency	(1,083,912)	(322,613)	-
Total Other Financing Sources (Uses)	<u>(1,216,987)</u>	<u>(729,711)</u>	<u>-</u>
Net Change in Fund Balances	(526,263)	(228,838)	(483,924)
Fund Balances, Beginning of Year	<u>8,164,816</u>	<u>-</u>	<u>159,017</u>
Fund Balances, End of Year	<u>\$ 7,638,553</u>	<u>\$ (228,838)</u>	<u>\$ (324,907)</u>

The accompanying notes are an integral part of this statement.

New Police Building Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 720,084	\$ 6,465,332
-	-	71,965
-	347,193	1,483,326
-	75,207	615,637
-	8,661	37,005
-	20,000	320,514
-	<u>1,171,145</u>	<u>8,993,779</u>
-	73,854	1,503,377
20,831	959,630	1,617,273
-	-	3,181,899
-	408,843	1,521,265
3,457,742	970,198	5,133,596
-	-	21,721
-	-	26,928
<u>3,478,573</u>	<u>2,412,525</u>	<u>13,006,059</u>
<u>(3,478,573)</u>	<u>(1,241,380)</u>	<u>(4,012,280)</u>
131,112	557,098	708,278
-	(151,180)	(711,421)
-	-	(1,406,525)
<u>131,112</u>	<u>405,918</u>	<u>(1,409,668)</u>
(3,347,461)	(835,462)	(5,421,948)
<u>(176,054)</u>	<u>2,058,910</u>	<u>10,206,689</u>
<u>\$ (3,523,515)</u>	<u>\$ 1,223,448</u>	<u>\$ 4,784,741</u>

The accompanying notes are an integral part of this statement.

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**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, 2014

Net Changes in Fund Balances - Total Governmental Funds \$ (5,421,948)

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	4,916,715
Depreciation Expense	(1,210,257)
Loss on Disposal of Capital Assets	(189,709)

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	26,928
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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.	408,691
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To record the net change in compensated absences in the Statement of Activities.	<u>4,059</u>
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Change in Net Position of Governmental Activities	<u>\$ (1,465,521)</u>
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The accompanying notes are an integral part of this statement.

**City of Tehachapi**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2014

	Water Fund	Sewer Fund	Airport Fund
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 591,251	\$ 3,734,114	\$ 88,021
Accounts Receivable (Net of Allowance)	369,825	243,231	196,486
Restricted Cash and Investments	110,516	-	-
Prepays	101	450	-
Total Current Assets	<u>1,071,693</u>	<u>3,977,795</u>	<u>284,507</u>
Noncurrent Assets:			
Other Assets	-	-	-
Capital Assets, Not Being Depreciated	1,842,487	613,614	230,585
Capital Assets, Net of Accumulated Depreciation	4,871,793	9,088,641	1,924,985
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,714,280</u>	<u>9,702,255</u>	<u>2,155,570</u>
Total Noncurrent Assets	<u>6,714,280</u>	<u>9,702,255</u>	<u>2,155,570</u>
Total Assets	<u>7,785,973</u>	<u>13,680,050</u>	<u>2,440,077</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	62,515	25,614	47,199
Accrued Liabilities	6,945	6,257	1,673
Accrued Interest Payable	4,348	17,467	1,031
Customer Deposits Payable	115,516	-	-
Compensated Absences - Current	16,309	15,772	3,847
Capital Leases Payable - Current	1,651	4,042	-
Notes and Bonds Payable - Current	23,083	208,296	10,891
Total Current Liabilities	<u>230,367</u>	<u>277,448</u>	<u>64,641</u>
Noncurrent Liabilities:			
Advances Payable	263,051	168,180	1,519,058
Compensated Absences	35,111	30,552	8,222
Capital Leases Payable	38,301	91,844	-
Notes and Bonds Payable	492,645	4,078,578	29,927
Total Noncurrent Liabilities	<u>829,108</u>	<u>4,369,154</u>	<u>1,557,207</u>
Total Liabilities	<u>1,059,475</u>	<u>4,646,602</u>	<u>1,621,848</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,158,600	5,319,495	2,114,752
Restricted:			
Maintenance of Water Lines	107,434	-	-
Construction and Expansion of Facilities	123,508	3,102,490	-
Unrestricted	336,956	611,463	(1,296,523)
Total Net Position	<u>\$ 6,726,498</u>	<u>\$ 9,033,448</u>	<u>\$ 818,229</u>

The accompanying notes are an integral part of this statement.

Refuse Fund	Nonmajor Transit Fund	Total
\$ 131,765	\$ 11,625	\$ 4,556,776
160,854	-	970,396
-	-	110,516
-	-	551
<u>292,619</u>	<u>11,625</u>	<u>5,638,239</u>
235,000	-	235,000
-	-	2,686,686
-	-	15,885,419
-	-	18,572,105
235,000	-	18,807,105
<u>527,619</u>	<u>11,625</u>	<u>24,445,344</u>
192,525	11,146	338,999
490	236	15,601
-	-	22,846
-	-	115,516
1,522	1,296	38,746
-	-	5,693
-	-	242,270
<u>194,537</u>	<u>12,678</u>	<u>779,671</u>
-	-	1,950,289
2,932	1,921	78,738
-	-	130,145
-	-	4,601,150
<u>2,932</u>	<u>1,921</u>	<u>6,760,322</u>
197,469	14,599	7,539,993
-	-	13,592,847
-	-	107,434
-	-	3,225,998
330,150	(2,974)	(20,928)
<u>\$ 330,150</u>	<u>\$ (2,974)</u>	<u>\$ 16,905,351</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, 2014

	Water Fund	Sewer Fund	Airport Fund
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,374,272	\$ 1,953,530	\$ 714,825
Miscellaneous	87,714	29,656	789
Total Operating Revenues	<u>2,461,986</u>	<u>1,983,186</u>	<u>715,614</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	950,215	829,041	228,093
Maintenance and Operations	893,937	532,688	646,289
Depreciation	250,360	505,825	163,088
Total Operating Expenses	<u>2,094,512</u>	<u>1,867,554</u>	<u>1,037,470</u>
Operating Income (Loss)	<u>367,474</u>	<u>115,632</u>	<u>(321,856)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	-	-	238,737
Investment Earnings	2,420	16,397	-
Interest Expense	(34,672)	(165,091)	(2,324)
Total Nonoperating Revenues (Expenses)	<u>(32,252)</u>	<u>(148,694)</u>	<u>236,413</u>
Income (Loss) Before Capital Contributions and Operating Transfers	335,222	(33,062)	(85,443)
Capital Contributions	-	33,290	-
Transfers In	-	-	3,143
Transfers Out	-	-	-
Change in Net Position	<u>335,222</u>	<u>228</u>	<u>(82,300)</u>
Net Position - Beginning of Year	<u>6,391,276</u>	<u>9,033,220</u>	<u>900,529</u>
Net Position - End of Year	<u>\$ 6,726,498</u>	<u>\$ 9,033,448</u>	<u>\$ 818,229</u>

The accompanying notes are an integral part of this statement.

Refuse Fund	Nonmajor Transit Fund	Total
\$ 1,179,008	\$ 4,964	\$ 6,226,599
137	-	118,296
<u>1,179,145</u>	<u>4,964</u>	<u>6,344,895</u>
65,886	30,150	2,103,385
1,102,196	153,232	3,328,342
-	-	919,273
<u>1,168,082</u>	<u>183,382</u>	<u>6,351,000</u>
<u>11,063</u>	<u>(178,418)</u>	<u>(6,105)</u>
-	201,716	440,453
544	153	19,514
-	-	(202,087)
<u>544</u>	<u>201,869</u>	<u>257,880</u>
11,607	23,451	251,775
-	-	33,290
-	-	3,143
-	-	-
<u>11,607</u>	<u>23,451</u>	<u>288,208</u>
<u>318,543</u>	<u>(26,425)</u>	<u>16,617,143</u>
<u>\$ 330,150</u>	<u>\$ (2,974)</u>	<u>\$ 16,905,351</u>

The accompanying notes are an integral part of this statement.

**City of Tehachapi**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended June 30, 2014

	Water Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 2,462,880
Payments to Employees for Services	(953,159)
Payments to Suppliers for Goods and Services	(1,618,444)
	(108,723)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(108,723)</b>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash Received from Other Funds	-
Intergovernmental Revenue	-
	-
<b>Net Cash Provided (Used) by Noncapital and Related Financing Activities</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and Construction of Capital Assets	(118,382)
Interest Paid	(35,649)
Capital Grants	-
Proceeds from Loans	-
Payments on Interfund Advance	(168,953)
Payments on Capital Lease Obligations	(1,623)
Payments on Long-term Debt	(21,747)
	(346,354)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(346,354)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	2,420
	2,420
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>2,420</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(452,657)</b>
Cash and Cash Equivalents, Beginning of the Year	1,154,424
Cash and Cash Equivalents, End of the Year	\$ 701,767

The accompanying notes are an integral part of this statement.

Sewer Fund	Airport Fund	Refuse Fund	Nonmajor Transit Fund	Total
\$ 1,978,034	\$ 716,649	\$ 1,176,385	\$ 122,374	\$ 6,456,322
(835,290)	(228,833)	(65,886)	(30,150)	(2,113,318)
(543,853)	(227,361)	(1,008,565)	(282,468)	(3,680,691)
598,891	260,455	101,934	(190,244)	662,313
-	3,143	-	-	3,143
-	52,748	-	201,716	254,464
-	55,891	-	201,716	257,607
(73,677)	(246,463)	-	-	(438,522)
(170,166)	(2,587)	-	-	(208,402)
33,290	-	-	-	33,290
-	-	-	-	-
(108,019)	-	-	-	(276,972)
(3,893)	-	-	-	(5,516)
(388,683)	(10,408)	-	-	(420,838)
(711,148)	(259,458)	-	-	(1,316,960)
16,397	-	544	153	19,514
16,397	-	544	153	19,514
(95,860)	56,888	102,478	11,625	(377,526)
3,829,974	31,133	29,287	-	5,044,818
\$ 3,734,114	\$ 88,021	\$ 131,765	\$ 11,625	\$ 4,667,292

(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, 2014**

	Water Fund
<b>Reconciliation of Operating Income (Loss) to</b>	
<b>Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ 367,474
Adjustments to Reconcile Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation	250,360
Changes in Operating Assets and Liabilities:	
Decrease (Increase) in Accounts Receivable	(3,643)
Decrease (Increase) in Prepaid Expenses	(3)
Increase (Decrease) in Accounts Payable	(10,996)
Increase (Decrease) in Accrued Liabilities	589
Increase (Decrease) in Compensated Absences	(2,944)
Increase (Decrease) in Due to Other Funds	(714,100)
Increase (Decrease) in Deposits Payable	4,540
	<u>4,540</u>
<b>TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (108,723)</u>
 <b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	
 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
\$ 115,632	\$ (321,856)	\$ 11,063	\$ (178,418)	\$ (6,105)
505,825	163,088	-	-	919,273
(5,140)	1,035	(2,760)	117,410	106,902
(12)	-	-	-	(15)
(11,235)	(7,091)	94,240	(10,006)	54,912
70	16	11	(2)	684
(6,249)	(756)	(620)	(1,103)	(11,672)
-	426,019	-	(118,125)	(406,206)
-	-	-	-	4,540
<u>\$ 598,891</u>	<u>\$ 260,455</u>	<u>\$ 101,934</u>	<u>\$ (190,244)</u>	<u>\$ 662,313</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, 2014

	Total Agency Funds	Successor Agency Private-purpose Trust Fund
<b>ASSETS</b>		
Cash and Investments	\$ 873,242	\$ 6,284,530
Cash with Fiscal Agent	-	421,763
Receivables	6,499	-
Advances to Other Funds	302,001	-
Other Assets	355,557	-
Total Assets	\$ 1,537,299	6,706,293
<b>LIABILITIES</b>		
Accounts Payable	\$ 6,567	-
Advances from Other Funds	604,002	-
Interest Payable	-	65,591
Due to City	-	214,193
Due to Bond Holders	926,730	-
Long-term Debt	-	15,507,013
Total Liabilities	\$ 1,537,299	15,786,797
<b>NET POSITION</b>		
Net Position (Deficit) Held in Trust for Successor Agency		\$ (9,080,504)

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, 2014

	<u>Successor Agency Private-purpose Trust Fund</u>
<b>ADDITIONS</b>	
Property Taxes	\$ 1,182,610
Interest Income	22,133
Transfers from the City of Tehachapi	<u>1,406,525</u>
Total Additions	<u>2,611,268</u>
<b>DEDUCTIONS</b>	
Administrative Costs	331,056
Interest on Bonds	<u>805,346</u>
Total Deductions	<u>1,136,402</u>
Change in Net Position	1,474,866
Net Position - Beginning of Year	<u>(10,555,370)</u>
Net Position - End of Year	<u>\$ (9,080,504)</u>

The accompanying notes are an integral part of this statement.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**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, 2014**

**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 *Challenger Dr. Extension Capital Projects Fund* is used to account for the grants restricted for the Challenger Drive Extension project.

The *New Police Building Capital Projects Fund* is used to account for the financial resources and expenditures necessary to construct the City's new police facility.

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, 2014

**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, 2014

**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, 2014, 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, 2014

**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, 2014

**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 \$202,087. 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, 2014

**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, 2014**

**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, 2014

**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, 2014:

Non-major Funds:	
Gas Tax	\$ (77,813)
Safe Route to School	(99,348)
General Plan Update	(79,882)
Valley Shoulder Ext - HSIP	(47,489)
Tehachapi Blvd Imprv-Phase IV	(49,558)
Freedom Plaza	(22,339)

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, 2014:

Deposits	\$ 163,650
Investments	<u>14,649,864</u>
Total Cash and Investments	<u>\$ 14,813,514</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	\$ 2,566,687	\$ 4,556,776	\$ 7,157,772	\$ 14,281,235
Restricted Cash	-	110,516	421,763	532,279
	<u>\$ 2,566,687</u>	<u>\$ 4,667,292</u>	<u>\$ 7,579,535</u>	<u>\$ 14,813,514</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, 2014, none of the City's deposits were exposed to custodial credit risk.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

*Investments*

As of June 30, 2014, the City had the following investments:

Investment Type	Total	Maturities in Years	
		Less than 1	1 to 5
Local Agency Investment Funds	\$ 11,762,267	\$ 11,762,267	\$ -
Negotiable Certificates of Deposit	243,888	243,888	-
Money Market Mutual Funds	186,868	186,868	-
CSJVRMA Investment Pool	2,035,078	2,035,078	-
Held by Bond Trustee:			
Money Market Mutual Funds	421,763	421,763	-
<b>Total</b>	<b>\$ 14,649,864</b>	<b>\$ 14,649,864</b>	<b>\$ -</b>

*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	\$ 14,228,101
Fiscal Agents (Bond trustees for the City and its component units)	<u>421,763</u>
	<u>\$ 14,649,864</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, 2014

**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, 2014

**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, 2014	Minimum Legal Rating	AAA	AA	Unrated	Not Required to be Rated
LAIF	\$ 11,762,267	None	\$ -	\$ -	\$11,762,267	\$ -
Negotiable Certificates or Deposit	243,888	None	-	-	243,888	-
Money Market Mutual Funds	186,868	A	186,868	-	-	-
CSJVRMA Investment Pool	2,035,078	None	-	-	2,035,078	-
Held by Bond Trustee: Money Market Mutual Funds	421,763	A	421,763	-	-	-
<b>Total</b>	<b>\$ 14,649,864</b>		<b>\$ 608,631</b>	<b>\$ -</b>	<b>\$14,041,233</b>	<b>\$ -</b>

*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 \$421,763 held by the various bond trustees and fiscal agents, and \$110,516 of customer deposits in the Water Utility Fund.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**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	Challenger Drive Extension Fund	Other Governmental Funds	Total
<b>Governmental Activities</b>				
Taxes	\$ 531,287	\$ -	\$ 42,547	\$ 573,834
Grants	-	499,885	594,777	1,094,662
Others	172,812	-	11,251	184,063
<b>Net Total Receivables</b>	<b>\$ 704,099</b>	<b>\$ 499,885</b>	<b>\$ 648,575</b>	<b>\$ 1,852,559</b>

	Water Fund	Sewer Fund	Airport Fund	Refuse Fund	Nonmajor Transit Fund	Total
<b>Business-Type Activities</b>						
Service Fees	\$ 369,825	\$ 243,231	\$ 10,497	\$ 160,854	\$ -	\$ 784,407
Grants	-	-	185,989	-	-	185,989
Gross Receivables	369,825	243,231	196,486	160,854	-	970,396
Less: Allowance for Uncollectibles	-	-	-	-	-	-
<b>Net Total Receivables</b>	<b>\$ 369,825</b>	<b>\$ 243,231</b>	<b>\$ 196,486</b>	<b>\$ 160,854</b>	<b>\$ -</b>	<b>\$ 970,396</b>

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

**C) Capital Assets**

Capital assets activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments*	Ending Balance
<b>Governmental Activities:</b>					
<b>Capital Assets, Not Depreciated:</b>					
Land	\$ 941,007	\$ -	\$ (140,218)	\$ -	\$ 800,789
Construction in Progress	4,701,719	4,910,096		(1,274,625)	8,337,190
Total Capital Assets, Not Depreciated	5,642,726	4,910,096	(140,218)	(1,274,625)	9,137,979
<b>Capital Assets Being Depreciated:</b>					
Buildings and Improvements	4,042,159	-	(23,076)	-	4,019,083
Machinery and Equipment	3,167,238	146,837	-	(199,094)	3,114,981
Improvements other than Buildings	23,901,933	-	(182,881)	-	23,719,052
Parks	277,862	-	-	-	277,862
Total Capital Assets Being Depreciated	31,389,192	146,837	(205,957)	(199,094)	31,130,978
<b>Less Accumulated Depreciation:</b>					
Buildings and Improvements	(1,574,390)	(150,325)	7,724	-	(1,716,991)
Machinery and Equipment	(2,622,643)	(200,318)	-	27,209	(2,795,752)
Improvements other than Buildings	(4,587,255)	(852,667)	8,524	-	(5,431,398)
Parks	(34,754)	(6,947)	-	-	(41,701)
Total Accumulated Depreciation	(8,819,042)	(1,210,257)	16,248	27,209	(9,985,842)
Total Capital Assets Being Depreciated, Net	22,570,150	(1,063,420)	(189,709)	(171,885)	21,145,136
<b>Governmental Activities Capital Assets, Net of Depreciation</b>	<b>\$ 28,212,876</b>	<b>\$ 3,846,676</b>	<b>\$ (329,927)</b>	<b>\$ (1,446,510)</b>	<b>\$ 30,283,115</b>

\*These adjustments represent decreases to capital assets for amounts that were capitalized in prior years but should have been expensed. This is a prior period adjustment in the Statement of Activities.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 684,609	\$ 43,790	\$ -	\$ 728,399
Water Rights	1,829,036	-	-	1,829,036
Construction in Progress	42,080	87,171	-	129,251
Total Capital Assets, Not Depreciated	<u>2,555,725</u>	<u>130,961</u>	<u>-</u>	<u>2,686,686</u>
Capital Assets Being Depreciated:				
Buildings	16,740,595	115,502	(23,371)	16,832,726
Machinery and Equipment	1,723,370	170,277	(111,332)	1,782,315
Improvements other than Building	11,169,876	21,782	(2,366)	11,189,292
Total Capital Assets Being Depreciated	<u>29,633,841</u>	<u>307,561</u>	<u>(137,069)</u>	<u>29,804,333</u>
Less Accumulated Depreciation:				
Building and Improvements	(7,994,806)	(454,003)	23,371	(8,425,438)
Machinery and Equipment	(1,103,816)	(73,742)	111,332	(1,066,226)
Improvements other than Building	(4,038,088)	(391,528)	2,366	(4,427,250)
Total Accumulated Depreciation	<u>(13,136,710)</u>	<u>(919,273)</u>	<u>137,069</u>	<u>(13,918,914)</u>
Total Capital Assets Being Depreciated, Net	<u>16,497,131</u>	<u>(611,712)</u>	<u>-</u>	<u>15,885,419</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 19,052,856</u>	<u>\$ (480,751)</u>	<u>\$ -</u>	<u>\$ 18,572,105</u>

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

<b>Governmental Activities:</b>	
General Government	<u>\$ 1,210,257</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,210,257</u>
<b>Business-type Activities:</b>	
Water	\$ 250,360
Sewer	505,825
Airport	<u>163,088</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 919,273</u>

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

**D) Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2014 is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 857,521	\$ -
Streets and Roads	-	228,838
Challenger Dr. Extension	-	135,677
Non-major Governmental Funds	-	493,006
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 4,125,208</u>	<u>\$ 857,521</u>

The General Fund has loaned monies to the Streets and Roads Fund, Challenger Dr. Extension, and Non-major Governmental Fund 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, 2014:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 1,950,289	\$ -
New Police Building		3,267,687
Proprietary Funds:		
Water Fund	-	263,051
Sewer Fund	-	168,180
Airport Fund	-	1,519,058
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 1,950,289</u>	<u>\$ 1,950,289</u>

The General Fund advanced the Water and Sewer Funds \$263,051 and \$168,180, respectively, in order for the Water and Sewer Funds to pay off bonds early. The General Fund has advanced the Airport Fund \$1,519,058 to cover operating deficits. In addition, the General Fund has advanced the New Police Building Capital Projects fund to construct the City' new Police facility.

Interfund transfers for the year ended June 30, 2014 are as follows:

		<u>TRANSFERS IN</u>				
		<u>General Fund</u>	<u>New Police Building Fund</u>	<u>Non-major Governmental Funds</u>	<u>Airport Fund</u>	<u>Total</u>
TRANSFERS OUT	General Fund	\$ -	\$ -	\$ 150,000	\$ 3,143	\$ 153,143
	Streets and Roads			407,098	-	407,098
	Non-Major Governmental Funds	20,068	131,112		-	151,180
		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total		<u>\$ 20,068</u>	<u>\$ 131,112</u>	<u>\$ 557,098</u>	<u>\$ 3,143</u>	<u>\$ 711,421</u>

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**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 \$516,194 in the General Fund is the result of amounts due from the Agency Fund and Successor Agency Private-purpose Trust Fund of \$302,001 and \$214,193, 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, 2014 consist of the following:

	Agency Funds	Refuse Fund	Total
Foreclosure Receivables	\$ 355,557	\$ -	\$ 355,557
Joint Venture in Recycling Project	-	235,000	235,000
	<u>\$ 355,557</u>	<u>\$ 235,000</u>	<u>\$ 590,557</u>

**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, 2014.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**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, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Capital Leases	\$ 690,140	\$ -	\$ 26,928	\$ 663,212	\$ 27,792
Compensated Absences	172,384	63,182	67,241	168,325	62,970
Governmental Activity Long-term Liabilities	<u>\$ 862,524</u>	<u>\$ 63,182</u>	<u>\$ 94,169</u>	<u>\$ 831,537</u>	<u>\$ 90,762</u>
<b>Business-type Activities:</b>					
2004 Revenue Refunding Bonds	\$ 2,795,000	\$ -	\$ 135,000	\$ 2,660,000	\$ 140,000
1993 State Revolving Loan	190,280	-	190,280	-	-
1998 Sewer and Water COP	233,500	-	5,300	228,200	5,400
Less Deferred Amounts:					
For Issuance Discounts	(31,601)	-	(3,950)	(27,651)	-
Total Bonds Payable	3,187,179	-	326,630	2,860,549	145,400
Department of Transportation Loan	51,226	-	10,408	40,818	10,891
Water Resources Control Board Loan	2,025,853	-	83,800	1,942,053	85,979
Capital Leases	141,353	-	5,515	135,838	5,693
Compensated Absences	129,156	38,746	50,418	117,484	38,746
Business-type Activity Long-term Liabilities	<u>\$ 5,534,767</u>	<u>\$ 38,746</u>	<u>\$ 476,771</u>	<u>\$ 5,096,742</u>	<u>\$ 286,709</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, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Goodrick Drive	\$ 955,570	\$ 195,719
Less Accumulated Depreciation	<u>(509,895)</u>	<u>(165,869)</u>
 Total	 <u>\$ 445,675</u>	 <u>\$ 29,850</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
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	<u>48,317</u>	<u>9,897</u>
 Total	 <u>872,822</u>	 <u>178,771</u>
Less amount representing interest	<u>(209,610)</u>	<u>(42,933)</u>
Present value of net minimum lease payments	<u>\$ 663,212</u>	<u>\$ 135,838</u>

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**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
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	\$ 2,660,000	\$ 486,428

**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 remaining balance of the loan was paid off during the 2013-14 fiscal year.

**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.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

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

Year Ending June 30,	Principal	Interest
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>\$ 228,200</u>	<u>\$ 149,743</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.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ 10,891	\$ 2,061
2016	11,376	1,511
2017	11,860	937
2018	6,691	338
Total	<u>\$ 40,818</u>	<u>\$ 4,847</u>

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

**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, 2014 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
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>\$ 1,942,053</u>	<u>\$ 514,447</u>

**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 1<sup>st</sup> and December 1<sup>st</sup> 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.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

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

<b>2005 Bonds</b>		
Year Ending June 30,	Principal	Interest
2015	\$ 205,000	\$ 362,064
2016	210,000	353,525
2017	220,000	344,379
2018	235,000	334,391
2019	240,000	323,843
2020-2024	1,385,000	1,439,397
2025-2029	1,735,000	1,067,923
2030-2034	2,225,000	567,442
2035-2036	1,060,000	54,791
Total	<b>\$ 7,515,000</b>	<b>\$ 4,847,755</b>

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.

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 1<sup>st</sup> and December 1<sup>st</sup> 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:

<b>2007 Bonds</b>		
Year Ending June 30,	Principal	Interest
2015	\$ 185,000	\$ 416,686
2016	195,000	407,933
2017	200,000	398,583
2018	215,000	388,631
2019	225,000	377,935
2020-2024	1,295,000	1,708,340
2025-2029	1,655,000	1,339,766
2030-2034	2,125,000	856,543
2035-2038	2,140,000	245,618
Total	<b>\$ 8,235,000</b>	<b>\$ 6,140,035</b>

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2014.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable:					
Tax Allocation Bonds	\$ 16,120,000	\$ -	\$ 370,000	\$ 15,750,000	\$ 390,000
Unamortized Bond Discount	(253,955)	-	(10,968)	(242,987)	-
 Total	 <u>\$ 15,866,045</u>	 <u>\$ -</u>	 <u>\$ 359,032</u>	 <u>15,507,013</u>	 <u>\$ 390,000</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, 2014.

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**2) DETAILED NOTES ON ALL FUNDS - Continued**

**G) Fund Balances**

The details of the fund balances as of June 30, 2014 are presented below:

	General Fund	Streets And Roads Fund	Challenger Dr. Ext. Fund	New Police Building Fund	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepays	\$ 93,980	\$ -	\$ -	\$ -	\$ -	\$ 93,980
Advances to Other Funds	5,217,976	-	-	-	-	5,217,976
<b>Restricted for:</b>						
Lighting District	-	-	-	-	77,012	77,012
Transportation	-	-	-	-	1,257,058	1,257,058
Development	-	-	-	-	51,522	51,522
Parks and Recreation	-	-	-	-	125,982	125,982
<b>Committed to:</b>						
Emergency Contingency	887,757	-	-	-	-	887,757
<b>Assigned to:</b>						
Capital Projects	-	-	-	-	189	189
Tract 6216 Settlement	-	-	-	-	100,670	100,670
<b>Unassigned:</b>	<u>1,438,840</u>	<u>(228,838)</u>	<u>(324,907)</u>	<u>(3,523,515)</u>	<u>(388,985)</u>	<u>(3,027,405)</u>
<b>Total Fund Balance</b>	<u>\$7,638,553</u>	<u>\$ (228,838)</u>	<u>\$(324,907)</u>	<u>\$(3,523,515)</u>	<u>\$ 1,223,448</u>	<u>\$ 4,784,741</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, 2014 and 2013 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, 2014

**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 2013-2014 were 11.286% for the Miscellaneous Plan and 26.149% 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>
6/30/12	\$ 220,242	100%
6/30/13	\$ 248,312	100%
6/30/14	\$ 257,686	100%

**City of Tehachapi**  
**Notes to Financial Statements**  
Year Ended June 30, 2014

**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>
6/30/12	\$ 205,618	100%
6/30/13	\$ 226,953	100%
6/30/14	\$ 258,067	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 pool's gain and losses. Currently no additional contribution is required.

**C) Commitments and Contingencies**

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) Restatement of Net Position**

The prior period adjustment to reduce net position in the Statement of Activities by \$1,446,510 is a result of expensing certain capital assets which were previously capitalized. See Note 2 C for more information.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Tehachapi**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 5,181,545	\$ 5,353,488	\$ 5,745,248	\$ 391,760
Licenses, Permits, and Fines	52,000	65,162	71,965	6,803
Intergovernmental	26,000	332,643	363,428	30,785
Charges for Services	520,000	460,000	540,430	80,430
Investment Earnings	36,000	25,000	28,075	3,075
Miscellaneous Revenues	179,465	196,488	300,164	103,676
	<u>5,995,010</u>	<u>6,432,781</u>	<u>7,049,310</u>	<u>616,529</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,437,666	1,366,883	1,429,523	(62,640)
Public Works	640,286	651,277	634,742	16,535
Public Safety	2,873,198	2,993,219	3,181,899	(188,680)
Community Development	1,039,901	1,094,965	1,112,422	(17,457)
Capital Outlay:				
General Government	-	-	-	-
	<u>5,991,051</u>	<u>6,106,344</u>	<u>6,358,586</u>	<u>(252,242)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,959</u>	<u>326,437</u>	<u>690,724</u>	<u>364,287</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	-	-	20,068	20,068
Transfers Out	-	(153,143)	(153,143)	-
Transfer to Fiduciary Funds	-	(1,083,912)	(1,083,912)	-
	<u>-</u>	<u>(1,237,055)</u>	<u>(1,216,987)</u>	<u>20,068</u>
Net Change in Fund Balances	3,959	(910,618)	(526,263)	384,355
Fund Balance, Beginning of Year	<u>8,164,816</u>	<u>8,164,816</u>	<u>8,164,816</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,168,775</u>	<u>\$ 7,254,198</u>	<u>\$ 7,638,553</u>	<u>\$ 384,355</u>

**City of Tehachapi**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Streets and Roads**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 338,425	\$ 338,425	\$ 580,054	\$ 241,629
Investment Earnings	-	167	269	102
Total Revenues	<u>338,425</u>	<u>338,592</u>	<u>580,323</u>	<u>241,731</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	2,070	2,070	-
Capital Outlay		28,731	28,731	-
Debt Service				
Interest Expense	21,721	21,721	21,721	-
Principal	26,928	26,928	26,928	-
Total Expenditures	<u>48,649</u>	<u>79,450</u>	<u>79,450</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>289,776</u>	<u>259,142</u>	<u>500,873</u>	<u>241,731</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(407,098)	(407,098)	(407,098)	-
Transfer to Successor Agency	-	(284,060)	(322,613)	(38,553)
Total Other Financing Sources (Uses)	<u>(407,098)</u>	<u>(691,158)</u>	<u>(729,711)</u>	<u>(38,553)</u>
Net Change in Fund Balance	(117,322)	(432,016)	(228,838)	203,178
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ (117,322)</u>	<u>\$ (432,016)</u>	<u>\$ (228,838)</u>	<u>\$ 203,178</u>

**City of Tehachapi**  
**Notes to Required Supplementary Information**  
Year Ended June 30, 2014

**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.

Total expenditures in the General Fund exceeded appropriations by \$252,242.

## **SUPPLEMENTARY INFORMATION**

**City of Tehachapi**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
June 30, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 1,637,258	\$ 260,349	\$ 1,897,607
Receivables	<u>592,397</u>	<u>56,178</u>	<u>648,575</u>
Total Assets	<u>\$ 2,229,655</u>	<u>\$ 316,527</u>	<u>\$ 2,546,182</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 386,660	\$ 29,988	\$ 416,648
Due to Other Funds	<u>285,991</u>	<u>207,015</u>	<u>493,006</u>
Total Liabilities	<u>672,651</u>	<u>237,003</u>	<u>909,654</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues - Grants	<u>362,666</u>	<u>50,414</u>	<u>413,080</u>
Total Deferred Inflows of Resources	<u>362,666</u>	<u>50,414</u>	<u>413,080</u>
<b>FUND BALANCES</b>			
Restricted	1,377,887	133,687	1,511,574
Assigned	189	100,670	100,859
Unassigned	<u>(183,738)</u>	<u>(205,247)</u>	<u>(388,985)</u>
Total Fund Balances	<u>1,194,338</u>	<u>29,110</u>	<u>1,223,448</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,229,655</u>	<u>\$ 316,527</u>	<u>\$ 2,546,182</u>

**City of Tehachapi**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
Year Ended June 30, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 720,084	\$ -	\$ 720,084
Intergovernmental	341,429	5,764	347,193
Charges for Services	75,207	-	75,207
Investment Earnings	7,027	1,634	8,661
Miscellaneous Revenue	-	20,000	20,000
	<u>1,143,747</u>	<u>27,398</u>	<u>1,171,145</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
General Government	73,854	-	73,854
Public Works	934,148	25,482	959,630
Community Development	25,269	383,574	408,843
Capital Outlay	<u>797,809</u>	<u>172,389</u>	<u>970,198</u>
	<u>1,831,080</u>	<u>581,445</u>	<u>2,412,525</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>(687,333)</u>	<u>(554,047)</u>	<u>(1,241,380)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	557,098	-	557,098
Transfers Out	<u>(131,112)</u>	<u>(20,068)</u>	<u>(151,180)</u>
	<u>425,986</u>	<u>(20,068)</u>	<u>405,918</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(261,347)	(574,115)	(835,462)
Fund Balances, Beginning of Year	<u>1,455,685</u>	<u>603,225</u>	<u>2,058,910</u>
Fund Balances, End of Year	<u>\$ 1,194,338</u>	<u>\$ 29,110</u>	<u>\$ 1,223,448</u>

**City of Tehachapi**  
**Combining Balance Sheet**  
**Non-major Special Revenue Funds**  
June 30, 2014

	Traffic Signals	TDA 3 Bike Safety	Oil Recycling Grant Fund	Beverage Container Recycling
<b>ASSETS</b>				
Cash and Investments	\$ 1,232,558	\$ -	\$ 266	\$ 11,529
Receivables	-	-	-	5,000
<b>Total Assets</b>	<b>\$ 1,232,558</b>	<b>\$ -</b>	<b>\$ 266</b>	<b>\$ 16,529</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	6,577	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>6,577</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Grants	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	1,232,558	-	266	16,529
Assigned	-	-	-	-
Unassigned	-	(6,577)	-	-
<b>Total Fund Balances</b>	<b>1,232,558</b>	<b>(6,577)</b>	<b>266</b>	<b>16,529</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,232,558</b>	<b>\$ -</b>	<b>\$ 266</b>	<b>\$ 16,529</b>

<u>Lighting District</u>	<u>Event Center &amp; 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>
\$ 292,486	\$ 9,940	\$ 38,957	\$ 51,522	\$ -	\$ 1,637,258
487	-	509,443	-	77,467	592,397
<u>\$ 292,973</u>	<u>\$ 9,940</u>	<u>\$ 548,400</u>	<u>\$ 51,522</u>	<u>\$ 77,467</u>	<u>\$ 2,229,655</u>
\$ 34,833	\$ 9,751	\$ 341,014	\$ -	\$ 1,062	\$ 386,660
181,128	-	-	-	98,286	285,991
<u>215,961</u>	<u>9,751</u>	<u>341,014</u>	<u>-</u>	<u>99,348</u>	<u>672,651</u>
-	-	285,199	-	77,467	362,666
-	-	285,199	-	77,467	362,666
77,012	-	-	51,522	-	1,377,887
-	189	-	-	-	189
-	-	(77,813)	-	(99,348)	(183,738)
<u>77,012</u>	<u>189</u>	<u>(77,813)</u>	<u>51,522</u>	<u>(99,348)</u>	<u>1,194,338</u>
<u>\$ 292,973</u>	<u>\$ 9,940</u>	<u>\$ 548,400</u>	<u>\$ 51,522</u>	<u>\$ 77,467</u>	<u>\$ 2,229,655</u>

**City of Tehachapi**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
Year Ended June 30, 2014

	<u>Traffic Signals</u>	<u>TDA 3 Bike Safety</u>	<u>Oil Recycling Grant Fund</u>	<u>Beverage Container Recycling</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	99,673	11,352	-	5,000
Charges for Services	-	-	-	-
Investment Earnings	5,059	-	1	49
Miscellaneous Revenues	-	-	-	-
	<u>104,732</u>	<u>11,352</u>	<u>1</u>	<u>5,049</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Works	-	3,576	-	-
Community Development	-	-	-	-
Capital Outlay	-	6,392	-	-
	<u>-</u>	<u>9,968</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>9,968</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>104,732</u>	<u>1,384</u>	<u>1</u>	<u>5,049</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	104,732	1,384	1	5,049
Fund Balances, Beginning of Year	<u>1,127,826</u>	<u>(7,961)</u>	<u>265</u>	<u>11,480</u>
Fund Balances, End of Year	<u>\$ 1,232,558</u>	<u>\$ (6,577)</u>	<u>\$ 266</u>	<u>\$ 16,529</u>

<u>Lighting District</u>	<u>Event Center &amp; 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>
\$ 284,711	\$ -	\$ 435,373	\$ -	\$ -	\$ 720,084
-	-	196,632	-	28,772	341,429
-	-	-	75,207	-	75,207
1,187	-	68	663	-	7,027
-	-	-	-	-	-
<u>285,898</u>	<u>-</u>	<u>632,073</u>	<u>75,870</u>	<u>28,772</u>	<u>1,143,747</u>
73,854	-	-	-	-	73,854
260,875	-	669,697	-	-	934,148
25,269	-	-	-	-	25,269
-	106,251	577,681	-	107,485	797,809
<u>359,998</u>	<u>106,251</u>	<u>1,247,378</u>	<u>-</u>	<u>107,485</u>	<u>1,831,080</u>
<u>(74,100)</u>	<u>(106,251)</u>	<u>(615,305)</u>	<u>75,870</u>	<u>(78,713)</u>	<u>(687,333)</u>
-	150,000	407,098	-	-	557,098
-	-	-	(131,112)	-	(131,112)
-	150,000	407,098	(131,112)	-	425,986
(74,100)	43,749	(208,207)	(55,242)	(78,713)	(261,347)
151,112	(43,560)	130,394	106,764	(20,635)	1,455,685
<u>\$ 77,012</u>	<u>\$ 189</u>	<u>\$ (77,813)</u>	<u>\$ 51,522</u>	<u>\$ (99,348)</u>	<u>\$ 1,194,338</u>

**City of Tehachapi**  
**Combining Balance Sheet**  
**Non-major Capital Project Funds**  
June 30, 2014

	Tucker Road / Valley Blvd. Exchange	East Tehachapi Blvd Improvement Project	General Plan Update	Valley Shoulder Ext - HSIP
<b>ASSETS</b>				
Cash and Investments	\$ 7,705	\$ -	\$ -	\$ -
Receivables	-	-	-	56,178
<b>Total Assets</b>	<b>\$ 7,705</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,178</b>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	5,979	79,882	53,253
<b>Total Liabilities</b>	<b>-</b>	<b>5,979</b>	<b>79,882</b>	<b>53,253</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Grants	-	-	-	50,414
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,414</b>
<b>FUND BALANCES</b>				
Restricted	7,705	-	-	-
Assigned	-	-	-	-
Unassigned	-	(5,979)	(79,882)	(47,489)
<b>Total Fund Balances</b>	<b>7,705</b>	<b>(5,979)</b>	<b>(79,882)</b>	<b>(47,489)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,705</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,178</b>

<u>Parks &amp; Rec. Capital Project</u>	<u>Tract 6216 Settlement Fund</u>	<u>Green Street Lighting Capital Projects Fund</u>	<u>Tehachapi Blvd Imprv - Phase IV</u>	<u>Freedom Plaza</u>	<u>Total Non-Major Funds</u>
\$ 125,982	\$ 126,266	\$ -	\$ -	\$ 396	\$ 260,349
-	-	-	-	-	56,178
<u>\$ 125,982</u>	<u>\$ 126,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396</u>	<u>\$ 316,527</u>
\$ -	\$ 7,253	\$ -	\$ -	\$ 22,735	\$ 29,988
-	18,343	-	49,558	-	207,015
-	25,596	-	49,558	22,735	237,003
-	-	-	-	-	50,414
-	-	-	-	-	50,414
125,982	-	-	-	-	133,687
-	100,670	-	-	-	100,670
-	-	-	(49,558)	(22,339)	(205,247)
125,982	100,670	-	(49,558)	(22,339)	29,110
<u>\$ 125,982</u>	<u>\$ 126,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396</u>	<u>\$ 316,527</u>

**City of Tehachapi**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Capital Project Funds**  
Year Ended June 30, 2014

	Tucker Road / Valley Blvd. Exchange	East Tehachapi Blvd Improvement Project	General Plan Update	Valley Shoulder Ext - HSIP
<b>REVENUES</b>				
Licenses, Permits, and Fines	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	5,764
Miscellaneous Revenue	-	-	-	-
Investment Earnings	96	-	-	-
<b>Total Revenues</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>5,764</b>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	4,772	-	-
Community Development	-	-	5,843	-
Capital Outlay	39,800	1,207	-	71,239
<b>Total Expenditures</b>	<b>39,800</b>	<b>5,979</b>	<b>5,843</b>	<b>71,239</b>
Excess (Deficiency) of Revenues Over Expenditures	(39,704)	(5,979)	(5,843)	(65,475)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(39,704)</b>	<b>(5,979)</b>	<b>(5,843)</b>	<b>(65,475)</b>
Fund Balances, Beginning of Year	47,409	-	(74,039)	17,986
<b>Fund Balances, End of Year</b>	<b>\$ 7,705</b>	<b>\$ (5,979)</b>	<b>\$ (79,882)</b>	<b>\$ (47,489)</b>

<u>Parks &amp; Rec. Capital Project</u>	<u>Tract 6216 Settlement Fund</u>	<u>Green Street Lighting Capital Projects Fund</u>	<u>Tehachapi Blvd Imprv - Phase IV</u>	<u>Freedom Plaza</u>	<u>Total Non-Major Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	5,764
-	-	-	-	20,000	20,000
<u>527</u>	<u>1,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,634</u>
<u>527</u>	<u>1,011</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>27,398</u>
128	18,730	-	-	1,852	25,482
-	377,731	-	-	-	383,574
-	-	-	-	60,143	172,389
<u>128</u>	<u>396,461</u>	<u>-</u>	<u>-</u>	<u>61,995</u>	<u>581,445</u>
<u>399</u>	<u>(395,450)</u>	<u>-</u>	<u>-</u>	<u>(41,995)</u>	<u>(554,047)</u>
-	-	-	-	-	-
-	-	(20,068)	-	-	(20,068)
-	-	(20,068)	-	-	(20,068)
<u>399</u>	<u>(395,450)</u>	<u>(20,068)</u>	<u>-</u>	<u>(41,995)</u>	<u>(574,115)</u>
<u>125,583</u>	<u>496,120</u>	<u>20,068</u>	<u>(49,558)</u>	<u>19,656</u>	<u>603,225</u>
<u>\$ 125,982</u>	<u>\$ 100,670</u>	<u>\$ -</u>	<u>\$ (49,558)</u>	<u>\$ (22,339)</u>	<u>\$ 29,110</u>

**City of Tehachapi**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
June 30, 2014

	<u>Capital Hills 89-1</u>	<u>Tucker Road 87-1</u>	<u>East Tehachapi Blvd. Project 89-3</u>	<u>Summit 89-2</u>
<b>ASSETS</b>				
Cash and Investments	\$ 767,213	\$ 67,076	\$ 829	\$ -
Receivables	-	-	6,499	-
Advances to Other Funds	-	-	-	-
Other Assets	-	-	26,077	329,480
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 767,213</u>	<u>\$ 67,076</u>	<u>\$ 33,405</u>	<u>\$ 329,480</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 530	\$ 748	\$ 271	\$ 5,018
Advances From Other Funds	-	-	33,134	268,867
Due to Bond Holders	766,683	66,328	-	55,595
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>\$ 767,213</u>	<u>\$ 67,076</u>	<u>\$ 33,405</u>	<u>\$ 329,480</u>

<u>Tehachapi Meadows 90-1</u>	<u>Special Districts Revolving Fund</u>	<u>Total Agency Funds</u>
\$ 38,124	\$ -	\$ 873,242
-	-	6,499
-	302,001	302,001
-	-	355,557
<u>\$ 38,124</u>	<u>\$ 302,001</u>	<u>\$ 1,537,299</u>
\$ -	\$ -	\$ 6,567
-	302,001	604,002
<u>38,124</u>	<u>-</u>	<u>926,730</u>
<u>\$ 38,124</u>	<u>\$ 302,001</u>	<u>\$ 1,537,299</u>

December 22, 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, 2014. 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 June 6, 2014. 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. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2014. 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 December 22, 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*



# City of Tehachapi

## Single Audit Report on Federal Award Programs

Year Ended June 30, 2014

**CITY OF TEHACHAPI**

**Single Audit Report on  
Federal Award Programs  
June 30, 2014**

**CITY OF TEHACHAPI**  
**SINGLE AUDIT REPORT ON FEDERAL AWARD PROGRAMS**  
Year Ended June 30, 2014

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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, 2014, 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 December 22, 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 2014-1 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.

*Van Lant & Fankhaed, LLP*

December 22, 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, 2014. 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 programs.

### **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, 2014.

## **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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 22, 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 + Fankhaed, LLP*

December 22, 2014

**CITY OF TEHACHAPI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(SUPPLEMENTARY INFORMATION)**  
Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/Program Title	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures
<b><u>U.S. Department of Transportation</u></b>			
<i>Direct Assistance:</i>			
Airport Improvement Program	20.106	3-06-0253-013-2014	\$ 219,616
<i>Passed through the California Department of Transportation:</i>			
Highway Planning and Construction	20.205	HSIPL-5184(015)	56,178
Highway Planning and Construction	20.205	STPL-5184(017)	184,285
Highway Planning and Construction	20.205	RPSTPL-5184(018)	499,885
Highway Planning and Construction	20.205	STPL-5184(020)	272,488
Highway Planning and Construction	20.205	CML-5184(021)	52,390
Subtotal			<u>1,065,226*</u>
Total Federal Financial Assistance			<u>\$ 1,284,842</u>

\*Major Program

**CITY OF TEHACHAPI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2014

**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 modified accrual basis of accounting. Under the modified 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, 2014, consisting of the Highway Planning and Construction grant which had total disbursements of \$1,065,226. This amount calculates to 82.9% of the total disbursements from federal awards.

**CITY OF TEHACHAPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2014

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditors' Report Issued:	Unmodified
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 Auditor's Report Issued on Compliance for Major Programs:	Unmodified
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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
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>
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Auditee Qualified as Low-Risk Auditee?	Yes
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**CITY OF TEHACHAPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2014

**SECTION II – FINANCIAL STATEMENT FINDINGS**

*2014-1 Purchasing Policy*

Finding:

The following is a continuation from prior years:

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, 2014

**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, 2014

**SECTION II – FINANCIAL STATEMENT FINDINGS**

2013-1 *Formal Policies and Procedures*

Current Status: This finding has not been resolved: See finding 2014-1.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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



# COUNCIL REPORTS

APPROVED
DEPARTMENT HEAD: _____
CITY MANAGER: _____

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: FINANCE DIRECTOR

---

**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                HANNAH CHUNG, FINANCE DIRECTOR

**DATE:**                JANUARY 12, 2015

**SUBJECT:**            INVESTMENT POLICY

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## BACKGROUND

California Government Code Section 53646(a) requires council members to review and approve the Investment Policy each year. Staff has reviewed the current policy and felt that no change is necessary.

## OPTIONS

1. Approve the existing investment policy without any changes.
2. Make other change(s) to the existing investment policy.

## RECOMMENDATION

Approve the existing investment policy without any changes and adopt the resolution.

**RESOLUTION NO. xx-15**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF TEHACHAPI ADOPTING AN  
INVESTMENT POLICY AND REPEALING  
RESOLUTION NO. 05-14**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Sections 53600.6 and 53630.1; and

WHEREAS, the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5921, 16249.1 and 53600 et seq.; and

WHEREAS, the Finance Director of the City of Tehachapi shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the City Council at a public meeting in accordance with the provisions of California Government Code Section 53646(a).

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

1. That the Investment Policy, as contained in Exhibit "A" attached hereto and made a part hereof, is adopted.
2. That Resolution No. 05-14 is hereby repealed.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi this 20th day of January, 2015 by the following vote:

AYES: COUNCIL MEMBERS: \_\_\_\_\_

NOES: COUNCIL MEMBERS: \_\_\_\_\_

ABSENT: COUNCIL MEMBERS: \_\_\_\_\_

ABSTAIN: COUNCIL MEMBERS: \_\_\_\_\_

\_\_\_\_\_  
SUSAN WIGGINS, Mayor  
of the City of Tehachapi, California

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC  
City Clerk of the City of Tehachapi, California

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on January 20, 2015.

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

## EXHIBIT A

### CITY OF TEHACHAPI INVESTMENT POLICY

#### 1. **POLICY:**

It shall be the policy of the City of Tehachapi to invest funds in the manner which will:

- (a) Provide the maximum security while meeting the daily cash flow demands of the City and achieve a return on investment; and
- (b) Conform to all statutes governing the investment of City of Tehachapi funds.

#### 2. **SCOPE:**

This investment policy applies to all financial assets of the City of Tehachapi as identified in the City's audited Annual Financial Report, with the exception of those financial assets governed by bond indentures or bond resolutions. The following is a list of funds included:

- (a) General Fund
- (b) Special Revenue Funds
- (c) Capital Projects Funds
- (d) Enterprise Funds
- (e) Successor Agency to the Tehachapi Redevelopment Agency Fund
- (f) Successor Agency to the Tehachapi RDS Low and Moderate Income Housing Fund
- (g) Special District Funds

#### 3. **PRUDENCE:**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (CGC S53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a

timely fashion and appropriate action is taken to control adverse developments.

4. **OBJECTIVES:**

As specified in CGC S53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities will be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Tehachapi shall be undertaken in a manner that seeks to ensure the preservation of principal.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to enable the City of Tehachapi to meet all operating requirements which might be reasonably anticipated.
3. **Return on Investments:** The investment portfolio shall be designed to attain a return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5. **DELEGATION OF AUTHORITY:**

Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the Finance Director (CGC S53607), who shall establish procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of the California Government Code Section 53600.3, the persons authorized to make investment decisions on behalf of the City of Tehachapi are trustees and fiduciaries subject to the prudent investor standard.

6. **ETHICS AND CONFLICTS OF INTEREST:**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment policy, or which could impair their ability to make impartial investment decisions.

7. **AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS:**

The Finance Director will maintain a list of financial institutions, selected

on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Finance Director shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commissions, the National Association of Securities Dealers or other applicable self-regulatory organizations. Before engaging in investment transaction with a broker/dealer, the Finance Director shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the City of Tehachapi's account with that firm has reviewed the City of Tehachapi's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the City of Tehachapi that are appropriate under the terms and conditions of the Investment Policy.

**8. AUTHORIZED AND SUITABLE INVESTMENTS:**

The City of Tehachapi having money in a sinking fund or surplus money in its treasury not required for the immediate necessities of the City may invest any portion of the money that it deems wise or expedient in those investments set forth below as empowered by California Government Code Sections 16249.1, 53601 and 53635 (as further restricted by the City of Tehachapi):

- A. United States Treasury Bills, Notes and Bonds.
- B. Local Agency Investment Fund administered by the California State Treasurer (LAIF).
- C. Obligations issued by Agencies or Instrumentality of the US Government.
- D. Negotiable Certificates of Deposit issued by federally or state chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.
- E. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by CGC S53601 et seq. Such Funds must carry the highest rating of at least two of the three largest national rating agencies. Not more than 15% of surplus funds can be invested in Money Market Mutual Funds.
- F. Funds held under the terms of a Trust Indenture, or other

contract, or agreement may be invested according to the provisions of those indentures or agreements.

Also, see CGC S53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC S53601 is included by reference in this investment policy except as further restricted by the City of Tehachapi.

**Prohibited Investments:** Under the provisions of CGC S53601.6 and S53631.5, the City of Tehachapi shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips that are derived from a pool mortgages or any security that could result in zero interest accrual if held to maturity.

**9. MAXIMUM TERM TO MATURITY:**

No investment shall be made which, at the time of the investment, has a term remaining to maturity in excess of five years. The City Council may grant express authority to make an investment either specifically or as a part of an investment program that exceeds the five-year maximum, as long as that authority is granted no less than three months prior to the investment.

**10. COLLATERALIZATION:**

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis.

**11. SAFEKEEPING AND CUSTODY:**

All security transactions entered into by the City of Tehachapi shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the City of Tehachapi by book entry, physical delivery, or by third party custodial agreement as required by CGC S53601.

**12. DIVERSIFICATION:**

The City of Tehachapi will diversify its investments by security type and institution. Investments shall be diversified to eliminate the risk of loss resulting from over concentration of investments in a specific maturity, a specific issuer (except the U.S. Treasury) or a specific class of securities.

Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

(a) Investment maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.

(b) Maturities selected shall provide for stability of

income and liquidity.

- (c) Disbursement and payroll dates shall be covered through investment maturities, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

Note: Investments in LAIF shall be deemed as meeting the diversification requirement.

**13. REPORTING:**

In accordance with CGC S53646(b)(1), the Finance Director shall submit to each member of the City Council and the City Manager a quarterly investment report. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the City of Tehachapi by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC S53646(e), if all funds are placed in LAIF, FDIC-insured accounts, in a county investment pool or any combination of these, the foregoing report elements may be replaced by copies of the most recent statements from such institutions. The report must also include a statement that (1) all investments are in full compliance with the Investment Policy, with any exception disclosed and, (2) the City of Tehachapi will meet its expenditure obligations for the next six months, as required by CGC S53646 (b)(2) and (3) respectively. The Finance Director shall assure that a complete and timely record of all investment transactions is maintained.

**14. INVESTMENT POLICY ADOPTION:**

The Investment Policy shall be adopted by resolution of the City of Tehachapi. Moreover, the Policy shall be reviewed at a public meeting on an annual basis, and all modifications must be approved by the City Council.



APPROVED

DEPARTMENT HEAD: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_

# COUNCIL REPORTS

**MEETING DATE:** January 20<sup>th</sup>, 2014    **AGENDA SECTION:** AIRPORT MANAGER

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**TO:** HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:** TOM GLASGOW, AIRPORT MANAGER

**DATE:** JANUARY 12<sup>th</sup>, 2015

**SUBJECT:** NON-COMMERCIAL HANGAR RENTAL AGREEMENT – HANGAR 49W

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## **BACKGROUND**

The City of Tehachapi currently owns Hangar 49W located on the western side of the airport. Airport staff has been approached by Adaptive Aerospace Corporation to rent the hangar. The rental agreement would be a standard month to month noncommercial hangar rental agreement.

## **FISCAL IMPACT**

Rental Payment:

\$380.00/month

\$4,560.00/year

## **RECOMMENDATION**

Approve the Noncommercial Hangar Rental Agreement between the City of Tehachapi and Adaptive Aerospace Corporation for Hangar 49W.

**NONCOMMERCIAL HANGAR RENTAL AGREEMENT  
(Tehachapi Airport Hangar 49W)**

**THIS AGREEMENT**, hereinafter referred to as this "Agreement", is made and entered into on **January 20<sup>th</sup>, 2015**, by and between the CITY OF TEHACHAPI, hereinafter referred to as "Landlord", and **Adaptive Aerospace Corporation**, hereinafter referred to as "Tenant".

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **PREMISES:**

Landlord does hereby demise and lease to Tenant, and Tenant hereby hires from Landlord, those certain premises situated in the City of Tehachapi, County of Kern, State of California, hereinafter referred to as the "premises" or "demised premises", and more particularly, Hangar #49W.

2. **TERM:**

The term of this Agreement shall be from month to month, commencing on **January 20<sup>th</sup>, 2015**. Either party may terminate this Agreement at any time by giving thirty (30) days prior written notice to the other.

3. **RENTAL CONSIDERATION:**

As and for rental, Tenant shall pay to Landlord, the sum of **\$380.00** per month payable in advance on the first day of each month commencing **January 20<sup>th</sup>, 2015**. Landlord may increase the rental at any time upon thirty (30) days prior written notice to the Tenant.

4. **INTEREST:**

If the payments required herein are not paid within five (5) days after they become due, then, in addition to such sums as are then due, Tenant shall also pay interest at the rate of ten percent (10%) per month on the unpaid balance or portion thereof, until paid in full.

5. **PURPOSE; NUISANCE:**

(a) The demised premises shall be used by the Tenant for one or more of the following purposes: aircraft storage, maintenance, repair, restoration, and for the construction of aircraft to be certified in the experimental category; provided that such aircraft are owned or leased by Tenant or a partnership or other business association approved by the City Manager or his designated representative in which Tenant is a member, except for such aircraft permitted on the premises pursuant to an assignment or sublease approved by Landlord pursuant to Paragraph 23; and provided further, that Tenant shall conduct no activity for profit or commercial purpose under this lease.

(b) Tenant shall not do or permit any act or thing to be done upon the premises which constitutes a nuisance or which may disturb the quiet enjoyment of Landlord or any tenant of Landlord on adjacent or neighboring property. Tenant shall abate or cure any nuisance on the demised premises or for which Tenant is responsible within ten (10) days after written notice thereof from Landlord. In the event Tenant has not taken corrective action within ten (10) days, Landlord may take any action necessary to abate or cure such condition at Tenant's sole cost and expense, without further written notice and Landlord shall have no liability to Tenant therefor nor for any damages to the premises or to the hangar or to property therein or thereon. Notwithstanding the foregoing, if any such nuisance creates, in Landlord's reasonable determination, a condition immediately hazardous to health or safety, Landlord may immediately, without written notice to Tenant, enter the premises to abate or cure the condition at Tenant's sole cost and expense and Landlord shall have no liability to Tenant therefor nor for any damage

to the premises or to the hangar or to property therein or thereon. Tenant shall reimburse Landlord in full within thirty (30) days of the date of an invoice from Landlord to Tenant for the cost of same and any delinquency in the payment thereof shall accrue interest at the rate of ten percent (10%) per annum.

(c) The use of combustible chemicals or cleaning solvents, stripping or painting, or welding or repair to any aircraft on the demised premises are allowed only to the extent permitted under all applicable federal, state and local regulation governing the use of hazardous materials and equipment, and only in a manner consistent with such regulation.

**6. CONDITION OF PREMISES:**

Tenant has inspected the demised premises and knows the extent and condition thereto and accepts same in its present condition, AS IS, subject to and including all defects, latent and/or patent.

**7. SAFETY:**

Any area that is within the control of the Tenant at the airport shall be kept clear of accumulation of oil, grease, fuel, trash and debris which are potential fire, environmental, or safety hazards, and Tenant shall comply with all local, state and federal laws, statutes, rules and regulations with regard thereto.

**8. ALTERATIONS:**

Tenant shall not construct any improvements or make any alterations of any kind (whether permanent or otherwise) on the demised premises without the written consent of the City Manager or designated representative first being obtained.

**9. SIGNS:**

Tenant shall not construct or place or permit to be constructed or placed, signs, awnings, marquees, or other structures projecting from the exterior of the premises without Landlord's prior written consent thereof. Tenant further agrees to remove signs, displays, advertisements, or decorations it has placed or permitted to be placed on the premises, which, in Landlord's opinion are offensive or otherwise objectionable. If Tenant fails to remove such signs, displays, advertisements or decorations within ten (10) days after having received written notice to remove same from Landlord, Landlord reserves the right to re-enter the premises and remove them at Tenant's expense.

**10. UTILITY EXTENSION OR MODIFICATION:**

Tenant shall pay any and all expenses that may be incurred in obtaining the extension of public utility services to the demised premises from existing facilities or any modification of same.

**11. UTILITIES:**

Tenant agrees to pay during the term of this Agreement all utilities used by Tenant. The term "utilities" as used herein shall include, but is not limited to, gas, electricity, sewer, water, telephone, and trash and refuse disposal service.

**12. MAINTENANCE:**

Tenant agrees to provide maintenance, repair, and upkeep on any structures situated on the demised premises and any grounds around the structures in a good, clean, sanitary and safe condition.

**13. FAILURE TO REPAIR:**

In the event Tenant shall fail, neglect, or refuse to commence the repair or maintenance work required herein within ten (10) days of a written notice from Landlord, or in the event that Tenant fails, neglects or refuses to pursue said repair or maintenance work with reasonable diligence to completion, Landlord may perform or cause to be performed such repair or maintenance work and add the cost thereof to the installments of rent due for this Agreement as a charge to Tenant.

**14. COMPLIANCE WITH LAW:**

Tenant shall, at its expense, promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatsoever, present or future, of the national, state, county, or city governments which may in any way apply to the use, maintenance, or occupation of, or operations on the demised property.

**15. RIGHT OF INSPECTION:**

Landlord shall have the right to enter upon the demised premises at all reasonable times to inspect the premises and Tenant's operations thereon. Landlord reserves all rights in and with respect to the premises, not inconsistent with Tenant's use of the premises as in the Agreement provided, including (without limiting the generality of the foregoing) the right of Landlord to enter upon the premises for the purpose of installing, using, maintaining, renewing, and replacing such underground oil, gas, water, sewer, and other pipelines, and such underground or aboveground telephone, telegraph, and electric power conduits or lines as Landlord may deem desirable in connection with the development or use of the demised premises or any other property on the airport or in the neighborhood of the premises.

**16. INDEMNIFICATION:**

Tenant agrees to indemnify, defend, and save hold harmless Landlord, its Council members, officers, employees, and agents and each of them, from any and all liability thereunder.

**17. WORKERS COMPENSATION:**

Tenant agrees to observe and obey the Workers' Compensation Act of the State of California as from time to time amended, and will indemnify and save and hold harmless Landlord from any and all liability hereunder.

**18. TAXES AND ASSESSMENTS:**

Tenant agrees to pay all taxes and/or assessments levied by any governmental agency upon any interest acquired by Tenant under the terms of this Agreement. Providing further, that Tenant is aware that certain possessory interests may be created by entering into this Agreement and that Tenant will be subject to the payment of property taxes levied on such interest.

**19. LIABILITY INSURANCE:**

Tenant, in order to protect Landlord, its officers, Council members, employees, and agents against all claims and liability for death, injury, loss, and damage as a result of Tenant's use, occupancy and/or operation of the demised premises or in a connection therewith, shall secure and maintain in force during the entire term of this Agreement and covering all Tenant's operations and activities on the airport, a Comprehensive General Liability insurance policy in the amount of \$ 500,000 with a reliable insurance carrier approved by the City and authorized to do such public liability and property damage insurance business in the State of California. Said policies of insurance:

(a) shall expressly name Landlord, Council persons, agents, officers, and employees

as additional insured; and

(b) shall be primary insurance as regards any other valid and collectible insurance Landlord possesses, and any other insurance that Landlord may possess shall be considered excess insurance only; and

(c) shall contain a sever ability of Interest or cross liability clause, which is to say, such policy shall act as though a separate policy were written for each insured and additional named insured in the policy; and

(d) shall not be subject to cancellation and/or coverage reduction without thirty (30) day's prior written notice to Landlord.

Within ten (10) days from the date of the Agreement, Tenant shall file with the City Manager a duly certified Certificate of Insurance evidencing that the hereinabove mentioned public liability and property damage (and hangar-keeper liability, where applicable) provisions have been complied with, and setting forth that Landlord, its councilpersons, agents, officers, and employees are named as additional insured. In the event that Tenant shall fail to obtain or thereafter maintain such policies or to furnish evidence thereof to Landlord, Landlord may, in Landlord's sole discretion, (1) procure the same, pay the premium therefor, and collect same with the next payment of rental due from Tenant, or (2) terminate this Agreement pursuant to Paragraph 26 hereof.

**20. LEASE SUBORDINATE TO AGREEMENTS WITH UNITED STATES GOVERNMENT:**

This Agreement shall be subordinate to the provisions and requirements of any existing or future agreements between the Landlord and the United States relative to the development, operation or maintenance of the Airport.

**21. AERONAUTICAL RESTRICTIONS:**

(a) There is hereby reserved to Landlord for the use and benefit of the public a right of flight for the passage of aircraft in the air space above the surface of the demised premises. This public right of flight shall include the right to cause in said air space any noise inherent in the lawful operation of any aircraft used for navigation or flight through the said air space or landing at, taking off from, or operation on the Tehachapi Airport.

(b) Tenant shall not erect or permit the erection of any structure, building, or object of natural growth or other obstructions on the demised premises above the maximum elevation permitted by the Federal Aviation Administration. In the event the aforesaid covenant is breached, same shall be deemed a nuisance and a material breach of this Agreement and City shall have all rights described under Paragraph 6 (b) to abate the nuisance and City shall have all other rights and remedies available at law or in equity.

(c) Tenant shall not make use of the demised premises in any manner, which might interfere with lawful air navigation and communication, the landing or taking off of aircraft from Tehachapi Airport, or otherwise constitute an airport hazard. In the event the aforesaid covenant is breached, Landlord reserves the right to enter on the demised premises and cause the abatement of such interference at the expense of Tenant.

(d) Landlord reserves the right to further develop or improve the landing area at the Tehachapi Airport as it sees fit regardless of the desires or views of Tenant, and without interference or hindrance.

(e) Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area at the Tehachapi Airport and all publicly owned facilities at the airport, together with the right to direct and control all activities of the Tenant in this regard. Provided, however, that in the event of the taxiways or runways at the airport are determined to be unfit for aeronautical use by the Federal Aviation Administration or by Landlord or by the Aeronautical Division of the California Department of Transportation, or the airport ceases to be

operated as an airport, then this Agreement may be terminated by Tenant, at its option, by its giving of at least thirty (30) days written notice thereof Landlord.

(f) Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

## **22. SUBLETTING:**

(a) Tenant shall not assign this Agreement or sublet the premises, or any part thereof, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld but may be reasonably conditioned to include but not be limited to the following:

- (i) Any assignment or sublease shall be in writing and shall provide that the assignee or sublessee shall agree to and be bound by all of the terms and conditions of the Agreement;
- (ii) The assignee or sublessee shall secure and maintain in force during the entire term of such sublease or assignment a liability insurance policy or policies in conformity with the requirements of Paragraph 19, Liability Insurance, with respect to any aircraft hangared on the premises that are owned by sublessee or assignee or other third party; and
- (iii) Such rental adjustment as determined by Landlord in its sole discretion.

(b) In the event of an attempted assignment or subletting in violation of the foregoing provisions, then in addition to any and all other rights and remedies available to it, the Landlord may, at its option, by written notice to the Tenant, either (1) declare such sublease, assignment, transfer, mortgage, or other conveyance void, or (2) terminate this Agreement and all rights and interest of Tenant and all other persons hereunder pursuant to Paragraph 26. Any consent by the Landlord to any assignment or sublease, shall not be deemed or construed as a consent to any different or subsequent assignment or sublease. The remedies available herein are cumulative with all other remedies available under this Agreement or at law or in equity and the exercise of any remedy herein or under this Agreement or at law or in equity shall not prevent the exercise of any other remedy provided herein or in this Agreement or at law or in equity.

## **23. RIGHT OF INGRESS AND EGRESS:**

Tenant shall have the reasonable right-of-way over property owned and controlled by Landlord for ingress thereto and egress there from for pedestrian, vehicular, and air travel, together with the right to use in common with other Tenant's or licenses or Landlord the airplane landing field adjacent to the demised premises. None of these rights are exclusive but shall be exercised in common with and subject to possible similar rights of other users of the airport. All the forgoing is subject to such reasonable rules and regulations as the Landlord or its authorized agents may make from time to time. Such rules and regulations, however, shall be reasonable and shall not conflict in any way with similar rules and regulations adopted from time to time by the Federal Aviation Administration or its successor.

## **24. BANKRUPTCY:**

In the event that (a) Tenant shall file a voluntary petition in bankruptcy or shall be adjudged a bankrupt in any voluntary bankruptcy proceeding; (b) any voluntary or involuntary proceeding for the reorganization of Tenant shall be instituted by anyone other than Tenant under any of the provisions of the bankruptcy laws of the United States; or (c) a receiver or judicial trustee or custodian shall be appointed for Tenant, or any lien or any writ of attachment, garnishment, execution or distraint shall be levied upon any Tenant's rights or interest under this Agreement; or (d) there shall be any other assignment of any Tenant's rights or interests under this Agreement by operation of law, then in addition to any and all other rights and remedies available to it, Landlord may, at its option by written notice to Tenant, terminate this Agreement

and all rights and interest of Tenant and all other persons under this Agreement. The term "Tenant", as used in this paragraph, includes any individual, partnership, or corporation who is a Tenant hereunder, even though several individuals, partnership, or corporations are such, and includes each partner of any partnership, which is Tenant hereunder.

**25. WAIVER OF BREACH:**

The waiver by Landlord of any breach by Tenant of any provision contained herein shall not be deemed to be a continuing waiver of such provision, or a waiver of any other prior or subsequent breach thereof, or a waiver or any breach of any other provisions contained herein.

**26. BREACH:**

(a) In the event of a breach by Tenant of any term, condition, or agreement herein contained (except for the payment of rental or any other cash sums, in which event, Tenant shall have five (5) days to cure) Tenant shall have thirty (30) days to cure the breach after written notice has been given to Tenant by Landlord, provided however that if any such breach cannot be reasonably cured within thirty (30) days of such notice, then Tenant shall have commenced reasonable efforts to cure same within said period. In the event of Tenant's failure to cure or commence the cure of any such breach within thirty (30) days, or, in the case of the failure to pay rental or other compensation, within five (5) days, this Agreement and all privileges herein granted shall be terminated and be of no further force or effect, and Tenant shall immediately surrender to Landlord possession of the premises, and Lessor shall have all other remedies available at law and in equity under this Agreement. Notwithstanding the foregoing, in the event Tenant allows a nuisance to exist on the premises as described in Paragraph 5 of this Agreement, Tenant shall abate the nuisance as required therein and nothing herein shall be deemed to waive or modify the requirements and remedies described in Paragraph 5. Providing further, that in the event Tenant breaches this Agreement and abandons the property before the end of the term, if Tenant's right to possession is terminated by Landlord because of breach of this Agreement, Landlord shall have the right to recover damages from Tenant as provided in the State of California Civil Code Section 1951.2.

(b) In the event of a breach by Landlord of any term, condition, or agreement herein contained, that deprives Tenant in any manner, in whole or part, of its quiet enjoyment of the demised premises or its right to utilize them fully as described in Paragraph 5 hereof, or of its rights of ingress and egress described in Paragraph 23 hereof, Tenant shall not be obligated to Landlord for any rental payments otherwise due and payable for the period of such breach.

**27. NEGATION OF PARTNERSHIP:**

Landlord shall not become or be deemed a partner or joint venture with Tenant or in any other relationship with Tenant other than that of landlord and tenant by reason of the provisions of this Agreement nor shall Tenant for any purpose be considered an agent, officer, or employee of Landlord.

**28. SURRENDER OF PREMISES:**

On the last day of the term, or extension thereof, or sooner termination of this Agreement, Tenant shall peaceably and quietly leave, surrender and yield up to the Landlord the demised premises in as good condition and repair as at the commencement of Tenant's occupancy, reasonable wear and tear thereof excepted.

**29. ENTIRE AGREEMENT:**

This Agreement contains all agreements of the parties with respect to the subject matter described herein. No prior agreements or understandings whether oral or in writing pertaining to any such matter shall be effective or of any force or effect.

**30. VENUE AND GOVERNING LAW:**

This agreement is made, entered into and is to be performed in Kern County, California. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**31. COVENANTS AND CONDITIONS:**

Each provision of this Agreement performable by Tenant shall be deemed both a covenant and a condition.

**32. TIME OF THE ESSENCE:**

Time is hereby expressly declared to be the essence of this Agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

**33. SEVERABILITY:**

If any provision of this Agreement is determined by a Court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall in no way be affected thereby and same shall remain in full force and effect.

**34. AUTHORIZED AGENT OF Landlord:**

The City Manager of the City of Tehachapi is the duly authorized agent of Landlord for purposes of this Agreement, and as to any obligations assumed herein by Tenant, they shall be performed to the satisfaction of the City Manager.

**35. NOTICES:**

All notices required or permitted under this Agreement or at law shall be deemed to be given when personally served on the party to be noticed or when deposited in the United States mail, Registered or Certified, postage prepaid and addressed as follows:

TO Landlord:      City Manager  
                         City of Tehachapi  
                         115 South Robinson Street  
                         Tehachapi, CA 93561

TO Tenant:        **Adaptive Aerospace Corporation**  
                         **Bill McCune, CEO**  
                         **20304 W Valley Blvd., Suite H**  
                         **Tehachapi, CA 93561**  
                         **661-822-2850**  
                         [bmccune@adaptaero.com](mailto:bmccune@adaptaero.com)

Any party may change its or their address by providing notice of same in the manner herein prescribed.

**36. BINDING:**

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

**37. CAPTIONS:**

The captions appearing in this Agreement are for convenience only, are not part of this Agreement and shall not be considered in interpreting this Agreement.

**38. AMENDMENTS:**

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

**39. ATTORNEY'S FEES:**

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

**40. RECORDATION:**

Tenant acknowledges its understanding that the law of the State of California authorizes Landlord to record this Agreement or a memorandum of same. In that regard, Tenant agrees to execute a memorandum of this Agreement for the purposes of recordation in such reasonable form and content as may be proposed by Lessor.

**41. COUNTERPARTS:**

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

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

Landlord:

CITY OF TEHACHAPI

By: \_\_\_\_\_  
Mayor of the City of  
Tehachapi, California

Tenant:

By: \_\_\_\_\_  
Adaptive Aerospace Corporation  
Bill McCune, CEO

EXHIBIT - A

HANGAR 49W  
38'X40'  
1,520 sq.ft.



N Gurry St

N Green St

Commercial Way

Tour Guide

1992

© 2015 Google

Imagery Date: 5/24/2013

35°08'11.89" N 118°26'44.25" W, elev. 3965 ft. eye alt. 5374 ft.

Google earth

21



# COUNCIL REPORTS

APPROVED	
DEPARTMENT HEAD:	
CITY MANAGER:	

MEETING DATE: JANUARY 20, 2015 AGENDA SECTION: POLICE DEPARTMENT

---

**TO:** HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:** KENT KROEGER, POLICE CHIEF

**DATE:** JANUARY 6, 2015

**SUBJECT:** 2014-2015 SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND PROPOSED SPENDING PLAN

---

## BACKGROUND

As Council is aware, the City receives \$100,000.00 from the State of California through the Supplemental Law Enforcement Services Fund (SLESF). These funds are also commonly referred to as state "COPS" funds. The \$100,000.00 for fiscal year 2014-2015 is being paid to the cities in installments. The City has currently received \$32,172.51 of the \$100,000.00.

*California Government Code Section 30061(c)(2)* requires that the city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief of police of that city. These written requests shall be acted upon by the city council at a public hearing. The city council must consider these written requests separate and apart from the process applicable to proposed allocations of the general fund.

*California Government Code Section 30061(d)* requires that for each fiscal year in which a city receives any SLESF moneys, in no event shall the governing body subsequently alter any previous, valid appropriation by that body, for that same fiscal year.

*California Government Code Section 30062(a)* requires that "these moneys be expended exclusively to provide front line law enforcement services." The section goes on to state that "these moneys shall supplement existing services and shall not be used to supplant any existing funding for law enforcement services provided by that entity."

In accordance with the above referenced Government Code sections, the Police Department has developed a proposed spending plan for the 2014-2015 SLESF funds. The proposed spending plan would allocate funds to: purchase RIMS Mobile Computer Software and the associated equipment to introduce the use of mobile computers in patrol cars, purchase RIMS In-Station Mapping Software, purchase Coplogic DeskOfficer Online Reporting System (DORS), supplement the Department's "Vehicle Maintenance" and "Machinery and Equipment" accounts to offset the increased cost of vehicle maintenance and offset the cost of emergency equipment for two recently purchased vehicles, and purchase RIMS Officer Training Software.

<b>SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND</b>	
<b>ITEM</b>	<b>COST</b>
<b><u>RIMS MOBILE</u></b>	
RIMS Mobile Computer Software	17,000.00
Installation and Training	7,957.00
1st Year Support and Updates	2,550.00
<b><u>MOBILE COMPUTERS</u></b>	
6 Toughbook Computers	7,695.00
Mounting Solutions for 6 Vehicles	5,700.00
16 Fingerprint Readers	1600.00
16 GPS Systems	640.00
<b><u>RIMS IN-STATION MAPPING</u></b>	
Mapping Software	10,000.00
Mapping Engineering Services	2,500.00
Installation and Training	780.00
1st Year Support and Updates	1,500.00
<b><u>ON-LINE REPORTING</u></b>	
Coplogic	10,500.00
RIMS Coplogic Link Software	1,500.00
Installation via Remote Access	810.00
First Year Support and Updates	225.00
<b><u>ALLOCATION TO VEHICLE MAINTENANCE ACCOUNT</u></b>	
Account #100-7110	5,463.00
<b><u>ALLOCATION TO MACHINERY AND EQUIPMENT ACCOUNT</u></b>	
Account #100-8250	20,500.00
<b><u>RIMS OFFICER TRAINING SOFTWARE</u></b>	
RIMS Officer Training Software	2,000.00
Installation and Training	780.00
First Year Support and Updates	300.00
<b>TOTAL:</b>	<b>100,000.00</b>

**FISCAL IMPACT**

None. All funds are supplemental to the existing 2014-2015 budget.

**OPTIONS**

- Approve proposed SLESF spending plan as described above.
- Direct Staff to modify proposed SLESF spending plan to include Council recommendations.
- Do not approve proposed SLESF spending plan.

**RECOMMENDATION**

Approve the proposed Supplemental Law Enforcement Services Fund Spending Plan as Proposed.

Attachments: California Government Code Sections 30061-30063



APPROVED
DEPARTMENT HEAD: <i>JTS</i>
CITY MANAGER: <i>[Signature]</i>

# COUNCIL REPORTS

**MEETING DATE:** January 20, 2015    **AGENDA SECTION:** CITY ENGINEER

---

**TO:** HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:** JOHN (JAY) SCHLOSSER, P.E., CITY ENGINEER

**DATE:** JANUARY 12, 2015

**SUBJECT:** PROGRAM SUPPLEMENT AGREEMENT & RESOLUTION

---

**BACKGROUND:**

As the Council may be aware, the City has been allocated funding and has received an Authorization to Proceed from the California Department of Transportation (Cal Trans) for the Regional Surface Transportation Program (RSTP) in connection with the rehabilitation of Tehachapi Boulevard between Mill Street and Hayes Street. According to the Master Agreement between the City and Cal Trans, the City is obligated to approve and sign a Program Supplement Agreement on a project-by-project basis for certain programs that do not fall under that Master Agreement. This agreement is for the design phase of the project

Attached to this memorandum is Program Supplement Agreement No. 021-N for the Tehachapi Boulevard Rehabilitation Project Phase III as well as a Resolution authorizing the Mayor to execute same. This is a necessary step that must occur in order to receive state reimbursement for any funds expended on the design and construction of this project.

**RECOMMENDATION:**

**ADOPT RESOLUTION AUTHORIZING THE MAYOR TO SIGN AND EXECUTE PROGRAM SUPPLEMENT AGREEMENT NO. 021-N TO ADMINISTERING AGENCY-STATE MASTER AGREEMENT NO. 09-5184R, PROJECT NO. STPL-5184(024).**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI AUTHORIZING THE MAYOR TO SIGN AND EXECUTE PROGRAM SUPPLEMENT AGREEMENT NO. 021-N TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS, AGREEMENT NO. 09-5184R, PROJECT NO. STPL-5184 (024)**

WHEREAS, the Congress of the United States has enacted the Intermodal Surface Transportation Efficiency Act of 1991 to fund programs which include, but are not limited to, the Regional Surface Transportation Program (RSTP), the Congestion Mitigation and Air Quality Improvement Program (CMAQ), the Transportation Enhancement Activities Program (TEA), and the Highway Bridge Replacement and Rehabilitation Program (HBRR)(collectively "the Programs"); and

WHEREAS, The legislature of the State of California has enacted legislation by which certain Federal funds may be available for use on local transportation facilities of public entities qualified to act a recipients of these federal funds in accordance with the intent of Federal Law; and

WHEREAS, before Federal-aid will be made available for a specific project, the City of Tehachapi (Administering Agency) and the California Department of Transportation (Caltrans) are required to enter into an agreement relative to prosecution of said project and maintenance of the completed facility; and

WHEREAS, the ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS, AGREEMENT NO. 09-5184R, (Master Agreement) has no force or effect with respect to any Program project unless and until a project-specific Program Supplement to this Master Agreement has been executed;

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows: that the Mayor of the City of Tehachapi is herewith authorized to sign and execute the PROGRAM SUPPLEMENT AGREEMENT NO. 021-N TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS, AGREEMENT NO. 09-5184R, FOR PROJECT NO. STPL-5184 (024), between the City of Tehachapi and Caltrans.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Tehachapi at a regular meeting this 20<sup>th</sup> day of January, 2015.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Susan Wiggins, Mayor  
City of Tehachapi, California

ATTEST:

\_\_\_\_\_  
Denise Jones, CMC  
City Clerk  
City of Tehachapi, California

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on January 20, 2015.

\_\_\_\_\_  
Denise Jones, CMC  
City Clerk  
City of Tehachapi, California

**DEPARTMENT OF TRANSPORTATION**

Division of Local Assistance  
1120 N STREET  
P.O. BOX 942874, MS# 1  
Sacramento, CA 94274-0001  
TTY 711  
(916) 654-3883  
Fax (916) 654-2408



File : 09-KER-0-THPI  
STPL-5184(024)  
On Tehachapi Blvd. From Mill St. to  
Hayes St.

January 6, 2015

**RECEIVED**  
**JAN 12 2015**  
**CITY OF TEHACHAPI**

Mr. Jon Curry  
Public Works Director  
City of Tehachapi  
115 S. Robinson St.  
Tehachapi, CA 93561

Dear Mr. Curry:

Enclosed are two originals of the Program Supplement Agreement No. 021-N to Administering Agency-State Agreement No. 09-5184R.

**Please note that federal funding will be lost if you proceed with future phase(s) of the project prior to getting the "Authorization to Proceed" with that phase.**

Please review the covenants and sign both copies of this Agreement and return both to this office, Office of Project Implementation - MS1 within 90 days from the receipt of this letter. If the signed Agreements are not received back in this office within 90 days, funds will be disencumbered and/or deobligated. Alterations should not be made to the agreement language or funding. ATTACH YOUR LOCAL AGENCY'S CERTIFIED AUTHORIZING RESOLUTION THAT CLEARLY IDENTIFIES THE PROJECT AND THE OFFICIAL AUTHORIZED TO EXECUTE THE AGREEMENT. A fully executed copy of the agreement will be returned to you upon ratification by Caltrans. No invoices for reimbursement can be processed until the agreement is fully executed.

A copy of the State approved finance letter containing the fund encumbrance and reversion date information will be mailed to you with your copy of the executed agreement.

Your prompt action is requested. If you have questions, please contact your District Local Assistance Engineer.

Sincerely,

A handwritten signature in blue ink that reads "John Hoole".

*F* JOHN HOOLE, Chief  
Office of Project Implementation - South  
Division of Local Assistance

Enclosure

c: DLA AE Project Files  
(09) DLAE - Forest Becket





**SPECIAL COVENANTS OR REMARKS**

1. A. The ADMINISTERING AGENCY will advertise, award and administer this project in accordance with the current published Local Assistance Procedures Manual.
- B. ADMINISTERING AGENCY agrees that it will only proceed with work authorized for specific phase(s) with an "Authorization to Proceed" and will not proceed with future phase(s) of this project prior to receiving an "Authorization to Proceed" from the STATE for that phase(s) unless no further State or Federal funds are needed for those future phase(s).
- C. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer within 60 days of project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract.

Failure to do so will cause a delay in the State processing invoices for the construction phase. Please refer to Section 15.7 "Award Package" of the Local Assistance Procedures Manual.

D. ADMINISTERING AGENCY agrees, as a minimum, to submit invoices at least once every six months commencing after the funds are encumbered for each phase by the execution of this Project Program Supplement Agreement, or by STATE's approval of an applicable Finance Letter. STATE reserves the right to suspend future authorizations/obligations for Federal aid projects, or encumbrances for State funded projects, as well as to suspend invoice payments for any on-going or future project by ADMINISTERING AGENCY if PROJECT costs have not been invoiced by ADMINISTERING AGENCY for a six-month period.

If no costs have been invoiced for a six-month period, ADMINISTERING AGENCY agrees to submit for each phase a written explanation of the absence of PROJECT activity along with target billing date and target billing amount.

ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current Local Assistance Procedures Manual.

E. Administering Agency shall not discriminate on the basis of race, religion, age, disability, color, national origin, or sex in the award and performance of any Federal-assisted contract or in the administration of its DBE Program Implementation Agreement. The Administering Agency shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of Federal-assisted contracts. The Administering Agency's DBE Implementation Agreement is incorporated by reference in this Agreement. Implementation of the DBE Implementation Agreement, including but not limited to timely reporting of DBE commitments and utilization, is a legal

**SPECIAL COVENANTS OR REMARKS**

obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Administering Agency of its failure to carry out its DBE Implementation Agreement, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

F. Any State and Federal funds that may have been encumbered for this project are available for disbursement for limited periods of time. For each fund encumbrance the limited period is from the start of the fiscal year that the specific fund was appropriated within the State Budget Act to the applicable fund Reversion Date shown on the State approved project finance letter. Per Government Code Section 16304, all project funds not liquidated within these periods will revert unless an executed Cooperative Work Agreement extending these dates is requested by the ADMINISTERING AGENCY and approved by the California Department of Finance.

ADMINISTERING AGENCY should ensure that invoices are submitted to the District Local Assistance Engineer at least 75 days prior to the applicable fund Reversion Date to avoid the lapse of applicable funds. Pursuant to a directive from the State Controller's Office and the Department of Finance; in order for payment to be made, the last date the District Local Assistance Engineer can forward an invoice for payment to the Department's Local Programs Accounting Office for reimbursable work for funds that are going to revert at the end of a particular fiscal year is May 15th of the particular fiscal year. Notwithstanding the unliquidated sums of project specific State and Federal funding remaining and available to fund project work, any invoice for reimbursement involving applicable funds that is not received by the Department's Local Programs Accounting Office at least 45 days prior to the applicable fixed fund Reversion Date will not be paid. These unexpended funds will be irrevocably reverted by the Department's Division of Accounting on the applicable fund Reversion Date.

G. As a condition for receiving federal-aid highway funds for the PROJECT, the Administering Agency certifies that NO members of the elected board, council, or other key decision makers are on the Federal Government Exclusion List. Exclusions can be found at [www.sam.gov](http://www.sam.gov).



APPROVED  
DEPARTMENT HEAD: JAS  
CITY MANAGER: \_\_\_\_\_

# COUNCIL REPORTS

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY ENGINEER

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**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                JOHN (JAY) SCHLOSSER, P.E.

**DATE:**                JANUARY 12, 2015

**SUBJECT:**            AMENDMENT TO ENGINEERING SERVICES AGREEMENTS WITH QUAD KNOFF, INC. AND  
RUETTIGERS & SCHULER CIVIL ENGINEERS

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## BACKGROUND

As the Council is aware, Quad Knopf Inc. and Ruetters & Schuler Civil Engineers have been providing on-call transportation related engineering services to the City of Tehachapi since March 3, 2014. These consultants were engaged to serve the City in the execution of transportation projects funded by the State of California or the Federal government through the Caltrans Local Assistance process. Caltrans, at the behest of the Federal Highway Administration, recently modified their requirements on the use of consultants by local agencies such as Tehachapi. The modifications include the addition of "suggested" but "mandatory" contract provisions.

## PROPOSED ADDENDUM

The proposed addendum adds numerous contract provisions to the each respective agreement. The addendum is identical for each consultant. The guidelines provided by Caltrans for this addendum provide detailed provisions. The City, according to the guidelines, has the freedom to make minor modifications to the provisions. City Staff, under the review of the City Attorney have prepared the attached Addendums.

## RECOMMENDATION

**APPROVE AND AUTHORIZE THE MAYOR TO SIGN THE ADDENDUM TO ENGINEERING SERVICES AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND QUAD KNOFF, INC. AS WELL AS THE ADDENDUM TO ENGINEERING SERVICES AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND RUETTIGERS & SCHULER CIVIL ENGINEERS.**

## **ENGINEERING SERVICES AGREEMENT**

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 2014, by and between the CITY OF TEHACHAPI, a municipal corporation (the "City"), and QUAD KNOFF, INC. (the "Engineer").

### **W I T N E S S E T H :**

**WHEREAS**, City wishes to contract with Engineer to provide certain professional services pursuant to the Statement of Qualifications provided by the Engineer on February 6, 2013 that may be required by the City from time to time under the terms and conditions described hereinafter and Engineer 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. The parties also incorporate the Addendum attached hereto and by this reference made a part hereof.
2. During the term of this Agreement, Engineer shall serve at the pleasure of the City Manager or his designee. Engineer shall perform those services requested by the City Manager or his designee by written or email direction to Engineer and within the time frames and any other terms and conditions of same described therein. In that regard, whenever a project is requested, Engineer shall submit a scope of work and cost proposal for same and City and Engineer shall negotiate, where necessary, over the terms of same. Notwithstanding any other provision to this Agreement, City may contract with any other engineers to perform any services otherwise described herein and shall have no obligation or responsibility to utilize Engineer for any such services.
3. Engineer shall receive payment for all services performed by Engineer hereunder based on Time and Materials. As used in this Agreement, "Time and Materials" shall mean the number of hours devoted by Engineer to such services charged at the rate set forth in the Engineer's Rate Schedule attached hereto as Exhibit "A" and by this reference made a part hereof and including all reasonable costs incurred by Engineer. The Engineer's Rate Schedule shall remain unchanged for two (2) years from the date of this Agreement subject to changes in prevailing wage as they apply to employees who receive prevailing wage.
4. Engineer shall bill City no more often than monthly by invoice for the services provided. City Manager shall have the right to reasonable review of each invoice and, at the conclusion of the review, 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 invoice, same shall be paid in the regular cycle of payments made by City for other bills and claims.

5. Engineer shall not provide engineering services for projects within City to any entity or individual other than City without the prior written consent of the City.

6. Information, data, plans and specifications, engineer's estimates, and all other project documents drafted or created by Engineer or on behalf of Engineer for City shall belong to City and Engineer hereby assigns all of its copyright interests therein to City, irrevocably and forever and agrees that City shall be the owner of all such copyrights. All of the foregoing documents hereafter prepared by Engineer for City or on behalf of Engineer for City shall be retained and maintained for City by Engineer in its offices at no additional cost to City. Engineer shall release all such files and documents as instructed by City from time to time, and all such files and documents shall belong to City. Engineer shall not be liable for use of any such files or documents for purposes other than their original intended purpose.

7. Engineer hereby agrees to indemnify, defend, and hold harmless City, its agents, officers, Councilmembers, employees, and representatives from any and all claims, liabilities, expenses, and damages, including, without limitation, attorneys' fees, for injury to or death of any person, and for damage to any property, arising out of or in any way related to any negligent or intentional act, error, or omission by or on behalf of Engineer in performance of services under this contract.

8. The term of this Agreement shall continue for a term of three (3) years beginning January 1, 2014. The City, at its' sole discretion, may extend the contract for up to two (2) additional years. Either party may terminate this Agreement at any time upon 30 days prior written notice to the other party. In the event of termination, Engineer shall be entitled to payment under the terms of this Agreement for the work completed by Engineer prior to the date of termination minus the expenses incurred by the City to find a replacement engineer.

9. All notices required to be given under this Agreement or by law shall be in writing and shall be deemed served if personally delivered or if sent by confirmed facsimile or electronic mail ("Email") or by United States mail, certified, return receipt requested, with date of signing the return receipt (or refusal to sign) as the date of service as follows: if to City - City Manager, 115 South Robinson Street, Tehachapi, California 93561, Fax - (661) 822-8559, Email - [jschlosser@tehachapicityhall.com](mailto:jschlosser@tehachapicityhall.com), or if to Engineer, Branch Manager, 5080 California Avenue, Suite 220, Bakersfield, CA 93309, Fax - (661) 616-5970, Email — [jeffc@quadknopf.com](mailto:jeffc@quadknopf.com). Any party may change any of the foregoing as it relates to the party by giving written notice to the other party of the change in the manner set forth herein

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

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

12. This Agreement and the projects arising hereunder constitute the entire agreement between the parties with regard to the subject matter herein and supersede all prior oral and written agreements and understandings between the parties with respect thereto.

13. This Agreement may not be altered, amended, or modified except by a writing executed by duly authorized representatives of all parties. This Agreement or any amendment to same may be executed in counterparts.

14. 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 attorney's fees and actual costs.

15. 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.

16. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, successors, and assigns. Notwithstanding the foregoing, Engineer shall not, under any conditions, assign this Agreement or any part thereof to any other entity or individual.

17. 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.

18. City and Engineer 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.

19. Without limiting Engineer's obligations under Paragraph 7 of this Agreement, Engineer shall obtain and maintain during the life of this Agreement:

- (a) Comprehensive general liability insurance coverage 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 City in an amount not less than \$1 million per claim; and
- (c) Such workers compensation insurance as required by statute.

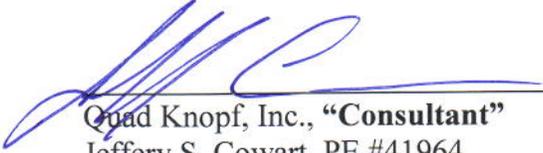
Engineer shall provide City with appropriate certificates of insurance and endorsements for the comprehensive general liability insurance coverage in which City, its officers, Councilpersons, employees, and agents shall be named as additional insureds and specifically designating all such insurance as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

20. Engineer is an independent Engineer under this Agreement and is not an agent or employee of City. As such, Engineer is not entitled to participate in any plans, arrangements, or distributions that City may now or hereafter have, including, without limitation, retirement plans, health care or similar benefits for regular employees.

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

---

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



---

Quad Knopf, Inc., **“Consultant”**  
Jeffery S. Cowart, PE #41964  
Principal Engineer/Branch Manager

**EXHIBIT "A"**  
**[Fee Schedule]**



# Quad Knopf

## 2014 Charge Rate Schedule

### Office:

#### Technical Services

Project Assistant	\$66 /hour
Project Administrator	\$88 /hour
Assistant CADD Technician/Designer/GIS Technician	\$83 /hour
Associate CADD Technician/Designer/GIS Technician	\$97 /hour
Senior Associate CADD Technician/Designer/GIS Analyst	\$112 /hour
Senior CADD Technician/Designer/GIS Analyst	\$127 /hour

#### Professional Services

Engineering/Survey	
Assistant Engineer/Surveyor	\$110 /hour
Associate Engineer/Surveyor	\$133 /hour
Senior Associate Engineer/Surveyor	\$156 /hour
Senior Traffic Designer	\$156 /hour
Senior Engineer/Surveyor	\$180 /hour
Principal Engineer	\$199 /hour

#### Planning/Environmental/Entitlement/Landscape Architecture

Assistant Planner/Environmental Scientist	\$77 /hour
Associate Planner/Environmental Scientist	\$97 /hour
Senior Associate Planner/Environmental Scientist	\$121 /hour
Senior Planner/Environmental Scientist/Entitlement Specialist/Landscape Architect	\$142 /hour
Principal Planner/Environmental Scientist/Entitlement Specialist	\$157 /hour
Senior Principal Planner/Environmental Scientist	\$187 /hour

### Field:

#### Construction Management

Assistant Construction Manager	\$110 /hour
Associate Construction Manager	\$129 /hour
Senior Associate Construction Manager	\$148 /hour
Senior Construction Manager	\$165 /hour
Field Construction Observer	\$99 /hour
Associate Field Construction Observer	\$118 /hour
Senior Field Construction Observer	\$138 /hour

#### Surveying

One-Person Survey Crew	\$121 /hour
Two-Person Survey Crew	\$198 /hour
Three-Person Survey Crew	\$240 /hour

Fees are based on the median hourly pay rate for employees in each classification, plus indirect costs, overhead, and profit.

#### Expenses:

Plotting, In-house Printing and Reproduction, Equipment Rentals, Laboratory Analyses	1.15 x Cost
Transportation and per diem	1.15 x Cost
Mileage	0.63/mile
Off-road vehicles	\$50.00/day
Communication expenses (telephone, parcel post, etc.)	1.15 x Cost
Other Expenses - Including Subconsultants & Purchased Services through Subcontracts	1.15 x Cost

Rates are effective through December 31, 2014. If contract assignment extends beyond that date, a new rate schedule may be added to the contract. Litigation support will be billed at \$300 per hour. Rates based on "Prevailing Wage" (PW) for Construction Surveying will be determined by project and County per California law.

**ADDENDUM TO  
ENGINEERING SERVICES AGREEMENT**

Addendum to Engineering Services Agreement dated \_\_\_\_\_, 2014, by and between the City of Tehachapi ("City") and Quad Knopf, Inc. ("Engineer").

**1. DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION**

Engineers must give consideration to DBE firms as specified in 23 CFR §172.5(b), 49 CFR, Part 26. If the contract has a DBE goal, ENGINEER must meet the goal by using DBEs as subconsultants or document a good faith effort to have met the goal. If a DBE subconsultant is unable to perform, ENGINEER must make a good faith effort to replace him/her with another DBE subconsultant if the goal is not otherwise met. A DBE may be terminated only with written approval by CITY and only for the reasons specified in 49 CFR 26.53 (f). Prior to requesting CITY's consent for the proposed termination, the Engineer must meet the procedural requirements specified in 49 CFR 26.53(f).

**2. COST PRINCIPLES**

- A. ENGINEER agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.
- B. ENGINEER also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- C. Any costs for which payment has been made to ENGINEER that are determined by subsequent audit to be unallowable under 49 CFR Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by ENGINEER to CITY.

**3. DISPUTES**

- A. Not later than 30 days after completion of all deliverables necessary to complete the plans, specifications and estimate, ENGINEER may request review by CITY Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

**4. AUDIT REVIEW PROCEDURES**

- A. Any dispute concerning a question of fact arising under an interim or post audit of this contract that is not disposed of by agreement, shall be reviewed by CITY'S Chief Financial Officer.
- B. Not later than 30 days after issuance of the final audit report, ENGINEER may request a review by CITY'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.
- C. Neither the pendency of a dispute nor its consideration by CITY will excuse ENGINEER from full and timely performance, in accordance with the terms of this contract.

- D. ENGINEER and subEngineers' contracts, including cost proposals and indirect cost rates (ICR), are subject to audits or reviews such as, but not limited to, a Contract Audit, an Incurred Cost Audit, an ICR Audit, or a certified public accountant (CPA) ICR Audit Workpaper Review. If selected for audit or review, the contract, cost proposal and ICR and related workpapers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR Audit Workpaper Review it is ENGINEER's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's workpapers. The contract, cost proposal, and ICR shall be adjusted by ENGINEER and approved by CITY contract manager to conform to the audit or review recommendations. ENGINEER agrees that individual terms of costs identified in the audit report shall be incorporated into the contract by this reference if directed by CITY at its sole discretion. Refusal by ENGINEER to incorporate audit or review recommendations, or to ensure that the Federal, State, or local governments have access to CPA workpapers, will be considered a breach of contract terms and cause for termination of the contract and disallowance of prior reimbursed costs.

## **5. SUBCONTRACTING**

- A. ENGINEER shall perform the work contemplated with resources available within its own organization; and no portion of the work pertinent to this contract shall be subcontracted without written authorization by CITY'S Contract Administrator, except that, which is expressly identified in the approved Cost Proposal.
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- B. All information related to the construction estimate is confidential, and shall not be disclosed by ENGINEER to any entity other than CITY.

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**Note:** The Federal "Payment of Predetermined Minimum Wage" applies only to federal-aid construction contracts.

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- A. ENGINEER shall disclose any financial, business, or other relationship with CITY that may have an impact upon the outcome of this contract, or any ensuing CITY construction project. ENGINEER shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing CITY construction project, which will follow.
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ENGINEER warrants that this contract was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any CITY employee. For breach or violation of this warranty, CITY shall have the right in its discretion; to terminate the contract without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

## 16. PROHIBITION OF EXPENDING CITY STATE OR FEDERAL FUNDS FOR LOBBYING

A. ENGINEER certifies to the best of his or her knowledge and belief that:

- i. No state, federal or CITY appropriated funds have been paid, or will be paid by-or-on behalf of ENGINEER to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant; the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.
- ii. If any funds other than federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this federal contract, grant, loan, or cooperative agreement; ENGINEER shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

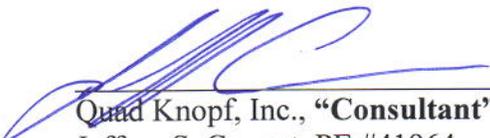
- B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, US. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- C. ENGINEER also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed \$100,000, and that all such sub recipients shall certify and disclose accordingly.

## 17. CONFLICT WITH ENGINEERING SERVICES AGREEMENT

In the event of a conflict between the terms in the Engineering Services Agreement and the terms in this Addendum, the terms in this Addendum shall prevail.

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PHILIP A. SMITH, Mayor  
City of Tehachapi, California



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Quad Knopf, Inc., "Consultant"  
Jeffery S. Cowart, PE #41964  
Principal Engineer/Branch Manager

## **ENGINEERING SERVICES AGREEMENT**

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the CITY OF TEHACHAPI, a municipal corporation (the "City"), and Ruettgers & Schuler Civil Engineers (the "Engineer").

### **W I T N E S S E T H :**

**WHEREAS**, City wishes to contract with Engineer to provide certain professional services pursuant to the statement of qualifications provided by the Engineer on February 6, 2014 that may be required by the City from time to time under the terms and conditions described hereinafter and Engineer 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. The parties also incorporate the Addendum attached hereto and by this reference made a part hereof.

2. During the term of this Agreement, Engineer shall serve at the pleasure of the City Manager or his designee. Engineer shall perform those services requested by the City Manager or his designee by written or email direction to Engineer and within the time frames and any other terms and conditions of same described therein. In that regard, whenever a project is requested, Engineer shall submit a scope of work and cost proposal for same and City and Engineer shall negotiate, where necessary, over the terms of same. Notwithstanding any other provision to this Agreement, City may contract with any other engineers to perform any services otherwise described herein and shall have no obligation or responsibility to utilize Engineer for any such services.

3. Engineer shall receive payment for all services performed by Engineer hereunder based on Time and Materials. As used in this Agreement, "Time and Materials" shall mean the number of hours devoted by Engineer to such services charged at the rate set forth in the Engineer's Rate Schedule attached hereto as Exhibit "A" and by this reference made a part hereof and including all reasonable costs incurred by Engineer. The Engineer's Rate Schedule shall remain unchanged for two (2) years from the date of this Agreement subject to changes in prevailing wage as they apply to employees who receive prevailing wage.

4. Engineer shall bill City no more often than monthly by invoice for the services provided. City Manager shall have the right to reasonable review of each invoice and, at the conclusion of the review, 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 invoice, same shall be paid in the regular cycle of payments made by City for other bills and claims.

5. Engineer shall not provide engineering services for projects within City to any entity or individual other than City without the prior written consent of the City.

6. Information, data, plans and specifications, engineer's estimates, and all other project documents drafted or created by Engineer or on behalf of Engineer for City shall belong to City and Engineer hereby assigns all of its copyright interests therein to City, irrevocably and forever and agrees that City shall be the owner of all such copyrights. All of the foregoing documents hereafter prepared by Engineer for City or on behalf of Engineer for City shall be retained and maintained for City by Engineer in its offices at no additional cost to City. Engineer shall release all such files and documents as instructed by City from time to time, and all such files and documents shall belong to City. Engineer shall not be liable for use of any such files or documents for purposes other than their original intended purpose.

7. Engineer hereby agrees to indemnify, defend, and hold harmless City, its agents, officers, Councilmembers, employees, and representatives from any and all claims, liabilities, expenses, and damages, including, without limitation, attorneys' fees, for injury to or death of any person, and for damage to any property, arising out of or in any way related to any negligent or intentional act, error, or omission by or on behalf of Engineer in performance of services under this contract.

8. The term of this Agreement shall continue for a term of three (3) years beginning January 1, 2014. The City, at its' sole discretion, may extend the contract for up to two (2) additional years. Either party may terminate this Agreement at any time upon 30 days prior written notice to the other party. In the event of termination, Engineer shall be entitled to payment under the terms of this Agreement for the work completed by Engineer prior to the date of termination minus the expenses incurred by the City to find a replacement engineer.

9. All notices required to be given under this Agreement or by law shall be in writing and shall be deemed served if personally delivered or if sent by confirmed facsimile or electronic mail ("Email") or by United States mail, certified, return receipt requested, with date of signing the return receipt (or refusal to sign) as the date of service as follows: if to City - City Manager, 115 South Robinson Street, Tehachapi, California 93561, Fax - (661) 822-8559, Email - [jschlosser@tehachapicityhall.com](mailto:jschlosser@tehachapicityhall.com), or if to Engineer, Ruettgers & Schuler Civil Engineers, 1800 30<sup>th</sup> Street, Suite 260, Bakersfield, CA, 93301, (661) 327-1969, Fax — (661) 327-1993, Email — [jparks@rscivil.com](mailto:jparks@rscivil.com) . Any party may change any of the foregoing as it relates to the party by giving written notice to the other party of the change in the manner set forth herein

10. Time is of the essence with regard to each covenant, condition and provision

of this Agreement.

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

12. This Agreement and the projects arising hereunder constitute the entire agreement between the parties with regard to the subject matter herein and supersede all prior oral and written agreements and understandings between the parties with respect thereto.

13. This Agreement may not be altered, amended, or modified except by a writing executed by duly authorized representatives of all parties. This Agreement or any amendment to same may be executed in counterparts.

14. 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 attorney's fees and actual costs.

15. 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.

16. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, successors, and assigns. Notwithstanding the foregoing, Engineer shall not, under any conditions, assign this Agreement or any part thereof to any other entity or individual.

17. 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.

18. City and Engineer 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.

19. Without limiting Engineer's obligations under Paragraph 7 of this Agreement, Engineer shall obtain and maintain during the life of this Agreement:

(a) Comprehensive general liability insurance coverage 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 City in an amount not less than \$1 million per claim; and

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

Engineer shall provide City with appropriate certificates of insurance and endorsements for the comprehensive general liability insurance coverage in which City, its officers, Councilpersons, employees, and agents shall be 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.

20. Engineer is an independent Engineer under this Agreement and is not an agent or employee of City. As such, Engineer is not entitled to participate in any plans, arrangements, or distributions that City may now or hereafter have, including, without limitation, retirement plans, health care or similar benefits for regular employees.

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

---

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



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Ian J. Parks, Ruettgers & Schuler Civil Engineers  
**"Consultant"**

**ADDENDUM TO  
ENGINEERING SERVICES AGREEMENT**

Addendum to Engineering Services Agreement dated \_\_\_\_\_, 20\_\_\_\_, by and between the City of Tehachapi ("City") and \_\_\_\_\_ ("Engineer").

**1. DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION**

Engineers must give consideration to DBE firms as specified in 23 CFR §172.5(b), 49 CFR, Part 26. If the contract has a DBE goal, ENGINEER must meet the goal by using DBEs as subconsultants or document a good faith effort to have met the goal. If a DBE subconsultant is unable to perform, ENGINEER must make a good faith effort to replace him/her with another DBE subconsultant if the goal is not otherwise met. A DBE may be terminated only with written approval by CITY and only for the reasons specified in 49 CFR 26.53 (f). Prior to requesting CITY's consent for the proposed termination, the Engineer must meet the procedural requirements specified in 49 CFR 26.53(f).

**2. COST PRINCIPLES**

- A. ENGINEER agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.
- B. ENGINEER also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- C. Any costs for which payment has been made to ENGINEER that are determined by subsequent audit to be unallowable under 49 CFR Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by ENGINEER to CITY.

**3. DISPUTES**

- A. Not later than 30 days after completion of all deliverables necessary to complete the plans, specifications and estimate, ENGINEER may request review by CITY Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

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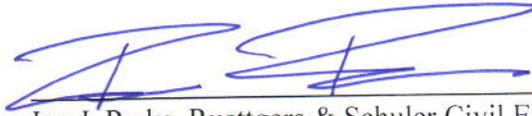
- A. ENGINEER certifies to the best of his or her knowledge and belief that:
  - i. No state, federal or CITY appropriated funds have been paid, or will be paid by-or-on behalf of ENGINEER to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant; the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.
  - ii. If any funds other than federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency; a Member of Congress; an officer or employee of Congress, or an employee of a Member of Congress; in connection with this federal contract, grant, loan, or cooperative agreement; ENGINEER shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, US. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- C. ENGINEER also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed \$100,000, and that all such sub recipients shall certify and disclose accordingly.

17. **CONFLICT WITH ENGINEERING SERVICES AGREEMENT**

In the event of a conflict between the terms in the Engineering Services Agreement and the terms in this Addendum, the terms in this Addendum shall prevail.

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PHILIP A. SMITH, Mayor  
City of Tehachapi, California



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Ian J. Parks, Ruettgers & Schuler Civil Engineers  
**"Consultant"**

**ADDENDUM TO  
ENGINEERING SERVICES AGREEMENT**

Addendum to Engineering Services Agreement dated \_\_\_\_\_, 20\_\_\_\_, by and between the City of Tehachapi ("City") and \_\_\_\_\_ ("Engineer").

**1. DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION**

Engineers must give consideration to DBE firms as specified in 23 CFR §172.5(b), 49 CFR, Part 26. If the contract has a DBE goal, ENGINEER must meet the goal by using DBEs as subconsultants or document a good faith effort to have met the goal. If a DBE subconsultant is unable to perform, ENGINEER must make a good faith effort to replace him/her with another DBE subconsultant if the goal is not otherwise met. A DBE may be terminated only with written approval by CITY and only for the reasons specified in 49 CFR 26.53 (f). Prior to requesting CITY's consent for the proposed termination, the Engineer must meet the procedural requirements specified in 49 CFR 26.53(f).

**2. COST PRINCIPLES**

- A. ENGINEER agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.
- B. ENGINEER also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- C. Any costs for which payment has been made to ENGINEER that are determined by subsequent audit to be unallowable under 49 CFR Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by ENGINEER to CITY.

**3. DISPUTES**

- A. Not later than 30 days after completion of all deliverables necessary to complete the plans, specifications and estimate, ENGINEER may request review by CITY Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

**4. AUDIT REVIEW PROCEDURES**

- A. Any dispute concerning a question of fact arising under an interim or post audit of this contract that is not disposed of by agreement, shall be reviewed by CITY'S Chief Financial Officer.
- B. Not later than 30 days after issuance of the final audit report, ENGINEER may request a review by CITY'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.
- C. Neither the pendency of a dispute nor its consideration by CITY will excuse ENGINEER from full and timely performance, in accordance with the terms of this contract.
- D. ENGINEER and subEngineers' contracts, including cost proposals and indirect cost rates (ICR), are subject to audits or reviews such as, but not limited to, a Contract Audit, an Incurred Cost Audit, an ICR Audit, or a certified public accountant (CPA) ICR Audit Workpaper Review. If selected for audit or review, the contract, cost proposal and ICR and related



APPROVED  
DEPARTMENT HEAD: *[Signature]*  
CITY MANAGER: *[Signature]*

# COUNCIL REPORTS

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY ENGINEER

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**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                JOHN (JAY) SCHLOSSER, P.E.

**DATE:**                JANUARY 12, 2015

**SUBJECT:**            SNYDER WELL INTERTIE PROJECT - LABOR COMPLIANCE PROGRAM LEGAL REPRESENTATION AGREEMENT

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## BACKGROUND

As the Council is aware, the City of Tehachapi successfully applied for a \$600,000+ grant from the State Department of Water Resources for the Snyder Well Intertie Project. This project seeks to tie the City's unused Snyder Well to the TCCWD non-potable water system in order to both rehabilitate the well and to transfer the irrigation demands from JMS to TCCWD thereby conserving our potable water supply. While of great benefit to the City, the grant process comes with many requirements. One such requirement is to formally institute a labor compliance program to monitor and ensure that applicable labor laws are followed in the execution of the work. The City Council adopted said labor compliance program on September 2, 2014. A component of that program included identification of a specific legal representative to be employed by the City of Tehachapi should a labor compliance event occur needing the services of an attorney. The State of California required that said attorney have specific work experience in the field of labor compliance. To that end, Jerry Pearson, Esq. with the Law Offices of Young Wooldridge, LLP was identified for the task.

## AGREEMENT

Jerry Pearson, Esq. has agreed to represent the City if needed and has requested that the City Council enter into a legal representation agreement. The City Attorney has reviewed the attached agreement and deemed it acceptable.

## RECOMMENDATION

**APPROVE AND AUTHORIZE THE CITY MANAGER TO SIGN THE LEGAL REPRESENTATION AGREEMENT WITH THE LAW OFFICES OF YOUNG WOOLDRIDGE, LLP.**

**LAW OFFICES OF YOUNG WOOLDRIDGE, LLP**  
**1800 30TH STREET, Fourth Floor**  
**Bakersfield, California 93301**  
**(661) 327-9661**  
**Facsimile (661) 324-0409**

**LEGAL REPRESENTATION AGREEMENT**  
**(California Business and Professions Code Section 6148)**

This agreement ("Contract") is entered into by and between the undersigned, whether one or more ("Client"), and THE LAW OFFICES OF YOUNG WOOLDRIDGE, LLP ("Attorneys"), as follows:

**1. ARBITRATION.** Subject to any law, or State Bar Rule, or Kern County Bar Association Rule to the contrary, any dispute arising under or related to this Contract, whether alleged in tort or contract or otherwise, including but not limited to Attorneys' alleged performance or nonperformance hereunder, Attorneys' alleged legal malpractice, Attorneys' alleged unnecessary or unauthorized or improperly or negligently or incompetently or fraudulently rendered legal services ("Claim"), may, at the election of Attorneys or Client, be referred to arbitration for resolution in accordance with California law, and any decision rendered in such proceeding shall be final and binding upon the parties, and a Court of competent jurisdiction may enter judgment thereon. It is understood that any Claim will be determined by submission to arbitration as provided by California law, and not by a lawsuit or resort to court process except as California law provides for judicial review of arbitration proceedings. Both parties to this Contract, by entering into it, are giving up their constitutional right to have any such Claim decided in a court of law before a jury, and instead are accepting the use of arbitration, in the belief that a private arbitration proceeding is a better vehicle to quickly and efficiently resolve any such Claim in a fair and equitable manner.

**2. CONDITIONS.** This Contract will not take effect, and Attorneys will have no obligation to provide legal services, until Client returns a signed copy of this Contract and pays the retainer fee, if any, called for on the attached Compensation Schedule incorporated herein by this reference and made a part hereof.

**3. SCOPE AND DUTIES.** Client hires Attorneys to provide legal services in connection with *Special Labor Counsel Under a Grant Program* and any other services the client may require. Attorneys shall provide those legal services reasonably required to represent Client, and shall take reasonable steps to keep Client informed of progress and to respond to Client's inquiries. Client shall be truthful with Attorneys, cooperate with Attorneys, keep Attorneys informed of developments, abide by this Contract, including, in particular, paying Attorneys' bills on time, calculated as set forth in the attached Compensation Schedule, and keep Attorneys advised of Client's current address, telephone number, and whereabouts.

**4. ATTORNEYS' COMPENSATION.** For their services hereunder Attorneys shall be compensated as set forth on the attached Compensation Schedule. Client understands Attorneys charge minimum fees for certain services, specifically, any professional's service

(.25 hr.), preparation and filing court pleading (2.0 hrs.), any court appearance (1.0 hr.), and utilization of existing work product (reasonable value). In addition, Client will reimburse Attorneys the reasonable charges required for the proper handling of the Client's matter, including, but not limited to, charges for process servers, filing fees, court reporters, messengers, investigators, consultants, expert witnesses, long distance phone calls, telecopy transmissions ("Fax"), photocopying, travel and computer usage.

**5. STATEMENTS.** Attorneys shall send Client periodic statements for fees and costs incurred. Each statement will be due within 15 days of its mailing, provided, any unused retainer fee on deposit may be withdrawn and credited against client's monthly statement(s) upon mailing. Client may request a statement at intervals of no less than 30 days. If such request is made, a statement will be provided within 10 days thereafter. Unless Client objects to any such statement within 30 days of receipt, it will be presumed to be correct. A time priced service charge will be made on all accounts over 30 days old at the rate of 1.5% per month, or 18% per annum.

**6. LIEN.** Client hereby grants Attorneys a lien on any and all claims or causes of action that are the subject of Attorneys' representation under this Contract. Attorneys' lien will be for any sums due and owing to Attorneys at the conclusion of Attorneys' services. The lien will attach to any recovery Client may obtain, whether by arbitration award, judgment, settlement, or otherwise, and to any funds or other property of Client in the possession of Attorneys.

**7. DISCHARGE AND WITHDRAWAL.** Client may discharge Attorneys at any time upon giving written notice to Attorneys. Attorneys may withdraw with Client's consent or for good cause. Good cause includes Client's breach of this Contract, including but not limited to Client's failure to timely pay Attorneys' bills, Client's refusal to cooperate with Attorneys or to follow Attorneys' advice on a material matter, or any other fact or circumstance that would render Attorneys' continuing representation unlawful, unethical, or ineffective.

**8. DISCLAIMER OF GUARANTEE.** Nothing in this Contract and nothing in Attorneys' statements to client will be construed as a prediction, promise or guarantee about the outcome of Client's matter. Attorneys make no such predictions, promises or guarantees. Attorneys' comments about the outcome of Client's matter are expressions of opinion only.

**9. COURT ORDERED ATTORNEYS' FEES.** In the event the court orders an adverse party to pay Client's attorney fees, Client's responsibility hereunder will not be in any way modified. However, should the adverse party actually make payment to Attorneys, an appropriate credit will be allowed to Client. Attorneys to be compensated by client as aforesaid for efforts to enforce/collect any such order.

**10. CASE FILE.** At any reasonable time Client, at Client's expense, payable in advance, may obtain copies of Client's file from Attorneys. Furthermore, unless the file is then active, said file may be destroyed upon the expiration of ten (10) years following the Effective Date below.

11. **AMBIGUITY.** Neither this Contract nor any ambiguity hereunder shall be construed against the party drafting it but shall be construed fairly and equitably as though it was the joint product of the parties.

12. **ENTIRE AGREEMENT.** This Contract contains all of the agreements, representations and conditions made between the parties hereto and may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto or their respective successors in interest.

13. **EFFECTIVE DATE.** This Contract shall be effective from and after December \_\_\_\_, 2014.

ATTORNEYS:

THE LAW OFFICES OF YOUNG WOOLDRIDGE, LLP

By: \_\_\_\_\_  
Jerry Pearson, Esq.

**NOTICE: BY SIGNING THIS CONTRACT YOU ARE AGREEING TO HAVE ANY CLAIM DECIDED BY NEUTRAL ARBITRATION AND YOU ARE GIVING UP YOUR RIGHT TO A JURY OR COURT TRIAL. SEE ARTICLE 1 OF THIS CONTRACT.**

Client may rescind this contract by giving written notice to Attorneys within 30 days following Client's signature date below, provided, Client will be obligated to pay the reasonable value of all services previously rendered.

I have read and understand the terms of this agreement and have received a copy of the same this date.

DATED: December \_\_\_\_, 2014

\_\_\_\_\_  
City of Tehachapi  
John H. Schlosser, P.E.

**Law Offices of Young Wooldridge, LLP**

**COMPENSATION SCHEDULE**

**Water Department  
(2014 Special Districts)**

**A. HOURLY RATES FOR LEGAL PERSONNEL**

Senior Attorney _____ (10 or more years' experience)	\$240.00
Junior Attorney _____ (5 to 10 years' experience)	\$215.00
Associate _____	\$185.00
Law Clerk _____	\$130.00
Legal Assistants _____	\$ 90.00
Other: ( _____ ) (Specify)	\$ _____

**NOTE: THE ABOVE CLASSIFICATIONS ARE ASSIGNED BY ATTORNEYS TO THEIR LAWYERS AND OTHER LEGAL PERSONNEL BASED UPON EXPERIENCE/PERFORMANCE.**

Client shall provide a \$ 0.00 Retainer upon entering this Agreement, which shall be refunded and/or applied to outstanding billings upon completion of services.

- // Minimum Fee - Non-Refundable - "Pure Retainer".
- // Credit Against Services. (Any unused funds to be refunded to client.)
- // "Flat Fee" for Specific Services, to wit: \$
- Hourly rate



# COUNCIL REPORTS

APPROVED
DEPARTMENT HEAD: <i>JHS</i>
CITY MANAGER: <i>[Signature]</i>

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY ENGINEER

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**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                JOHN (JAY) SCHLOSSER, P.E., CITY ENGINEER

**DATE:**                JANUARY 12, 2015

**SUBJECT:**            PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT  
ACCOUNT LOCAL FUNDING APPORTIONMENT

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## BACKGROUND

The Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. The City of Tehachapi is eligible to receive both regional and agency specific funding from the PTMISEA for transit projects. In order to receive the funds that have been apportioned to the City, we need to file the required PTMISEA Certifications and Assurances with Caltrans and adopt a resolution authorizing its' execution. This initial step was taken by the City Council on November 3, 2014. City Staff has recently been informed that additional agency-specific funds are available to the City of Tehachapi. In order to apply those funds to our proposed bus shelter improvement project at Mulberry and Tehachapi Boulevard, a resolution to that affect must be adopted.

## RECOMMENDATION

**ADOPT A RESOLUTION AUTHORIZING THE APPROVAL OF AN APPLICATION FOR \$2,798 IN PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT FUNDING APPORTIONED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION**

**RESOLUTION NO.**

**APPROVAL OF AN APPLICATION FOR \$2,798 IN PUBLIC  
TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE  
ENHANCEMENT ACCOUNT (PTMISEA) FUNDING APPORTIONED BY THE  
CALIFORNIA DEPARTMENT OF TRANSPORTATION**

WHEREAS, Proposition 1B, Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fiscal Years 2008/2009, 2009/2010, 2010/2011 and 2014/2015 revenue apportionment for the City of Tehachapi is \$2,798, which may be used for eligible projects; and

WHEREAS, bus stop improvements is an eligible project for Proposition 1B PTMISEA funding; and

WHEREAS, it is necessary for the City Council of the City of Tehachapi to approve the Application for Fiscal Years 2008/2009, 2009/2010, 2010/2011 and 2014/2015, Proposition 1B, PTMISEA funds for a transit capital project to improve the Mulberry Bus Stop in Tehachapi in the amount of \$2,798;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City Council of the City of Tehachapi approves the Fiscal Years 2008/2009, 2009/2010, 2010/2011 and 2014/2015, Proposition 1B, PTMISEA application for a transit capital project to improve the Mulberry Bus Stop in Tehachapi in the amount of \$2,798.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Tehachapi at a regular meeting this 20<sup>th</sup> day of January, 2015.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
SUSAN WIGGINS, Mayor  
City of Tehachapi, California

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC  
City Clerk  
City of Tehachapi, California

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on January 20, 2015.

\_\_\_\_\_  
DENISE JONES, CMC  
City Clerk  
City of Tehachapi, California



# COUNCIL REPORTS

APPROVED	
DEPARTMENT HEAD:	<i>JHS</i>
CITY MANAGER:	<i>[Signature]</i>

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY ENGINEER

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**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                JOHN (JAY) SCHLOSSER, P.E., CITY ENGINEER

**DATE:**                DECEMBER 11, 2014

**SUBJECT:**            TRANSIT SYSTEM SAFETY, SECURITY, AND DISASTER RESPONSE ACCOUNT

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## BACKGROUND

The Transit System Safety, Security, and Disaster Response Account (TSSSDRA) was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. The City of Tehachapi is eligible to receive funding from the TSSSDRA for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems. In order to receive the funds that have been apportioned to the City, we need to file the required grant assurances with the California Governor's Office of Emergency Services and adopt a resolution identifying the authorized agent(s) to execute the necessary actions to execute the grant.

## RECOMMENDATION

**ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI IDENTIFYING AUTHORIZED AGENT(S) TO EXECUTE ACTIONS NECESSARY TO OBTAIN CALIFORNIA TRANSIT SECURITY GRANT PROGRAM FUNDS FROM CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES.**

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI  
IDENTIFYING AUTHORIZED AGENT(S) TO EXECUTE ACTIONS NECESSARY  
TO OBTAIN CALIFORNIA TRANSIT SECURITY GRANT PROGRAM FUNDS  
FROM CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES**

WHEREAS, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

WHEREAS, the California Governor's Office of Emergency Services (Cal OES) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGP); and

WHEREAS, the City of Tehachapi is eligible to receive CTSGP funds; and

WHEREAS, the City of Tehachapi will apply for 2014/2015 CTSGP funds in an amount up to \$10,023.00 for Bus Stop Enhancements including increased safety by improved lighting and close circuit security cameras; and

WHEREAS, City of Tehachapi recognizes that it is responsible for compliance with all Cal OES CTSGP grant assurances, and state and federal laws, including, but not limited to, laws governing the use of bond funds; and

WHEREAS, Cal OES requires City of Tehachapi to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of City of Tehachapi to execute actions necessary to obtain CTSGP funds from Cal OES and ensure continued compliance with Cal OES CTSGP assurances, and state and federal laws.

*THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEHACHAPI THAT GREG GARRETT, CITY MANAGER, AND/OR HIS DESIGNEE,* is hereby authorized to execute for and on behalf of City of Tehachapi, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Governor's Office of Emergency Services under the CTSGP.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Tehachapi at a regular meeting this 20<sup>th</sup> day of January, 2015.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
SUSAN WIGGINS, Mayor  
City of Tehachapi, California

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC  
City Clerk  
City of Tehachapi, California

**CERTIFICATION**

I, Denise Jones, duly elected and City Clerk of the City Council do hereby certify that the above is a true and correct copy of a resolution passed and approved by the City Council of the City of Tehachapi on the 20<sup>th</sup> day of, January, 2015 .

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Denise Jones, CMC  
City Clerk  
City of Tehachapi, California

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(Date)

## Grant Assurances

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### California Transit Security Grant Program California Transit Assistance Fund

Name of Applicant: City of Tehachapi

Grant Cycle: 2014/2015 Grant Number: 6\_61-0002

Address: 115 South Robinson Street

City: Tehachapi State: California Zip Code: 93561

Telephone Number: (661) 822-2200

E-Mail Address: [jschlosser@tehachapicityhall.com](mailto:jschlosser@tehachapicityhall.com)

As the duly authorized representative of the applicant, I certify that the applicant named above:

1. Has the legal authority to apply for Transit System Safety, Security, and Disaster Response Account funds, and has the institutional, managerial and financial capability to ensure proper planning, management and completion of the grant provided by the State of California and administered by the California Governor's Office Emergency Services (Cal OES).
2. Will assure that grant funds are only used for allowable, fair, and reasonable costs.
3. Will give the State of California generally and Cal OES in particular, through any authorized representative, access to and the right to examine all paper or electronic records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or Cal OES directives.
4. Will provide progress reports and other information as may be required by Cal OES.
5. Will initiate and complete the work within the applicable timeframe after receipt of Cal OES approval.
6. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business or other ties.
7. Will comply with all California and federal statues relating to nondiscrimination. These include but are not limited to:

- a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, which prohibits discrimination on the basis of race, color or national origin;
  - b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683 and 1685-1686), which prohibits discrimination on the basis of sex;
  - c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §§ 794) which prohibits discrimination on the basis of handicaps;
  - d. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age;
  - e. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255) as amended, relating to nondiscrimination on the basis of drug abuse;
  - f. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
  - g. Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290dd-2), as amended, relating to confidentiality of alcohol and drug abuse patient records;
  - h. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
  - i. Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
  - j. The requirements on any other nondiscrimination statute(s) which may apply to the application.
8. Will comply, if applicable, with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
9. Will comply with applicable environmental standards which may be prescribed pursuant to California or federal law. These may include, but are not limited to, the following:
- a. California Environmental Quality Act. California Public Resources Code Sections 21080-21098. California Code of Regulations, Title 14, Chapter 3 Sections 15000-15007;
  - b. Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO)11514;
  - c. Notification of violating facilities pursuant to EO 11738;
  - d. Protection of wetlands pursuant to EO 11990;
  - e. Evaluation of flood hazards in floodplains in accordance with EO 11988;
  - f. Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.);
  - g. Conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§ 7401 et seq.);
  - h. Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and

- i. Protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
10. Will comply, if applicable, with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et. seq.) related to protecting components or potential components of the national wild and scenic rivers system.
11. Will assist Cal OES, as appropriate, in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §§ 470), EO 11593 (identification and preservation of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§ 469a-1 et seq).
12. Will comply with Standardized Emergency Management System requirements as stated in the California Emergency Services Act, Gov Code §§ 8607 et seq. and CCR Title 19, Sections 2445, 2446, 2447 and 2448.
13. Will:
  - a. Promptly return to the State of California all the funds received which exceed the approved, actual expenditures as accepted by Cal OES;
  - b. In the event the approved amount of the grant is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California; and
  - c. CTSGP-CTAF funds must be kept in a separate interest bearing account. Any interest that is accrued must be accounted for and used towards the approved Prop1B project approved by Cal OES.
14. Will comply, if applicable, with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
15. Agrees that equipment acquired or obtained with grant funds:
  - a. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
  - b. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
16. Will comply, if applicable, with Subtitle A, Title II of the Americans with Disabilities Act (ADA) 1990.

17. Will comply with all applicable requirements, and all other California and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this program.
18. Understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds.
  - a. The applicant certifies that it and its principals:
    1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of federal benefits by a state or federal court, or voluntarily excluded from covered transactions by any federal department or agency;
    2. Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and (d) have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.
19. Will retain records for thirty-five years after notification of grant closeout by the State.
20. Will comply with the audit requirements set forth in the Office of Management and Budget (OMB) Circular A-133, "Audit of States, Local Governments and Non-Profit Organizations."
21. Grantees and subgrantees will use their own procurement procedures which reflect applicable state and local laws and regulations.
22. Grantees and subgrantees will comply with their own contracting procedures or with the California Public Contract Code, whichever is more restrictive.
23. Grantees and subgrantees will maintain procedures to minimize the time elapsing between the award of funds and the disbursement of funds.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

The undersigned represents that he/she is authorized by the above named applicant to enter into this agreement for and on behalf of the said applicant.

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: John (Jay) Schlosser, P.E.

Title: City Engineer Date: \_\_\_\_\_

Authorized Agent Signature Authority

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AS THE MAYOR  
(Chief Executive Officer / Director / President / Secretary)

OF THE CITY OF TEHACHAPI  
(Name of State Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named state organization, any actions necessary for the purpose of obtaining state financial assistance provided by the California Governor's Office of Emergency Services.

Greg Garrett, OR  
(Name or Title of Authorized Agent)

Chris Kirk, OR  
(Name or Title of Authorized Agent)

John Schlosser  
(Name or Title of Authorized Agent)

*Signed and approved this 20<sup>th</sup> day of January, 2015*

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SUSAN WIGGINS, MAYOR



APPROVED

DEPARTMENT HEAD: *JTB*

CITY MANAGER: *[Signature]*

# COUNCIL REPORTS

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY ENGINEER

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**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                JOHN (JAY) SCHLOSSER, P.E., CITY ENGINEER

**DATE:**                OCTOBER 6, 2014

**SUBJECT:**            CHALLENGER DRIVE EXTENSION PROJECT – NOTICE OF COMPLETION

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## BACKGROUND

As the Council will recall, the City of Tehachapi entered into a contract with Cooley Construction, for the Challenger Drive Extension Project. Following a walk-through by City Staff, and completion of all "punch list" items by the contractor, it has been determined that all contract items have been completed. At this time, a Notice of Completion must be filed in order to close the contract.

## RECOMMENDATION

**APPROVE THE NOTICE OF COMPLETION FOR THE CHALLENGER DRIVE EXTENSION PROJECT AND DIRECT STAFF TO RECORD SAME**

RECORDING REQUESTED BY AND  
FOR THE BENEFIT OF AND  
WHEN RECORDED MAIL TO:

City Clerk's Office  
CITY OF TEHACHAPI  
115 South Robinson Street  
Tehachapi, CA 93561

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Recording Fee \$ None

NOTICE OF COMPLETION

This is to certify that the Contract entered into on the 18<sup>th</sup> day of March 2014, by and between the City of Tehachapi, the Owner, and Cooley Construction, the Contractor, for all work necessary to complete the Challenger Drive Extension Project, has been completed in accordance with the requirements of the plans and specifications and contract documents, and I hereby acknowledge the full completion and acceptance on the 11<sup>th</sup> day of December 2014, on behalf of the Owner.

By \_\_\_\_\_  
Greg Garrett, City Manager

Greg Garrett, being duly sworn, says: That he is the City Manager and Authorized Agent of the City of Tehachapi, the City that executed the foregoing Notice as the Owner of the Property herein described; that he makes this verification on behalf of the City; and that he has read said Notice and knows the contents thereof, and that the facts there instated are true.

\_\_\_\_\_  
State of California  
County of Kern

\_\_\_\_\_  
Subscribed and sworn to (or affirmed)  
before me on this \_\_\_\_ day of  
\_\_\_\_\_, 2015, by

(1) \_\_\_\_\_,  
proved to me on the basis of satisfactory  
evidence to be the person who  
appeared before me.

Signature \_\_\_\_\_

Place Notary Seal Above



APPROVED

DEPARTMENT HEAD: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_

# COUNCIL REPORTS

**MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY ENGINEER**

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**TO:                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS**

**FROM:                JOHN (JAY) SCHLOSSER, P.E., CITY ENGINEER**

**DATE:                JANUARY 12, 2015**

**SUBJECT:            VACATION OF A PORTION OF AN EASEMENT AND OF IRREVOCABLE OFFER OF DEDICATION FOR A 117 EAST F STREET, APN 040-190-12**

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## **BACKGROUND**

Several months ago, City Staff was approached by a land owner regarding the property located at 117 East F Street (APN 040-190-12). This property faces F Street and has rear access from the Centennial Plaza parking lot. The Centennial Plaza parking lot is comprised of the original alleyway, dedicated when the town was founded in the late 1800's prior to incorporation in 1909, and numerous additional easements dedicated from various property owners to the City of Tehachapi. The lot in question is encumbered by an easement for the purpose of the parking lot.

The easement extends from the alleyway south to the edge of the face of the building. The building in question has a rear porch and awning that extend into the easement. The Centennial Plaza improvements project extended only to the edge of this porch/awning leaving about 6' of property within the easement encumbered by private property.

The property owner would like the flexibility of reclaiming the porch area for a grease inceptor in order to facilitate the construction of a restaurant. City Staff is of the opinion that the unused space is not needed for any City purpose.

## **RECOMMENDATION**

The City has not utilized the easement for at least five consecutive years from the date hereof and the City hereby finds it to be excess to the City.

**ADOPT A RESOLUTION VACATING A PUBLIC SERVICE EASEMENT AND RIGHT-OF-WAY PURSUANT TO CALIFORNIA STREETS AND HIGHWAYS CODE SECTIONS 8330 ET SEC.**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF TEHACHAPI VACATING A  
PUBLIC SERVICE EASEMENT AND RIGHT-OF-  
WAY PURSUANT TO CALIFORNIA STREETS  
AND HIGHWAYS CODE SECTIONS 8330 ET  
SEQ.**

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WHEREAS, the City Council of the City of Tehachapi ("City ") is the easement holder of the public service easement and right-of-way described in Exhibit "A" attached hereto and by this reference made a part hereof (the "Easement"); and

WHEREAS, City wishes to vacate the Easement pursuant to Chapter 4 of Part 3 of Division 9 of the Streets and Highways Code of California (Sections 8330 et seq.); and

WHEREAS, City has not utilized the Easement for at least five (5) consecutive years from the date hereof and the City hereby finds it to be excess to the City; and

WHEREAS, from and after the date of recordation of this Resolution, the Easement shall no longer constitute a public service easement.

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

1. That the foregoing recitals are true and correct.

2. That the Easement is hereby vacated and that from and after the date of recordation of this Resolution, the Easement shall no longer constitute a public service easement.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi on the \_\_\_\_ day of \_\_\_\_\_, 2015 by the following vote:

AYES: COUNCIL MEMBERS: \_\_\_\_\_

NOES: COUNCIL MEMBERS: \_\_\_\_\_

ABSENT: COUNCIL MEMBERS: \_\_\_\_\_

ABSTAIN: COUNCIL MEMBERS: \_\_\_\_\_

\_\_\_\_\_  
SUSAN WIGGINS, Mayor of the  
City of Tehachapi, California

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC, City Clerk of the City of  
Tehachapi, California

I hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
DENISE JONES, CMC, City Clerk of the City of  
Tehachapi, California

**EXHIBIT "A"**

**[Legal Description]**

ALL THAT PORTION OF THAT CERTAIN INGRESS, EGRESS AND STREET AND UTILITY PURPOSES EASEMENT AND IRREVOCABLE OFFER OF DEDICATION RECORDED JULY 02, 1980 IN BOOK 5296 AT PAGE 1565 OF OFFICIAL RECORDS IN THE OFFICE OF THE RECORDER, COUNTY OF KERN, STATE OF CALIFORNIA, LYING WITHIN THE LIMITS OF THE CITY OF TEHACHAPI BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHERLY 6.30 FEET OF THE NORTHERLY 52 FEET OF LOTS 23, 24 AND OF THE EAST 19 FEET OF LOT 25 IN BLOCK 51 OF THE TOWN OF TEHACHAPI AS PER MAP RECORDED OCTOBER 08, 1892 IN BOOK 1, PAGE 5 OF MAPS IN THE OFFICE OF SAID RECORDER.



APPROVED
DEPARTMENT HEAD: _____
CITY MANAGER: _____

*[Handwritten signature over the City Manager line]*

# COUNCIL REPORTS

MEETING DATE: JANUARY 20, 2015    AGENDA SECTION: CITY MANAGER

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**TO:**                    HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:**                GREG GARRETT, CITY MANAGER

**DATE:**                JANUARY 13, 2015

**SUBJECT:**            URGENCY ORDINANCE

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## BACKGROUND

The City has received inquiries regarding the development of hookah (smoking) lounge land uses which, if established without appropriate zoning regulations, may be inconsistent with surrounding land uses, detrimental to the public health, safety, and welfare, and in conflict with existing regulations. Staff feels it would be in the City's best interest to adopt an Urgency Ordinance establishing a temporary moratorium on the permitting of hookah (smoking) lounge land uses pending the review and possible amendment of zoning regulations applicable to such uses, to become effective immediately.

## RECOMMENDATION

**ADOPT AN URGENCY ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON THE PERMITTING OF HOOKAH (SMOKING) LOUNGE LAND USES PENDING THE REVIEW AND POSSIBLE AMENDMENT OF ZONING REGULATIONS APPLICABLE TO SUCH USES, TO BECOME EFFECTIVE IMMEDIATELY**

**URGENCY ORDINANCE NO. \_\_\_\_\_**

**AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ESTABLISHING A TEMPORARY MORATORIUM ON THE PERMITTING OF HOOKAH (SMOKING) LOUNGE LAND USES PENDING THE REVIEW AND POSSIBLE AMENDMENT OF ZONING REGULATIONS APPLICABLE TO SUCH USES, TO BECOME EFFECTIVE IMMEDIATELY**

**WHEREAS**, the City has received inquiries regarding the development of hookah (smoking) lounge land uses which, if established without appropriate zoning regulations, may be inconsistent with surrounding land uses, detrimental to the public health, safety, and welfare, and in conflict with existing regulations; and

**WHEREAS**, the City Council finds and determines that the establishment of hookah (smoking) lounges produces secondary smoke which can negatively affect workers, passersby, and neighbors, particularly minors, the elderly, sick and disabled, and that smoking lounges may serve as a marketing vehicle for tobacco which can also have detrimental effects on minors by encouraging them to smoke; and

**WHEREAS**, Government Code Sections 65858, 36934, and 36937 expressly authorize the City Council to adopt as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a zoning proposal.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEHACHAPI AS FOLLOWS:**

1. That the foregoing findings and recitals are true and correct and are incorporated herein by this reference.
2. That the City Council hereby declares a moratorium on any new hookah (smoking) lounge land use permit, variance, building permit, business license, occupancy permit and any land use entitlement in order to evaluate the use, and to determine which if any zoning districts are appropriate for it and what level of discretionary review is required.

3. That this Urgency Ordinance shall be effective for forty-five (45) days from and after the date of its adoption, pursuant to the authority conferred upon the City Council by Government Code Section 65858(a), and may thereafter be extended provided notice is given pursuant to Government Code Section 65090 and a public hearing is held thereon.

4. That this is an Urgency Ordinance pursuant to Section 65858 and shall be effective immediately upon its adoption.

5. That 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 force and effect.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Tehachapi, California, on the \_\_\_\_ day of January, 2015, by the following vote:

AYES: COUNCIL MEMBERS: \_\_\_\_\_

NOES: COUNCIL MEMBERS: \_\_\_\_\_

ABSENT: COUNCIL MEMBERS: \_\_\_\_\_

ABSTAIN: COUNCIL MEMBERS: \_\_\_\_\_

\_\_\_\_\_  
SUSAN WIGGINS, Mayor of the City of  
Tehachapi, California

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC, City Clerk  
of the City of Tehachapi, California

# COUNCIL REPORTS

**MEETING DATE:** January 20, 2015    **AGENDA SECTION:** CITY MANAGER

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**TO:** HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

**FROM:** GREG GARRETT, CITY MANAGER

**DATE:** January 13, 2015

**SUBJECT:** GOLDEN HILLS WASTEWATER

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## BACKGROUND

As the City Council is aware, the Golden Hills Sanitation Company (GHSC) was formed during the 1980's to provide wastewater collection and treatment services to a small area of Golden Hills. As a private company, the GHSC provided these services to 180 customers until 2012 when the Kern County Superior Court appointed a Receiver to operate the plant at the request of the California Public Utilities Commission. Since that time, the Receiver has operated the collection and treatment system on behalf of the Court.

Following appointment of the Receiver, staff members from the the County of Kern reviewed the situation and prepared a document entitled, "Analysis of Continued Sewer Service Options for the Golden Hills Wastewater Treatment Plant Customers" to outline their findings. According to a subsequent report prepared by AECOM, the initial Kern County report "concluded that the County staff did not have the time to provide the necessary in-depth analysis and public review that would be necessary to reach a consensus on a single option". Following this realization, the County contracted with AECOM, a large engineering firm with offices in Bakersfield, to further evaluate two of the options identified in the County report.

Since late 2013, AECOM has been evaluating the current condition of the wastewater collection and treatment infrastructure serving the GHSC customers, has met with stakeholders to discuss possible options, and has prepared a report outlining what AECOM believes to be the primary options for providing continued wastewater services to the Golden Hills residents currently being served. This report has been finalized recently and as such, City staff believes its appropriate to bring forward follow-up discussion to the City Council.

In short, the two primary options for long-term operation of the Golden Hills sewer system considered in the AECOM report are:

1. Continued operations of the existing wastewater system.
2. Conveying wastewater to the City of Tehachapi for treatment at our plant.

Additionally, a third option of doing nothing was considered but deemed to be an unviable option for continued sewer service.

This City Council staff report is only intended to provide a brief and not-inclusive summary of the issue. A complete study of the issue is included in the AECOM report which is available for review at City Hall or by contacting the County of Kern.

## **DISCUSSION**

Before additional discussion is outlined, it is important that some myths are dispelled. During the AECOM study process, there have been numerous comments made by members of the public, other agency personnel, and even the receiver regarding the City's involvement. To be clear, the City did not participate in Kern County's selection of AECOM in any way. Secondly, City staff have consistently reiterated that the City does not desire to be the wastewater provider for Golden Hills but that we are willing to be part of the solution if asked.

To date, neither the customers of the GHSC, nor the Golden Hills CSD, nor the Receiver, have asked that the City accept and treat the wastewater from the 180 customers of the GHSC. Rather, the City has continued to participate in conversations with the County, AECOM, and others, in the interest of being a good neighbor.

More important than being a good neighbor, City staff believes that if the wastewater system were to fail, the area served by the system has a potential to experience increased blight and blighting influences that could spread through additional areas of the Golden Hills CSD and beyond their boundaries. With that in mind, City staff have continued to assert our willingness to consider all possible solutions.

As it relates to the two possible solutions, Option 1 does not involve the City in a meaningful way. Should the GHSC customers, Golden Hills CSD, and the County all choose to continue operation of the wastewater system, the activities will be governed by appropriate State regulatory boards and should not impact the City financially or otherwise. There has been more recent conversation about the viability of this option by the stakeholders involved and at recent public meetings, there has even been some representation by Golden Hills CSD that the CSD may be interested in taking this on. Should the CSD choose to assume operation of the plant and provide sewer service to the customers within their jurisdiction, we would applaud their willingness to take on that leadership role.

Should all the parties involved agree that Option 2 presents the best way forward for the community as a whole, the City would consider accepting the wastewater at our facility for treatment. Many issues will need to be addressed prior to such a decision, including items such as the responsibility for managing the collection system, compensation for the treatment services, mitigation for the reduced capacity of the City's system, and so on. What Option 2 does not represent is a high level of local control for the residents of the GHSC service area or Golden Hills CSD. The City is a firm believer in the importance of local decision making and has suggested in the past that providing services outside of our jurisdiction should also bring with it a larger decision about the long-term regionalization of services to provide a better voice for all customers. This decision would have to be made in concert with the County, Golden Hills CSD, and the City.

## **RECOMMENDATION**

At this time, City Staff is not prepared to recommend a decision on the issue as no official request to the City has been made. However, City staff suggests that the Council reiterate the City's position that local control is an important value in governance and that the City continues to be a willing participant in helping the County and the Golden Hills residents ensure ongoing sustainable sewer service for their jurisdiction.