

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, February 16, 2016 - 6:00 P.M.**

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

CALL TO ORDER

ROLL CALL

INVOCATION

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

PLEDGE TO FLAG

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT

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

AUDIENCE ORAL AND WRITTEN COMMUNICATIONS

The City Council welcomes public comments on any items 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.

1. General public comments regarding matters not listed as an agenda item.

**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, February 16, 2016- 6:00 P.M. - PG. 2

CITY CLERK REPORTS

Tehachapi City Council Unassigned Res. No. 04-16

Tehachapi City Council Unassigned Ord. No. 16-01-731

Tehachapi Redevelopment Successor Agency Unassigned Res. No. 01-16

Tehachapi Public Financing Authority Unassigned Res. No. 01-16

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

- *3. Minutes for the Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority, and the Tehachapi City Financing Corporation regular meeting on January 19, 2016 – **APPROVE AND FILE**

- 4. Introduction of County requested ordinances regarding food safety education, psychoactive bath salts, psychoactive herbal incense (spice) & other synthetic drugs, and tobacco retailers permits – **INTRODUCTION ONLY**

FINANCE DIRECTOR REPORTS

- *5. Disbursements, bills, and claims for January 13, 2016 through February 8, 2016 – **AUTHORIZE PAYMENTS**

- *6. City of Tehachapi Treasurer's Report through January, 2016 – **RECEIVE REPORT**

- 7. 2015 Financial Report – **INFORMATION ONLY**

PUBLIC WORKS DIRECTOR REPORTS

- *8. Amendment to Agreement with Alpha Scapes for maintenance of certain City-owned landscape areas – **APPROVE THE AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND ALPHA SCAPES AND AUTHORIZE THE MAYOR TO SIGN**

DEVELOPMENT SERVICES DIRECTOR REPORTS

- 9. Curry and Valley Intersection Improvement Project Notice of Completion – **APPROVE THE NOTICE OF COMPLETION FOR THE CURRY AND VALLEY INTERSECTION IMPROVEMENT PROJECT AND DIRECT STAFF TO RECORD SAME**

POLICE CHIEF REPORTS

- *10. Resolution amending the Employee Personnel Manual to include an annual uniform allowance for uniformed Police Department personnel who are not represented by the Tehachapi Police Officers Association – **ADOPT A RESOLUTION ADDING SECTION 3B, ITEM 6D (UNIFORM ALLOWANCE) TO THE RULES AND REGULATIONS FOR ADMINISTRATION OF THE PERSONNEL SYSTEM**

**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, February 16, 2016- 6:00 P.M. - PG. 3

CITY ATTORNEY REPORTS

- *11. The City Attorney's Spring Conference sponsored by the League of California Cities will be on May 4 – 6, 2016 in Newport Beach. The registration fee is \$625.00 and a one (1) night stay in the hotel is \$199.00. A range of subjects relevant to the City will be covered including Medical Marijuana, Conservation Based Water Rates, and Proposition 218 Requirements as well as Municipal Litigation Updates, and Labor and Employment Updates. The cost to the City would be \$275.00 – **CONSIDER APPROVAL OF CITY ATTORNEY TO ATTEND CITY ATTORNEY'S SPRING CONFERENCE FOR MAXIMUM COST OF \$275.00**

ASSISTANT CITY MANAGER REPORTS

12. Social Media Policy – **APPROVE THE CITY OF TEHACHAPI SOCIAL MEDIA POLICY**

CITY MANAGER REPORTS

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

COUNCILMEMBER REPORTS

14. **Councilmember Wahlstrom** - Status of appeal by Guy and Jennifer Williams and how councilmembers speak in the public to the public

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

CLOSED SESSION

1. Conference with real property negotiator (City Manager) regarding first right of refusal of Airport property described as Hangars 02W, 07W, 08W and 09W, per Government Code Section 54956.8

ADJOURNMENT

MINUTES

**TEHACHAPI CITY COUNCIL REGULAR MEETING,
TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY REGULAR MEETING,
TEHACHAPI PUBLIC FINANCING AUTHORITY REGULAR MEETING, AND
TEHACHAPI CITY FINANCING CORPORATION REGULAR MEETING
Tuesday, January 19, 2016 – 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><u>CALL TO ORDER</u></p> <p>Meeting called to order by Mayor Wiggins at 6:00 p.m.</p> <p><u>ROLL CALL</u></p> <p>Roll call by City Clerk Tori Marsh</p> <p>Present: Mayor Pro-Tem Nixon, Councilmembers Smith and Wahlstrom</p> <p>Absent: Mayor Wiggins, Councilmember Grimes</p> <p><u>INVOCATION</u></p> <p>By Barry Galloway Pastor Tehachapi Mountain Vineyard</p> <p><u>PLEDGE TO THE FLAG</u></p> <p>Led by Councilmember Smith</p> <p><u>CONSENT AGENDA</u></p> <p>Approved consent agenda</p> <p><u>AUDIENCE ORAL COMMUNICATIONS</u></p> <p>1. General public comments regarding matters not listed as an agenda item were received from:</p> <p>a. Ken Hetge, Business Owner, asked a question in regards to CEQA requirements.</p> <p><u>CITY CLERK REPORTS</u></p> <p>*2. ALL ORDINANCES SCHEDULED FOR INTRODUCTION OR ADOPTION AT THIS MEETING SHALL BE READ BY TITLE ONLY.</p>	<p>Approved Consent Agenda</p> <p>All Ord. Read By Title Only Sm/Wa Motion Carried Ab Wi & Gr</p>
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ACTION TAKEN

<p>*3. Minutes for the Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority, and the Tehachapi City Financing Corporation regular meeting on December 21, 2015 - APPROVED AND FILED.</p>	<p>Approved & Filed Sm/Wa Motion Carried Ab Wi & Gr</p>
<p>*4. Destruction of Records – ADOPTED RESOLUTION 01-16 AUTHORIZING THE DESTRUCTION OF CERTAIN CITY RECORDS SUBJECT TO APPROVAL BY THE CITY CLERK AND CITY ATTORNEY</p>	<p>Adopted Resolution 01-16 Authorizing The Destruction Of Certain City Records Subject To Approval By The City Clerk And City Attorney Sm/Wa Motion Carried Ab Wi & Gr</p>
<p>*5. Janitorial Services Agreement – APPROVED THE AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND CUSTOMIZED CUSTODIAL SERVICES INC. AND AUTHORIZED THE MAYOR TO SIGN</p>	<p>Approved The Agreement Between The City Of Tehachapi And Customized Custodial Services Inc. And Authorized The Mayor To Sign Sm/Wa Motion Carried Ab Wi & Gr</p>
<p><u>FINANCE DIRECTOR REPORTS</u></p>	
<p>*6. Disbursements, bills and claims for December 16, 2015 through January 12, 2016 – KEN HETGE, BUSINESS OWNER, ASKED QUESTION ABOUT A DISBURSEMENT; AUTHORIZED PAYMENTS</p>	<p>Authorized Payments Sm/Wa Motion Carried Ab Wi & Gr</p>
<p>*7. City of Tehachapi Treasurer’s Report through December, 2015 – RECEIVED REPORT</p>	<p>Received Report Sm/Wa Motion Carried Ab Wi & Gr</p>
<p>8. Resolution of the Board of Directors to the Tehachapi Redevelopment Successor Agency to approve a loan agreement for fiscal year 2015-16 administrative costs between the City and the Successor Agency for the use of City staff, facilities, and other resources for the administration and operations of the Successor Agency – FINANCE DIRECTOR HANNAH CHUNG GAVE STAFF REPORT; ADOPTED RESOLUTION 02-16 APPROVING THE EXECUTION OF A LOAN AGREEMENT FOR FISCAL YEAR 2015-16 ADMINISTRATIVE COSTS BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH</p>	<p>Adopted Resolution 02-16 Approving The Execution Of A Loan Agreement For Fiscal Year 2015-16 Administrative Costs By And Between The City And The Successor Agency To The Tehachapi Redevelopment Agency And Taking Certain Actions In Connection Therewith Sm/Wa Motion Carried Ab Wi & Gr</p>
<p>9. Resolution of the City Council to approve a loan agreement for fiscal year 2015-16 administrative costs between the City and the Successor Agency for the use of City staff, facilities, and other resources for the administration and operations of the Successor Agency – FINANCE DIRECTOR HANNAH CHUNG GAVE STAFF REPORT; ADOPTED RESOLUTION 03-16 APPROVING THE EXECUTION OF A LOAN AGREEMENT FOR FISCAL YEAR 2015-16 ADMINISTRATIVE COSTS BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH</p>	<p>Adopted Resolution 03-16 Approving The Execution Of A Loan Agreement For Fiscal Year 2015-16 Administrative Costs By And Between The City And The Successor Agency To The Tehachapi Redevelopment Agency And Taking Certain Actions In Connection Therewith Sm/Wa Motion Carried Ab Wi & Gr</p>
<p><u>PUBLIC WORKS DIRECTOR REPORTS</u></p>	
<p>10. Snyder Well Project Joint Agencies Agreement between the City of Tehachapi,</p>	<p>Approved The Snyder Well Project Joint Agencies</p>

ACTION TAKEN

Tehachapi Cummings County Water District and the Tehachapi Unified School District to purge high nitrate concentrations – **PUBLIC WORKS DIRECTOR JON CURRY GAVE STAFF REPORT; COMMENT RECEIVED BY GARY BURGESS, CITY RESIDENT; APPROVED THE SNYDER WELL PROJECT JOINT AGENCIES AGREEMENT AND AUTHORIZED THE MAYOR TO SIGN**

Agreement And Authorized The Mayor To Sign
 Sm/Wa Motion Carried
 Ab Wi & Gr

DEVELOPMENT SERVICES REPORTS

11. Rights-of-way on Dennison and Valley – **CITY ENGINEER JAY SCHLOSSER GAVE STAFF REPORT; APPROVED THE AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS BETWEEN THE CITY OF TEHACHAPI AND NUNES-HASTINGS, HILMAR, LLC FOR THE ACQUISITION OF ROAD RIGHT-OF-WAY ON DENNISON RD AND VALLEY BLVD AFFECTING ASSESSOR PARCEL NO. 415-020-07, 415-020-14, AND 415-020-16 AND AUTHORIZED THE MAYOR TO SIGN; AUTHORIZED THE MAYOR TO SIGN ADDITIONAL ESCROW DOCUMENTS AND CERTIFICATE OF ACCEPTANCE AS NEEDED TO COMPLETE THE ACQUISITION**

Approved The Agreement For Purchase And Sale And Joint Escrow Instructions Between The City Of Tehachapi And Nunes-Hastings, Hilmar, LLC For The Acquisition Of Road Right-Of-Way On Dennison Rd And Valley Blvd Affecting Assessor Parcel No. 415-020-07, 415-020-14, And 415-020-16 And Authorized The Mayor To Sign; Authorized The Mayor To Sign Additional Escrow Documents And Certificate Of Acceptance As Needed To Complete The Acquisition
 Sm/Wa Motion Carried
 Ab Wi & Gr

12. Development agreement with PT1 Ventures, LLC and consultant agreement with Lisa Wise Consulting to prepare the Oak Tree Village Specific Plan – **CITY ENGINEER JAY SCHLOSSER GAVE STAFF REPORT; RECEIVED COMMENTS FROM KEN HETGE BUSINESS OWNER; APPROVED TWO AGREEMENTS, COLLECTIVELY, FOR THE DEVELOPMENT OF THE OAK TREE VILLAGE SPECIFIC PLAN AND ASSOCIATED ENVIRONMENTAL IMPACT REPORT: (1) AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND PT1 VENTURES, LLC AND AUTHORIZED THE MAYOR TO SIGN; (2) AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND LISA WISE CONSULTING AND AUTHORIZED THE MAYOR TO SIGN**

Approved Two Agreements, Collectively, For The Development Of The Oak Tree Village Specific Plan And Associated Environmental Impact Report: (1) Agreement Between The City Of Tehachapi And Pt1 Ventures, LLC And Authorized The Mayor To Sign; (2) Agreement Between The City Of Tehachapi And Lisa Wise Consulting And Authorized The Mayor To Sign
 Wa/Sm Motion Carried
 Ab Wi & Gr

*13. Minor engineering support services agreements from August 12, 2012 through current – **JAY SCHLOSSER GAVE STAFF REPORT; COMMENT RECEIVED FROM KEN HETGE BUSINESS OWNER; INFORMATION ONLY**

ASSISTANT CITY MANAGER REPORTS

14. Southwest Diagonal Taxiway Rehabilitation Project – **ASSISTANT CITY MANAGER CHRIS KIRK GAVE STAFF REPORT; COMMENT RECEIVED FROM KEN HETGE; CANCELLED THE SOUTHWEST DIAGONAL TAXIWAY RECONSTRUCTION PROJECT AND NOTIFY THE FAA AND CALTRANS AERONAUTICS OF THE CITY'S CANCELLATION OF THE PROJECT AND ASSOCIATED FUNDING**

Cancelled The Southwest Diagonal Taxiway Reconstruction Project And Notify The FAA And Caltrans Aeronautics Of The City's Cancellation Of The Project And Associated Funding
 Sm/Wa Motion Carried
 Ab Wi & Gr

CITY MANAGER REPORTS

*15. Non-commercial hangar ground lease agreement – **APPROVED THE NON-**

Approved The Non-Commercial

ACTION TAKEN

**COMMERCIAL HANGAR GROUND LEASE AGREEMENT BETWEEN THE CITY OF
TEHACHAPI AND KENNETH WRIGHT & ANILU MEDERA FOR HANGAR 02E & 03E
AND AUTHORIZED THE MAYOR TO SIGN**

Hangar Ground Lease Agreement
Between The City Of Tehachapi
And Kenneth Wright & Anilu
Medera For Hangar 02e & 03e
And Authorized The Mayor To
Sign
Sm/Wa Motion Carried
Ab Wi & Gr

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

COUNCIL MEMBER ANNOUNCEMENTS OR REPORTS

1. Councilmember Wahlstrom congratulated Jennifer's Terrace on their Business of the Year award.

ADJOURNMENT

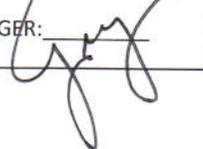
The City Council/Boards adjourned at 7pm to a Tehachapi City Council, Tehachapi Redevelopment Successor Agency, Tehachapi Public Financing Authority and Tehachapi City Financing Corporation Regular Meeting to be held on Monday, February 1, 2016, at 6:00p.m.

TORI MARSH
City Clerk, City of Tehachapi

Approved this 1st day
Of February, 2016.

KIM NIXON
Mayor Pro Tem, City of Tehachapi



APPROVED
DEPARTMENT HEAD: 
CITY MANAGER: 

COUNCIL REPORTS

MEETING DATE: February 16, 2016 **AGENDA SECTION:** CITY CLERK

TO: HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

FROM: ASHLEY WHITMORE, DEPUTY CITY CLERK

DATE: FEBRUARY 11, 2015

SUBJECT: INTRODUCTION OF ORDINANCES REGARDING FOOD SAFETY EDUCATION, PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE) & OTHER SYNTHETIC DRUGS, AND TOBACCO RETAILERS PERMITS

BACKGROUND

Recently, the Kern County Board of Supervisors adopted three (3) ordinances that establish standards for the requirement of individuals to attend Food Safety Education courses and to pass a competency examination when found to have posed to the risk and safety of the community; declare certain activities involving synthetic drugs to be a public nuisance and subject to all available civil remedies and provide the County of Kern with reasonable measures to address the dangers to the community that are not regulated by the State or Federal law; and prohibit any person from acting as a tobacco retailer without first obtaining and maintaining a valid tobacco retailer's permit and to set forth the terms and conditions of obtaining the permit. The Environmental Health Division, which is the designated enforcement agency, in order to ensure uniform policy countywide, is recommending the City update its ordinances to include the same language.

RECOMMENDATION

INTRODUCTION ONLY

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI
ADDING CHAPTER 8.64 TO THE TEHACHAPI MUNICIPAL CODE
WHICH ADOPTS ORDINANCE NO. G-8612 OF THE BOARD OF
SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA
ADDING CHAPTER 8.59 TO TITLE 8 OF THE KERN COUNTY
ORDINANCE CODE REGARDING FOOD SAFETY EDUCATION

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

Section 1. **ADDITION.**

Chapter 8.64 is hereby added to the Tehachapi Municipal Code as follows:

CHAPTER 8.64

FOOD SAFETY EDUCATION

Sections:

- 8.64.010.** **General purpose.**
8.64.020. **Incorporation by reference.**

8.64.010. **General Purpose.** The purpose of this Chapter is to establish standards for the requirement of individuals to attend Food Safety Education courses and to pass a competency examination when found to have a posed to the risk and safety of the community.

8.64.020. **Incorporation by Reference.** Pursuant to Government Code Sections 50022.1 et seq., Ordinance No. G-8612 of the Board of Supervisors of the County of Kern, State of California which adds Chapter 8.59 to Title 8 of the Kern County Ordinance Code regarding food safety education and each and every term, provision, rule, and regulation therein is hereby incorporated by this reference as if fully set forth herein verbatim.

Section 2. **SEVERABILITY.**

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.

Section 3. **ENVIRONMENTAL QUALITY ACT**

This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines and is not a project which has the potential for causing a significant effect on the environment.

Section 4. EFFECTIVE DATE.

This Ordinance shall take effect 30 days after the date of its passage and within 15 days of its passage a summary of same shall be posted at the three public posting places in the City of Tehachapi.

INTRODUCED at a regular meeting of the City Council of the City of Tehachapi, California on the 16th day of February, 2016.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi, California on the ____ day of _____, 2016, by the following votes:

AYES: Councilmembers: _____

NOES: Councilmembers: _____

ABSTAIN: Councilmembers: _____

ABSENT: Councilmembers: _____

SUSAN WIGGINS, Mayor of the City
of Tehachapi, California

ATTEST:

TORI MARSH, City Clerk
of the City of Tehachapi, California

I hereby certify that the forgoing Ordinance was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on _____, 2016.

TORI MARSH, City Clerk
of the City of Tehachapi, California

Published: February 9, 2016
Posted: February 3, 2016



December 15, 2015

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**PUBLIC HEARING REGARDING PROPOSED ORDINANCE ADDING CHAPTER 8.59 TO
TITLE 8 OF THE KERN COUNTY ORDINANCE CODE CONCERNING FOOD SAFETY EDUCATION
(Fiscal Impact: None)**

The purpose of this letter is to request your Board's approval of the proposed Ordinance adding Chapter 8.59 to Title 8 of the Kern County Ordinance Code. The proposed Ordinance implements a food safety education program.

The Public Health Services Department, Environmental Health Division's food program is responsible for assuring that food is safe for consumption and has been prepared under conditions and using practices that are safe and sanitary. Inspection staff review retail food facilities for proper food handling practices, personal health and hygiene of food service employees, methods of food preparation, source of food products, and overall sanitation. All retail food handling facilities are inventoried, permitted, and inspected between one and three times each year, determined by level of risk. Food related complaints and incidents involving food contamination are also investigated by the Department.

The proposed Ordinance furthers the Department's role in this process to include a mandated educational component for those facilities who have repeatedly demonstrated violations of critical risk factors affecting food safety, failed to ensure that all employees handling unpackaged food have sufficient knowledge and understanding of how to safely prepare and serve food, and/or have demonstrated poor decision making skills. This educational component will consist of a course taught by Environmental Health staff. The course will cover, at a minimum, all of the following topics:

- Causes and contributing factors of food-borne illness;
- The relationship between time and temperature and food-borne illness;
- The relationship between personal hygiene and food safety;
- Methods to prevent food contamination in all stages of food handling;
- Procedures for cleaning and sanitizing food handling equipment and utensils; and
- Proper decision making assistance for instances including, but not limited to, power outage, sewage spills, and rodent and/or roach infestation.

The proposed Ordinance authorizes the Department to require the facility owner send all staff who engage in food preparation and/or service to the food safety education course. The required attendees will be determined based on the contributing factors leading up to the referral to the food safety education course. The proposed Ordinance requires attendees take a food safety education competency examination following the conclusion of the course. If the attendee fails to achieve at least a 75% accuracy rate on the competency examination, the attendee will be required to re-attend the food safety education course. The proposed Ordinance provides the authority to suspend the facility's health permit for failure to pass the exam on the second attempt until the attendee can demonstrate at least a 75% accuracy rate on the exam. Alternatively, if an employee fails to pass the exam after a second attempt, the owner of the facility may submit a written corrective action plan, indicating the employee who has failed to pass the exam will not work in a food preparation and/or service capacity until the employee

demonstrates a 75% accuracy rate on the exam. The corrective action plan must be approved by the Department.

A fee has not been established for attendance at the food safety education course. While this proposed Ordinance outlines the authority to mandate attendance at the food safety education course, the Department would also like to be proactive and offer the course to facilities that handle food in an attempt to protect the community. Should the Department experience a great demand for this course, the Department will return to your Board to establish a fee that will cover the costs to provide this service based on actual costs incurred.

County Counsel has reviewed and approved the proposed Ordinance as to form.

It has been determined this is not a project subject to the requirements of the California Environmental Quality Act (CEQA). However, in the event it is determined to be a project, such project would be exempt from further CEQA review pursuant to sections 15061(b)(3), 15321 and 15322 of the State CEQA Guidelines.

Therefore, IT IS RECOMMENDED that your Board open public hearing; receive public comment; close public hearing; make finding this is not a project subject to the requirements of CEQA but if determined to be a project it is exempt from further CEQA review pursuant to sections 15061(b)(3), 15321 and 15322 of the State CEQA Guidelines; waive reading; and enact Ordinance.

Respectfully Submitted,



Matthew Constantine
Director of Public Health Services

MC:bnc

Attachment

C: County Administrative Office
County Counsel

ORDINANCE NO. G- _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ADDING CHAPTER 8.59 TO TITLE 8 OF THE ORDINANCE CODE CONCERNING FOOD SAFETY EDUCATION

The following ordinance, consisting of two (2) sections, was regularly passed and adopted by the Board of Supervisors at a regular meeting held on this _____ day of _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

Chairman of the Board of Supervisors of
the County of Kern, State of California

(SEAL)

ATTEST:

KATHLEEN KRAUSE
Clerk of the Board of Supervisors

By _____, Deputy Clerk

THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN ORDAINS AS FOLLOWS:

Section 1. This ordinance shall be published in accordance with Government Code section 25124 and it shall take effect and be in full force on and after the _____ day of _____, 2016.

Section 2. Chapter 8.59 is added to Title 8 of the Ordinance Code as follows:

Chapter 8.59

FOOD SAFETY EDUCATION

- 8.59.010 Purpose
- 8.59.020 General Requirements
- 8.59.030 Course Attendance Requirements
- 8.59.040 Course Contents
- 8.59.050 Required Knowledge Demonstration

8.59.010 Purpose

The purpose of this chapter is to establish standards for the requirement of individuals to attend food safety education courses and to pass a competency examination when found to have posed a risk to the health and safety of the community.

8.59.020 General Requirements

When the Director of Public Health Services or his designee determines one or more of the following, he may require employees of the facility to attend food safety education courses, in addition to submission of a detailed, written corrective action plan to prevent reoccurrence.

- a. The food facility has repeated violations of critical risk factors affecting food safety; and/or
- b. The owner or employee with Food Safety Certification has failed to ensure that all employees who handle unpackaged food have sufficient knowledge and understanding of how to safely prepare and serve food; and/or
- c. Upon closure of the facility or as a result of the Department having to take action at the facility due to poor decision making skills demonstrated by the operator and/or manager of the food facility.

8.59.030 Course Attendance Requirements

Upon determination that a facility must attend food safety education courses, the Director of Public Health Services may require the owner to send all staff who engage in food preparation and/or service.

8.59.040 Course Contents

The food safety education course shall include, but not be limited to, the following:

- a. Causes and contributing factors of foodborne illness;
- b. The relationship between time and temperature and foodborne illness;
- c. The relationship between personal hygiene and food safety;
- d. Methods to prevent food contamination in all stages of food handling;
- e. Procedures for cleaning and sanitizing food handling equipment and utensils; and
- f. Proper decision making assistance for instances including, but not limited to, power outage, sewage spills, and rodent and/or roach infestation.

8.59.050 Required Knowledge Demonstration

Attendees will be required to pass a food safety education competency examination following the conclusion of the presentation of the course contents. The competency examination will not be given without attendance of the food safety education course.

- a. Failure to pass the competency examination with a 75% accuracy rate will result in the requirement to retake the course.
- b. Failure to pass the competency examination with a 75% accuracy rate after the second attempt will result in suspension of the facility's health permit until at least a 75% accuracy rate has been demonstrated, unless a viable written corrective action plan is provided to and approved by the Department indicating that the employee who has failed to pass the competency exam will no longer engage in food preparation and/or service until he/she has passed the competency examination.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI ADDING CHAPTER 9.36 TO THE TEHACHAPI MUNICIPAL CODE WHICH ADOPTS ORDINANCE NO. G-8602 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA ADDING CHAPTER 9.44 TO TITLE 9 OF THE KERN COUNTY ORDINANCE CODE REGARDING PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE), AND OTHER SYNTHETIC DRUGS

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

Section 1. ADDITION.

Chapter 9.36 is hereby added to the Tehachapi Municipal Code as follows:

CHAPTER 9.36

PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE), AND OTHER SYNTHETIC DRUGS

Sections:

- 9.36.010. General purpose.**
- 9.36.020. Incorporation by reference.**
- 9.36.030 Enforcement and penalties**

9.36.010. General Purpose. Recreational or other use of psychoactive bath salts, psychoactive herbal incense (commonly referred to as "Spice" or "Synthetic Marijuana") and similar products commonly known as "synthetic drugs", has been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal thoughts, and death. While State and Federal laws and regulations prohibit some synthetic drugs, the makers of these drugs continually alter the composition of the compounds in their products so as to escape the purview of such laws and regulations. The purpose and intent of this Chapter is to protect the public health and safety within the County of Kern from the dangers and ill effects of all synthetic drugs by declaring certain activities involving synthetic drugs to be a public nuisance and subject to all available civil remedies and, to provide the County of Kern with reasonable measures to address the dangers to the community posed by synthetic drugs that are not regulated by State or Federal law.

9.36.020. Incorporation By Reference. Pursuant to Government Code Sections 50022.1 et seq., Ordinance No. G-8602 of the Board of Supervisors of the County of Kern, State of California which adds Chapter 9.44 to Title 9 of the Kern County Ordinance Code concerning psychoactive bath salts, psychoactive Herbal Incense (Spice) and other synthetic drugs and each and every term, provision, rule, and regulation therein is hereby incorporated by this reference as if fully set forth herein verbatim. Provided, however, that all references to "unincorporated areas of the County of Kern" are hereby replaced with "the County of Kern" and this ordinance shall apply within the City's boundaries.

9.36.030. Enforcement and Penalties.

9.44.070 Declaration of Public Nuisance

(a) It is a public nuisance for any person to provide, display for sale, sell, distribute, or possess with the intent to sell, any synthetic drug within the County of Kern.

(b) It is a public nuisance for any person to allow the provision, display for sale, sell, distribution, or possession with the intent to sell, of any synthetic drug on property owned, controlled or managed by such person within the County of Kern.

(c) It is a public nuisance for any person to provide, display for sale, sell, distribute, or possess with the intent to sell, any substance claimed or represented to be a synthetic drug within the County of Kern.

(d) It is a public nuisance for any person to allow the provision, display for sale, sell, distribution, or possession with the intent to sell, of any substance claimed or represented to be a synthetic drug on property owned, controlled or managed by such person within the unincorporated areas of the County of Kern.

(e) To determine if a person is claiming or representing that a substance or product is a synthetic drug, an enforcing officer may consider any of the evidentiary factors set forth in section 9.44.050.

(f) Possession that is not described in subdivisions (a) through (d) of this section is declared to be a public nuisance when such possession injuriously affects any person or persons, other than the person in possession, in such other person's or persons' health, safety, welfare, or comfortable enjoyment of life or property.

9.44.080 Abatement Authority and Procedures; Summary Abatement; Other Remedies

(a) If a public nuisance exists pursuant to this Chapter, any of the persons identified in section 9.44.120 may proceed under Title 8, Chapter 8.44, Public Nuisances, sections 8.44.010 et seq.

(b) Because the use of synthetic drugs has been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal thoughts, and death, any violation of this Chapter may present an immediate threat and grave and imminent danger not only to the person consuming the synthetic drug, but also to the public at large. If any of the persons identified in section 9.44.120, based on the facts then known, determines that a violation of this Chapter presents an immediate threat,

imminent danger or hazard, or is imminently injurious to the public health or safety, then that violation is punishable by the summary abatement procedures set forth in section 8.44.070 or other law.

(c) Nothing in this Chapter shall be construed to prevent the County of Kern from pursuing any and all other legal remedies that may be available, including, but not limited to, civil actions filed by County Counsel seeking any and all appropriate relief such as civil injunctions, penalties and forfeiture.

9.44.090 Modification, Suspension, or Revocation of Permit, License, or Other Grant of Authority

(a) If a person violates any provision of this Chapter, such violation shall be grounds for, in addition to any other enforcement action or remedy authorized by this Code or other law, modification, suspension, or revocation of any permit, license, or other grant of authority by the County issued to the person, or issued to any business, firm, company, corporation, public corporation, club, trust, partnership, association, and/or similar organization owned, controlled, or managed by such person (hereafter "Entity"), in accordance with the procedure of this Code or other law applicable to the respective permit, license, or other grant of authority.

(b) Upon determination that a violation of this Chapter exists, the Director of Public Health Services will impose the following sanction:

(1) For the first violation, any and all licenses or permits issued by the Kern County Public Health Services Department for the Entity found to be in violation will be suspended for thirty (30) days.

(2) For the second violation, any and all licenses or permits issued by the Kern County Public Health Services Department for the Entity found to be in violation will be revoked.

9.44.100 Seizure of Evidence

Any product or substance provided, distributed, sold or possessed for the purpose of providing, distributing or selling the product or substance, in violation of any provision of this Chapter, may be seized by any County official or officer who issues a criminal citation under this Chapter and removed and stored as evidence in accordance with the law.

9.44.110 Enforcement, Remedies, and Penalties

(a) In addition to any enforcement action and remedy authorized by this Chapter, a violation of any provision of this Chapter may be subject to the enforcement and remedy provisions of Title 1, Chapter 1.12, General Penalty, sections 1.12.010 through 1.12.030 and any other applicable enforcement and remedy provisions provided under the law.

(b) Any person identified in section 9.44.120 may, based on the facts then known, determine that, in the interest of justice, a violation of this Chapter constitutes an infraction.

9.44.120 Authority to Administer and Enforce

This Chapter may be administered and enforced by the Director of Public

Health or his/her designee(s), or any other County official or officer so designated.

Section 2. SEVERABILITY.

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.

Section 3. ENVIRONMENTAL QUALITY ACT

This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines and is not a project which has the potential for causing a significant effect on the environment.

Section 4. EFFECTIVE DATE.

This Ordinance shall take effect 30 days after the date of its passage and within 15 days of its passage a summary of same shall be posted at the three public posting places in the City of Tehachapi.

INTRODUCED at a regular meeting of the City Council of the City of Tehachapi, California on the 16th day of February, 2016.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi, California on the ____ day of _____, 2016, by the following votes:

AYES: Councilmembers: _____

NOES: Councilmembers: _____

ABSTAIN: Councilmembers: _____

ABSENT: Councilmembers: _____

SUSAN WIGGINS, Mayor of the City
of Tehachapi, California

ATTEST:

TORI MARSH, City Clerk
of the City of Tehachapi, California

I hereby certify that the forgoing Ordinance was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on _____, 2016.

TORI MARSH, City Clerk
of the City of Tehachapi, California

Published: February 9, 2016

Posted: February 3, 2016

OFFICE OF THE
COUNTY COUNSEL
COUNTY OF KERN

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COUNTY COUNSEL

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*Certified Workers' Compensation Law Specialist
The State Bar of California,
Board of Legal Specialization

+Certified Child Welfare Law Specialist
The National Association of Counsel for Children

Administrative Center
1115 Truxtun Avenue, Fourth Floor
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Phone: (661) 868-3800
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November 3, 2015

Board of Supervisors
County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**PUBLIC HEARING ON PROPOSED ORDINANCE AMENDING
SECTION 9.44.090 OF CHAPTER 9.44, TITLE 9, OF THE
ORDINANCE CODE CONCERNING PSYCHOACTIVE BATH
SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE), AND
OTHER SYNTHETIC DRUGS
(Fiscal Impact: None)**

On September 1, 2015, your Board adopted Chapter 9.44, Title 9, of the Ordinance Code concerning Psychoactive Bath Salts, Psychoactive Herbal Incense (Spice), and other synthetic drugs. The Ordinance became effective on October 2, 2015. At the request of the Director of Public Health Services Department, the enforcing agency of Chapter 9.44, this Office proposes that the Board make the attached revisions to improve enforcement of this Chapter.

Section 9.44.090 provides, in pertinent part,

If a person violates any provision of this Chapter, such violation shall be grounds for, in addition to any other enforcement action or remedy authorized by this Code or other law, modification, suspension, or revocation of any permit, license, or other grant of authority by the County issued to the person. . . .

Because the Director of Public Health Services is tasked with enforcement of this Chapter, and due to the type of entities generally engaged in the sale of synthetic drugs, it reasons that most licenses or

Board of Supervisors
November 3, 2015
Page 2

permits in question will be those issued by Public Health Services. Section 9.44.090 leaves to the discretion of the Director of Public Health, or his designee, whether to modify, suspend or revoke any permit or license issued by Public Health Services, and how long such modification, suspension or revocation will be.

Due to the potential serious health risks associated with violations of this Chapter, in order to protect the public health and safety within the unincorporated areas, and to place persons who violate this Chapter on clear notice as to what will happen to any license or permit issued by Public Health Services, it is requested that Section 9.44.090 be amended to include that: 1) sanctions for a first violation will be a thirty (30) day suspension of any license or permit issued by Public Health Services; and 2) sanctions for a second violation will be revocation of any license or permit issued by Public Health Services.

This is not a project subject to the requirements of the California Environmental Quality Act (CEQA). In the event it is determined to be a project, such project would be exempt from further CEQA review pursuant to sections 15061(b)(2), 15061(b)(3) and 15321 of the State CEQA Guidelines.

Therefore, IT IS RECOMMENDED that your Board open public hearing; receive public comment; close public hearing; make finding the Ordinance is not a project subject to requirements of CEQA and if determined to be a project it is exempt from further CEQA review pursuant to sections 15061(b)(2), 15061(b)(3), and 15321 of the State CEQA Guidelines; waive reading; and, enact Ordinance.

Very truly yours,

OFFICE OF COUNTY COUNSEL



THERESA A. GOLDNER
KERN COUNTY COUNSEL

cc: County Administrative Office
Clerk of the Board
Public Health Services Department

TAG/klg

#22C7653

ORDINANCE NO. G-_____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN ADDING CHAPTER 9.44 TO TITLE 9 OF THE ORDINANCE CODE CONCERNING PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL INCENSE (SPICE), AND OTHER SYNTHETIC DRUGS

The following ordinance, consisting of two (2) sections, was regularly passed and adopted by the Board of Supervisors at a regular meeting held on the ____ day of _____, 2015, by the following vote:

AYES:
NOES:
ABSENT:

Chairman of the Board of Supervisors of
the County of Kern, State of California

(SEAL)
ATTEST:

KATHLEEN KRAUSE
Clerk of the Board of Supervisors

By _____, Deputy Clerk

THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN ORDAIN AS
FOLLOWS:

Section 1. This ordinance shall be published in accordance with Government Code section 25124 and it shall take effect and be in full force on and after the ____ day of _____, 2015.

Section 2. Chapter 9.44 is added to Title 9 of the Ordinance Code as follows:

**Chapter 9.44
PSYCHOACTIVE BATH SALTS, PSYCHOACTIVE HERBAL
INCENSE (SPICE), AND OTHER SYNTHETIC DRUGS**

**9.44.010 Purpose and Intent
9.44.020 Definitions**

9.44.030	Legislative History and Findings
9.44.040	Provision, Display for Sale, Sell, Distribution, or Possession with Intent to Sell, of Synthetic Drugs - Prohibited
9.44.050	Provision, Display for Sale, Sell, Distribution, or Possession with Intent to Sell, of Substances Claimed or Represented To Be Synthetic Drugs - Prohibited
9.44.060	Possession or Use of Synthetic Drugs - Prohibited
9.44.070	Declaration of Public Nuisance
9.44.080	Abatement Authority and Procedures; Summary Abatement; Other Remedies
9.44.090	Modification, Suspension, or Revocation of Permit, License, or Other Grant of Authority
9.44.100	Seizure of Evidence
9.44.110	Enforcement, Remedies, and Penalties
9.44.120	Authority to Administer and Enforce
9.44.130	Exclusions
9.44.140	Severability

9.44.010 Purpose and Intent

Recreational or other use of psychoactive bath salts, psychoactive herbal incense (commonly referred to as "Spice" or "Synthetic Marijuana") and similar products commonly known as "synthetic drugs" has been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal thoughts, and death. While state and federal laws and regulations prohibit some synthetic drugs, the makers of these drugs continually alter the composition of the compounds in their products so as to escape the purview of such laws and regulations. The purpose and intent of this Chapter is to protect the public health and safety within the unincorporated areas of the County of Kern from the dangers and ill effects of all synthetic drugs by declaring certain activities involving synthetic drugs to be a public nuisance and subject to all available civil remedies and, to provide the County of Kern with reasonable measure to address the dangers to the community posed by synthetic drugs that are not regulated by state or federal law.

9.44.020 Definitions

- (a) Consume, Consuming or Consumption - To ingest, inhale, inject, smoke or snort (insufflate).
- (b) Distribute, Distributing or Distribution - To furnish, give away, exchange, transfer, deliver or supply, whether or not for monetary gain.
- (c) Person - Includes any natural person, business, firm, company, corporation, public corporation, club, trust, partnership, association or similar organization.
- (d) Possess, Possessing or Possession - To have for consumption, distribution, or sale in one's actual or constructive custody or control, or under one's authority or power, whether such custody, control, authority or power be exercised solely or jointly with others.
- (e) Provide, Providing or Provision - Offering to distribute or sell a product or substance to any person, whether or not for monetary gain.
- (f) Psychoactive Bath Salts - Any crystalline or powder product that contains a synthetic chemical compound that, when consumed, elicits psychoactive or psychotropic stimulant effects. The term psychoactive bath salts includes, without limitation:
 - (1) Products that elicit psychoactive or psychotropic stimulant effects and contain any of the following intoxicating chemical compounds:
 - (i) Cathinone (2-amino-1-phenyl-1-propanone), 4-methylmethcathinone (2-methylamino-1-(4-methylphenyl)propan-1-one), 4-

methoxymethcathinone (1-(4-methoxyphenyl)-2-(methylamino)propan-1-one), MDPV (methylenedioxypropylamphetamine), MDMA (3, 4-methylenedioxy-N-methylamphetamine), methylene (3,4-methylenedioxy-N-methylcathinone), methcathinone (2-(methylamino)-1-phenyl-propan-1-one), flephedrone (4-fluoromethcathinone), 3-FMC (3-fluoromethcathinone), ethcathinone (2-ethylamino-1-phenyl-propan-1-one), butylone (13-keto-N-methylbenzodioxolylbutanamine), a-PPP (a-pyrrolidinopropiophenone), MPPP (4'-methyl-a-pyrrolidinopropiophenone), MDPPP (3',4'-methylenedioxy-a-pyrrolidinopropiophenone), a-PVP (1-phenyl-2-(1-pyrrolidinyl)-1-pentanone) or naphyrone (1-naphthalen-2-yl-2-pyrrolidin-1-ylpentan-1-one);

- (ii) Any derivative of the above listed intoxicating chemical compounds;
- (iii) Any synthetic substance and its isomers with a chemical structure similar to the above listed compounds;
- (iv) Any chemical alteration of the above listed intoxicating chemical compounds; or
- (v) Any other substantially similar chemical structure or compound.

(2) Products that elicit psychoactive or psychotropic stimulant effects and are marketed under any of the following trade names: Bliss, Blizzard, Blue Silk, Bonzai Grow, Charge Plus, Charlie, Cloud Nine, Euphoria, Hurricane, Ivory Snow, Ivory Wave, Lunar Wave, Ocean, Ocean Burst, Pixie Dust, Posh, Pure Ivory, Purple Wave, Red Dove, Scarface, Snow Leopard, Stardust, Vanilla Sky, White Dove, White Night and White Lightning. This list of names is not all inclusive and is intended only as a guide which is contemporaneous with passage of this Chapter. It is in no way intended to limit enforcement of these provisions to the trade names listed herein.

(3) The term psychoactive bath salts shall not include any product, substance, material, compound, mixture or preparation that is specifically excepted by the California Uniform Controlled Substances Act ("UCSA") (California Health and Safety Code section 11000 et seq.), listed in one of the UCSA's schedules of controlled substances (California Health and Safety Code sections 11053 – 11058), regulated by one of the UCSA's synthetic drug laws (California Health and Safety Code sections 11357.5, 11375.5, 11401), regulated by the federal Controlled Substances Act (the "CSA") (21 USC section 801 et seq.) or approved by the Food and Drug Administration ("FDA").

(g) Psychoactive Herbal Incense (aka "Spice" or "Synthetic Marijuana") - Any organic product consisting of plant material that contains a synthetic stimulant compound that, when consumed, elicits psychoactive or psychotropic euphoric effects. The term "psychoactive herbal incense" includes, without limitation:

- (1) Products that elicit psychoactive or psychotropic euphoric effects and contain any of the following chemical compounds:
 - (i) Cannabicyclohexanol (2-[(1R,3S)-3-hydroxycyclohexyl]-5-(2-methylnonan-2-yl)phenol), JWH-018 (naphthalene-1-yl-(1-pentylindol-3-yl)methanone), JWH-073 (naphthalen-1-yl-(1-butylindol-3-yl)methanone), JWH-200 ((1-(2-morpholin-4-ylethyl)indol-2-yl)-naphthalen-1-yl)methanone), HU-210 ((6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol), CP 47, 497 (2-[(1R,3S)-3-hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol) CP 47,497 (2-[1R,3S]-3- hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol) or AM-2201 (1-[(5-fluoropentyl)-1H-indol-3-yl]-(naphthalen-1-yl)methanone);
 - (ii) Any derivative of the above listed intoxicating chemical compounds;
 - (iii) Any synthetic substance and its isomers with a chemical structure similar to the above listed intoxicating chemical compounds;
 - (iv) Any chemical alteration of the above listed intoxicating chemical compounds; or

(v) Any other substantially similar chemical structure or compound.

(2) Products that elicit psychoactive or psychotropic euphoric effects and are marketed under any of the following names: K2, K3, Spice, Genie, Smoke, Potpourri, Buzz, Spice 99, Voodoo, Pulse, Hush, Mystery, Earthquake, Stinger, Ocean Blue, Serenity, Fake Weed, No More Mr. Nice Guy and Black Mamba. This list of names is not all inclusive and is intended only as a guide which is contemporaneous with passage of this Chapter. It is in no way intended to limit enforcement of these provisions to the trade names listed herein.

(3) The term psychoactive herbal incense shall not include any product, substance, material, compound, mixture, or preparation that is specifically excepted by the UCSA (California Health and Safety Code section 11000 et seq.), listed in one of the UCSA's schedules of controlled substances (California Health and Safety Code sections 11053 – 11058), regulated by one of the UCSA's synthetic drug laws (California Health and Safety Code sections 11357.5, 11375.5, 11401), regulated by the CSA (21 USC section 801 et seq.) or approved by the FDA.

(h) Psychoactive Or Psychotropic Euphoric Effects - Affecting the central nervous system or brain function to change perception, mood, consciousness, cognition or behavior in ways that are similar to the effects of cannabis.

(i) Psychoactive or Psychotropic Stimulant Effects - Affecting the central nervous system or brain function to change perception, mood, consciousness, cognition or behavior in ways that are similar to the effects of cocaine, methylphenidate or amphetamines.

(j) Sell, Selling or Sale - To furnish, exchange, transfer, deliver or supply for monetary gain.

(k) Synthetic Drug - Includes "psychoactive bath salts" and "psychoactive herbal incense", as those terms are defined herein.

9.44.030 Legislative History and Findings

(a) On October 9, 2011, Health and Safety Code section 11375.5 was enacted criminalizing the sale, distribution and possession for sale or distribution of psychoactive synthetic stimulants commonly sold as "bath salts." On January 1, 2012, Health and Safety Code section 11357.5 became effective, criminalizing the sale, distribution and possession for sale or distribution of "synthetic cannabinoids" commonly marketed as "herbal incense" or "Spice." These laws are aimed at combating the growing popularity and dangerous health risks of these "designer drugs." As of the time of enactment of this Ordinance, pending legislation seeks to also criminalize the personal use or possession of these synthetic drugs.

(b) Psychoactive Bath Salts - "Bath Salts" products contain synthetic stimulants in a class of drugs known as synthetic cathinones, including MDPV, Mephedrone and Methylone. These cathinone derivatives have effects similar to cocaine, amphetamine or MDMA (Ecstasy), and may have a high risk for overdose. Doctors at poison centers and emergency rooms have reported the drug can cause paranoia and violent behavior, hallucinations, delusions, suicidal thoughts, seizures, panic attacks, increased blood pressure and heart rate, chest pain, nausea and vomiting. According to the American Association of Poison Control Centers, in 2015, through June 30, poison centers received reports of 267 exposures to bath salts. While this number is decreasing from reported exposures in 2011 of 6,138, in 2012 of 2,691 and in 2013 of 995, the numbers have remained steady since 2014 which had 582 reported exposures. The drug seems to be most popular with people who are between the ages of 20 and 29. However, poison centers have seen bath salts exposures in a wide range of ages, from younger than 6 to older than 59. The drugs come in powder and crystal forms like traditional bath salts – however, they are not the bath salts used in a bath. Users typically snort, inject or smoke them.

(c) Psychoactive Herbal Incense (aka "Spice" or "Synthetic Marijuana") - "Herbal Incense" products are most commonly a combustible leafy plant material that has been sprayed with research chemicals called synthetic cannabinoids. While synthetic cannabinoids

and natural marijuana act on the body's natural cannabinoid receptors, synthetic cannabinoids are not marijuana. Research and anecdotal reports show that synthetic cannabinoids produce dangerous symptoms not normally associated with marijuana. Making matters worse, synthetic cannabinoids may be combined with other toxic substances. Emergency room physicians report that users of these products experience serious side effects, including severe agitation and anxiety; disorientation, fast, racing heartbeat and higher blood pressure; nausea and vomiting; convulsions, muscle spasms, seizures, and tremors; intense hallucinations and psychotic episodes; suicidal and other harmful thoughts and/or actions. According to the American Association of Poison Control Centers, in 2015 (through July 6), poison centers received reports of 4,377 exposures to synthetic marijuana. While it appeared reports of exposures were beginning to decline in 2012, the number of exposures has risen since 2014. In 2010, there were 2,906 reported exposures; in 2011, there were 6,959 reported exposures; in 2012, there were 5,230 reported exposures; in 2013, there were 2,668 reported exposures; and, in 2014, there were 3,682 reported exposures. These products typically appear as packaged dried plant product or leaves, and are sold at gas stations, liquor stores, convenient stores, smoke shops, or on the Internet. While they sometimes have warning labels against human consumption, they are intended specifically for that use.

9.44.040 Provision, Display for Sale, Sell, Distribution, or Possession with Intent to Sell, of Synthetic Drugs - Prohibited

(a) It is unlawful for any person to provide, display for sale, sell or distribute, or possess with the intent to sell, any synthetic drug within the unincorporated areas of the County of Kern.

(b) Including a disclaimer in any form or in any location that a synthetic drug is "not safe for human consumption", or any similar disclaimer, will not avoid the application of this section.

9.44.050 Provision, Display for Sale, Sell or Distribution, or Possession with Intent to Sell, of Substances Claimed or Represented To Be Synthetic Drugs - Prohibited

(a) It is unlawful for any person to claim or represent that a product that person is providing, displaying for sale, selling or distributing, or possessing with the intent of selling, is a synthetic drug within the unincorporated areas of the County of Kern.

(b) To determine if a person is claiming or representing that a product is a synthetic drug, an enforcing official or officer may consider any of the following evidentiary factors:

(1) The product is not suitable for its marketed use (such as a crystalline or powder product being marketed as "glass cleaner");

(2) The business providing, displaying for sale, distributing or selling the product does not typically provide, distribute or sell products that are used for that product's marketed use (such as a liquor store selling "plant food");

(3) The product contains a warning label that is not typically present on products that are used for that product's marketed use (such as "not for human consumption", "not for purchase by minors", or "does not contain chemicals banned by Health And Safety Code section 11357.5");

(4) The product is significantly more expensive than products that are used for that product's marketed use (such as half of a gram of a substance marketed as "glass cleaner" costing \$50.00);

(5) The product resembles an illicit street drug (such as cocaine, methamphetamine or marijuana); or

(6) The product's name or packaging uses images or slang referencing an illicit street drug (such as "Eight Ballz" or "Green Buddha").

(c) Including a disclaimer in any form or in any location that a synthetic drug is "not safe for human consumption", or any similar disclaimer, will not avoid the application of this section.

9.44.060 Possession or Use of Synthetic Drugs - Prohibited

It is unlawful for any person to possess or use any synthetic drug within the unincorporated areas of the County of Kern.

9.44.070 Declaration of Public Nuisance

(a) It is a public nuisance for any person to provide, display for sale, sell, distribute, or possess with the intent to sell, any synthetic drug within the unincorporated areas of the County of Kern.

(b) It is a public nuisance for any person to allow the provision, display for sale, sell, distribution, or possession with the intent to sell, of any synthetic drug on property owned, controlled or managed by such person within the unincorporated areas of the County of Kern.

(c) It is a public nuisance for any person to provide, display for sale, sell, distribute, or possess with the intent to sell, any substance claimed or represented to be a synthetic drug within the unincorporated areas of the County of Kern.

(d) It is a public nuisance for any person to allow the provision, display for sale, sell, distribution, or possession with the intent to sell, of any substance claimed or represented to be a synthetic drug on property owned, controlled or managed by such person within the unincorporated areas of the County of Kern.

(e) To determine if a person is claiming or representing that a substance or product is a synthetic drug, an enforcing officer may consider any of the evidentiary factors set forth in section 9.44.050.

(f) Possession that is not described in subdivisions (a) through (d) of this section is declared to be a public nuisance when such possession injuriously affects any person or persons, other than the person in possession, in such other person's or persons' health, safety, welfare, or comfortable enjoyment of life or property.

9.44.080 Abatement Authority and Procedures; Summary Abatement; Other Remedies

(a) If a public nuisance exists pursuant to this Chapter, any of the persons identified in section 9.44.120 may proceed under Title 8, Chapter 8.44, Public Nuisances, sections 8.44.010 et seq.

(b) Because the use of synthetic drugs has been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal thoughts, and death, any violation of this Chapter may present an immediate threat and grave and imminent danger not only to the person consuming the synthetic drug, but also to the public at large. If any of the persons identified in section 9.44.120, based on the facts then known, determines that a violation of this Chapter presents an immediate threat, imminent danger or hazard, or is imminently injurious to the public health or safety, then that violation is punishable by the summary abatement procedures set forth in section 8.44.070 or other law.

(c) Nothing in this Chapter shall be construed to prevent the County of Kern from pursuing any and all other legal remedies that may be available, including, but not limited to, civil actions filed by County Counsel seeking any and all appropriate relief such as civil injunctions, penalties and forfeiture.

9.44.090 Modification, Suspension, or Revocation of Permit, License, or Other Grant of Authority

(a) If a person violates any provision of this Chapter, such violation shall be grounds for, in addition to any other enforcement action or remedy authorized by this Code or other law, modification, suspension, or revocation of any permit, license, or other grant of authority by the County issued to the person, or issued to any business, firm, company, corporation, public corporation, club, trust, partnership, association, and/or similar organization owned, controlled, or managed by such person (hereafter "Entity"), in accordance with the procedure of this Code or other law applicable to the respective permit, license, or other grant of authority.

(b) Upon determination that a violation of this Chapter exists, the Director of Public Health Services will impose the following sanction:

(1) For the first violation, any and all licenses or permits issued by the Kern County Public Health Services Department for the Entity found to be in violation will be suspended for thirty (30) days.

(2) For the second violation, any and all licenses or permits issued by the Kern County Public Health Services Department for the Entity found to be in violation will be revoked.

9.44.100 Seizure of Evidence

Any product or substance provided, distributed, sold or possessed for the purpose of providing, distributing or selling the product or substance, in violation of any provision of this Chapter, may be seized by any County official or officer who issues a criminal citation under this Chapter and removed and stored as evidence in accordance with the law.

9.44.110 Enforcement, Remedies, and Penalties

(a) In addition to any enforcement action and remedy authorized by this Chapter, a violation of any provision of this Chapter may be subject to the enforcement and remedy provisions of Title 1, Chapter 1.12, General Penalty, sections 1.12.010 through 1.12.030 and any other applicable enforcement and remedy provisions provided under the law.

(b) Any person identified in section 9.44.120 may, based on the facts then known, determine that, in the interest of justice, a violation of this Chapter constitutes an infraction.

9.44.120 Authority to Administer and Enforce

This Chapter may be administered and enforced by the Director of Public Health or his/her designee(s), or any other County official or officer so designated.

9.44.130 Exclusions

(a) This Chapter shall not apply to drugs or substances lawfully prescribed or to intoxicating chemical compounds that have been approved by the FDA or which are specifically permitted by California law, including, without limitation, intoxicating chemical compounds that are specifically excepted by the UCSA (California Health and Safety Code section 11000 et seq.).

(b) This Chapter shall not apply to drugs or substances that are prohibited by state or federal law, including, without limitation, California Health and Safety Code sections 11357.5, 11375.5, and 11401 and the CSA.

(c) This Chapter shall not be deemed to prescribe any act that is positively permitted, prohibited or preempted by any state or federal law or regulation.

9.44.140 Severability

If any subsection, sentence, clause or phrase of this Chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted

by State or Federal legislation, such decision or legislation shall not affect the validity of the remaining portions of this Chapter. The Board of Supervisors declares that it would have passed this Chapter and each and every subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

KLG:kig
2274058

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEHACHAPI AMENDING CHAPTER 8.52 OF THE TEHACHAPI MUNICIPAL CODE AND ADOPTING ORDINANCE NOS. G-7724, G-8006, G-8495, AND G-8586 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA AMENDING CHAPTER 8.60 TO TITLE 8 OF THE KERN COUNTY ORDINANCE CODE RELATING TO TOBACCO RETAILER'S PERMIT

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

Section 1. **AMENDMENT.**

Chapter 8.52 of the Tehachapi Municipal Code is hereby amended as follows:

CHAPTER 8.52

TOBACCO RETAILER'S PERMIT

Sections:

- 8.52.010.** **General purpose.**
- 8.52.020.** **Incorporation by reference.**
- 8.52.030.** **Enforcement and penalties.**

8.52.010. **General Purpose.** The purpose of this Chapter is to prohibit any person from acting as a tobacco retailer without first obtaining and maintaining a valid tobacco retailer's permit and to set forth the terms and conditions of obtaining the permit.

8.52.020. **Incorporation by Reference.** Pursuant to Government Code Sections 50022.1 et seq., Ordinance Nos. G-7724, G-8006, G-8495, and G-8586 of the Board of Supervisors of the County of Kern, State of California which amended Chapter 8.60 of Title 8 of the Kern County Ordinance Code regarding tobacco retailer's permit and each and every term, provision, rule, and regulation therein is hereby incorporated by this reference as if fully set forth herein verbatim.

8.52.030. **Enforcement and Penalties.**

8.60.100. Administrative penalties.

- A. Upon a determination by the Department that a person has engaged in any conduct that violates the provisions of this chapter, the Director may suspend a tobacco

retailer's permit, impose administrative penalties, or both suspend the permit and impose administrative penalties.

- B. The Department shall notify the tobacco retail facility owner that there has been an initial determination of violation under the provisions of this chapter. The initial determination notice will specify the violation and the sanction imposed, including the effective date of the suspension, if applicable. The notice shall further state that the tobacco retail facility owner may, within fifteen (15) days, submit to the Department any written or documentary evidence to contest the initial determination of violation.
- C. After receiving such evidence, if applicable and provided, the Director shall prepare a final written decision and shall serve this decision upon the tobacco retailer. Upon written request, the offender shall have the right to receive copies of any records or files upon which the administrative decision is based. This final determination shall be served through certified mail within sixty (60) days of the final determination.
- D. When this chapter permits the Director to suspend a permit, the following sanction may be imposed:
1. For the first violation in any five-year period, the tobacco retailer shall receive a notice of violation from the Department.
 2. For the second violation in any five-year period, the person's tobacco retailer's permit shall be suspended for up to thirty (30) days.
 3. For a third violation in any five-year period, the person's tobacco retailer's permit shall be suspended for up to ninety (90) days.
 4. For a fourth or subsequent violation in any five-year period, the person's tobacco retailer's permit shall be suspended for up to one hundred eighty (180) days and/or revoked.
- E. When this chapter allows the Director to impose an administrative penalty, the following penalty may be imposed:
1. For the first violation, a penalty in the amount of two hundred fifty dollars (\$250.00);
 2. For the second violation within five (5) years from the date of the first violation, a penalty in the amount of five hundred dollars (\$500.00);
 3. For the third and each subsequent violation within five (5) years from the date of the first violation, a penalty in the amount of one thousand dollars (\$1,000.00).
- F. Upon determination by the Department that a tobacco retailer has violated any provision of this chapter and that the tobacco retailer did not violate any provision of this chapter in the five (5) years immediately preceding the violation, the Director may suspend the imposition of any sanction under subsection (D) or penalty under subsection (E) for a period of six (6) months.
1. Within fifteen (15) days of the Director's decision to suspend the imposition of any sanction or penalty pursuant to this subsection, the tobacco retailer shall pay a fee of five hundred dollars (\$500.00) for the cost of inspections during the six-month period. Failure to pay this fee shall immediately restore the imposition of any sanction under subsection (D) or penalty under subsection (E).
 2. During the six-month period, the Department shall inspect the tobacco retail facility for compliance as deemed necessary by the Department.

3. A determination by the Department that the tobacco retailer has engaged in any conduct that violates the provisions of this chapter during the six-month period shall restore the imposition of any sanction under subsection (D) or penalty under subsection (E) immediately and without further right to appeal.
4. If and only if the tobacco retailer completes the six-month period without violating the provisions of this chapter as determined by the Department, the sanction under subsection (D) or penalty under subsection (E) previously imposed shall be permanently stayed.

8.60.110. Right to administrative review and procedures.

- A. The tobacco retailer shall have the right to appeal the decision of the Department to the City Council. To obtain a review of the final determination, the tobacco retailer must file with the clerk of the Board of Supervisors within fifteen (15) days of the date of the final determination, a written request for a hearing. The timely filing of a request for hearing shall hold in abeyance any license suspension until the administrative review is heard and decided.
- B. If a review is requested, the clerk of the Board of Supervisors shall provide written notice, within thirty (30) days of its receipt of the request, to the tobacco retailer of the date, time and place of the hearing on the appeal.
- C. At the time fixed in the notice, the Board of Supervisors shall proceed to hear testimony from any interested person regarding the specified violation deemed by the Department to be the basis for the proposed administrative penalty, and any other matter which the Board of Supervisors may deem pertinent thereto.
- D. Upon the conclusion of the hearing the Board of Supervisors will make a determination based on the evidence presented at the hearing, and may impose a suspension penalty without regard to the limits in Section 8.60.100.
- E. The decision of the Board of Supervisors shall be final.

Section 2. SEVERABILITY.

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.

Section 3. ENVIRONMENTAL QUALITY ACT

This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines and is not a project which has the potential for causing a significant effect on the environment.

Section 4. EFFECTIVE DATE.

This Ordinance shall take effect 30 days after the date of its passage and within 15 days of its passage a summary of same shall be posted at the three public posting places in the City of Tehachapi.

INTRODUCED at a regular meeting of the City Council of the City of Tehachapi, California on the 16th day of February, 2016.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi, California on the ____ day of _____, 2016, by the following votes:

AYES: Councilmembers: _____

NOES: Councilmembers: _____

ABSTAIN: Councilmembers: _____

ABSENT: Councilmembers: _____

SUSAN WIGGINS, Mayor of the City
of Tehachapi, California

ATTEST:

TORI MARSH, City Clerk
of the City of Tehachapi, California

I hereby certify that the forgoing Ordinance was duly and regularly adopted by the City Council of the City of Tehachapi at a regular meeting thereof held on _____, 2016.

TORI MARSH, City Clerk
of the City of Tehachapi, California

Published: February 9, 2016
Posted: February 3, 2016



August 11, 2015

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**PUBLIC HEARING ON PROPOSED REVISIONS TO UNCODIFIED ORDINANCE FOR
PERMIT FEES AND PROPOSED ORDINANCE AMENDING SECTION 8.60 TO
IMPLEMENT RISK-BASED TOBACCO RETAIL PERMIT PROGRAM
(Fiscal Impact: FY 2016-17 \$37,725 Estimated Revenue; Fees; Not Budgeted;
Discretionary)**

The purpose of this letter is to request your Board's approval of the amendment of Kern County Ordinance Code Section 8.60 to implement a risk-based approach to the Tobacco Retailer Permit program. Should your Board approve this approach and the proposed fee changes, it is estimated that permit fees will increase by approximately \$37,725 annually, commencing Fiscal Year 2016-17.

The Environmental Health Division is responsible for the permitting of tobacco retail facilities. Through grant funding, the Division also provides a youth tobacco purchase survey, verifying that tobacco facilities are not selling tobacco products to children. The proposed Ordinance before your Board implements a risk-based approach to the permitting of tobacco retailers based on their compliance with the youth tobacco purchase survey. This is a three-tiered approach that incentivizes compliance and focuses resources where they are most needed.

- A low risk tobacco retail facility is one that has maintained compliance with the youth tobacco purchase survey for the most recent five-year period. Low risk tobacco retail facilities will receive one environmental health inspection and one youth tobacco purchase survey each year.
- A moderate risk tobacco retail facility has had one incident of non-compliance with the youth tobacco purchase survey for the most recent five-year period. Moderate risk tobacco retail facilities will receive one environmental health inspection and two youth tobacco purchase surveys each year. Their permit fee will be an increased amount from the low risk tobacco retail facility permit fee, as they will be receiving a greater level of service due to their increased risk to the community.
- A high risk tobacco retail facility has had two or more incidents of non-compliance with the youth tobacco purchase survey for the most recent five-year period. High risk tobacco retail facilities will receive one environmental health inspection and three youth tobacco purchase surveys each year. Their permit fee will be an increased amount from the moderate risk tobacco retail facility permit fee, as they will be receiving a greater level of service due to their increased risk to the community.

This proposed Ordinance also provides clarity for the penalties and appeal hearing process for those tobacco retail facilities who have been determined to be in violation of the youth tobacco purchase survey. Dependent on the number of violations, a tobacco retail facility could have a suspension and/or administrative penalty sanctioned against them. In the current Ordinance, the administrative penalty amount is based on the number of violations within the most recent one-year period, while the suspension is based on the number of violations within the most recent five-year period. The proposed Ordinance makes both the amount of the administrative penalty and the suspension duration based on the number of violations within the most recent five-year period.

In the event that a tobacco retail facility requests to appeal a violation of the youth tobacco purchase survey, the Ordinance outlines an appeal process, wherein the tobacco retail facility may appeal to the Director of Public Health Services. Currently, the Ordinance allows the Director to either uphold the penalty or grant the appeal and revoke the penalty. However, the goal of the program is to deter the behavior from reoccurring. In an attempt to achieve this goal, the proposed Ordinance will allow the Director to hold the penalty in abeyance. While the penalty is held in abeyance, the tobacco retail facility will be responsible for paying the Division to perform three youth tobacco purchase surveys over a six month period. If the tobacco retail facility passes all three youth tobacco purchase surveys, the Director can then grant the appeal and revoke the penalty, as the tobacco retail facility has demonstrated they have implemented an effective corrective action. Should the tobacco retail facility fail any of the three youth tobacco retail purchase surveys, the Director can implement the originally proposed penalty, as the tobacco retailer has failed to implement effective corrective actions to prevent the sale of tobacco products to children.

This proposed Ordinance removes the permit fee from within Chapter 8.60 of the Kern County Ordinance Code and adds it to the uncodified ordinance that serves as the Division's fee schedule and clarifies the timeline of the Department's responsibility to inform the appealing tobacco retail facility of the final decision made in the appeal request. Additionally, to implement the risk-based approach, this proposal changes the fee structure from a flat fee to a risk-based fee of \$190 for low risk, \$380 for moderate risk, and \$570 for high risk. This requires an amendment to the uncodified ordinance. This amendment will also combine the previous changes that were adopted in two previously separate uncodified ordinances into one complete uncodified fee schedule. No other changes to the previous uncodified ordinances are made with this request.

A letter has been sent to all currently permitted tobacco retail facilities detailing the proposal before your Board. Two copies of each proposed ordinance have been attached; one being a redline version.

The proposed changes to both the Ordinance Code and the uncodified Ordinance Code have been reviewed and approved as to form by County Counsel.

It does not appear this is a project subject to the requirements of the California Environmental Quality Act (CEQA). However, in the event it is determined to be a project, such project would

be exempt from further CEQA review pursuant to section 15061(b)(3) and 15321 of the State CEQA Guidelines.

Therefore, IT IS RECOMMENDED that your Board waive reading and introduce the ordinance amending Kern County Ordinance Code Section 8.60.010 related to Tobacco Retailer Permits and the ordinance amending uncodified Ordinances G-8557 and G-8560, make finding that project is exempt from further CEQA review pursuant to section 15061(b)(3) and 15321 of the State CEQA Guidelines, open public hearing, receive public comment, close hearing, and enact Ordinances.

Respectfully submitted,



Matthew Constantine
Director of Public Health Services

MC:bnc
Attachment
CC: County Administrative Office
County Counsel

ORDINANCE NO. G- _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, STATE OF CALIFORNIA, AMENDING SUBSECTION (J) AND ADDING SUBSECTIONS (L), (M), AND (N) TO SECTION 8.60.010, AND AMENDING SECTIONS 8.60.050, 8.60.060 AND SECTION 8.60.100, AND ADDING SUBSECTION (F) TO SECTION 8.60.100, AND AMENDING SUBSECTION (B) OF SECTION 8.60.120, IN CHAPTER 8.60, TITLE 8, OF THE KERN COUNTY ORDINANCE CODE RELATING TO TOBACCO RETAILER'S PERMIT

The following ordinance, consisting of six (6) sections, was regularly passed and adopted by the Board of Supervisors at a regular meeting held on this _____ day of _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

Chairman of the Board of Supervisors of
the County of Kern, State of California

(SEAL)

ATTEST:

KATHLEEN KRAUSE
Clerk of the Board of Supervisors

By _____, Deputy Clerk

THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN ORDAINS AS FOLLOWS:

Section 1. This ordinance shall be published in accordance with Government Code section 25124 and it shall take effect and be in full force on and after the _____ day of _____, 2015.

Section 2. Subsection (J) of Section 8.60.010, Chapter 8.60, of the Kern County Ordinance Code is amended to read as:

J. "Electronic smoking device" means an electronic and/or battery-operated device, the use of which may resemble smoking, which can be used to deliver an inhaled dose of nicotine or other substance. "Electronic smoking devices" include any such electronic smoking device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, or any other product name or descriptor. "Electronic smoking device" does not include any product specifically approved by the United States Food and Drug Administration for use in the mitigation, treatment, or prevention of disease.

Section 3. Subsections (L), (M), and (N) are added to Section 8.60.010, Chapter 8.60, of the Kern County Ordinance Code to read as:

L. "Tobacco retail facility low risk" means a tobacco retail facility that has not been determined by the Department to have violated the provisions of Kern County Ordinance 08.06.090 in the previous five years.

M. "Tobacco retail facility moderate risk" means a tobacco retail facility that has been determined by the Department to have violated the provisions of Kern County Ordinance 08.06.090 one time in the previous five years.

N. "Tobacco retail facility high risk" means a tobacco retail facility that has been determined by the Department to have violated the provisions of Kern County Ordinance 08.06.090 two or more times in the previous five years.

Section 4. Sections 8.60.050, 8.60.060 and 8.60.100 of Chapter 8.60 of the Kern County Ordinance Code are amended to read as:

8.60.050 – Display of permit.

Each permittee shall prominently display the permit at each location where tobacco retailing occurs. The permit shall be posted at or near each entrance to the retail facility used by its patrons or in a conspicuous place approved by the Director. The permit shall not be defaced, marred, camouflaged, hidden, or removed.

8.60.060 – Fees for permit.

The environmental health permit fee for each establishment, business or activity shall be established by uncodified ordinance.

8.60.100 – Administrative penalties.

A. Upon a determination by the Department that a person has engaged in any conduct that violates the provisions of this chapter, the Director may suspend a Tobacco Retailer's Permit, impose administrative penalties, or both suspend the permit and impose administrative penalties.

B. The Department shall notify the tobacco retail facility owner that there has been an initial determination of violation under the provisions of this chapter. The initial determination notice will specify the violation and the sanction imposed, including the effective date of the suspension, if applicable. The notice shall further state that the tobacco retail facility owner may, within fifteen (15) days, submit to the Department any written or documentary evidence to contest the initial determination of violation.

C. After receiving such evidence, if applicable and provided, the Director shall prepare a final written decision and shall serve this decision upon the tobacco retailer. Upon written request, the offender shall have the right to receive copies of any records or files upon which the administrative decision is based. This final determination shall be served through certified mail within sixty (60) days of the final determination.

D. When this chapter permits the Director to suspend a permit, the following sanction may be imposed:

1. For the first violation in any five (5) year period, the tobacco retailer shall receive a notice of violation from the Department.
2. For the second violation in any five (5) year period, the person's Tobacco Retailer's Permit shall be suspended for up to thirty (30) days.
3. For a third violation in any five (5) year period, the person's Tobacco Retailer's Permit shall be suspended for up to ninety (90) days.
4. For a fourth or subsequent violation in any five (5) year period, the person's Tobacco Retailer's Permit shall be suspended for up to one hundred eighty (180) days and/or revoked.

E. When this chapter allows the Director to impose an administrative penalty, the following penalty may be imposed:

1. For the first violation, a penalty in the amount of two hundred fifty dollars (\$250);
2. For the second violation within five (5) years from the date of the first violation, a penalty in the amount of five hundred dollars (\$500);
3. For the third and each subsequent violation within five (5) years from the date of the first violation, a penalty in the amount of one thousand dollars (\$1,000).

Section 5. Subsection (F) is added to Section 8.60.100, Chapter 8.60, of Kern County Ordinance Code to read as:

F. Upon determination by the Department that a tobacco retailer has violated any provision of this chapter and that the tobacco retailer did not violate any provision of this chapter in the five (5) years immediately preceding the violation, the Director may suspend the imposition of any sanction under subsection (D) or penalty under subsection (E) for a period of six (6) months.

1. Within fifteen (15) days of the Director's decision to suspend the imposition of any sanction or penalty pursuant to this subsection, the tobacco retailer shall pay a fee of \$500 for the cost of inspections during the six-month period. Failure to pay this fee shall immediately restore the imposition of any sanction under subsection (D) or penalty under subsection (E).
2. During the six-month period, the Department shall inspect the tobacco retail facility for compliance as deemed necessary by the Department.

3. A determination by the Department that the tobacco retailer has engaged in any conduct that violates the provisions of this chapter during the six-month period shall restore the imposition of any sanction under subsection (D) or penalty under subsection (E) immediately and without further right to appeal.

4. If and only if the tobacco retailer completes the six-month period without violating the provisions of this Chapter as determined by the Department, the sanction under subsection (D) or penalty under subsection (E) previously imposed shall be permanently stayed.

Section 6. Subsection (B) of Section 8.60.120 of Chapter 8.60 of the Kern County Ordinance Code is amended to read as:

B. The youth decoy is participating in a compliance check funded in part, either directly or indirectly through subcontracting, by the Department or the California Department of Public Health.

Accounts Payable

To Be Paid Proof List

User: afrescas
 Printed: 01/27/2016 - 2:44PM
 Batch: 10902.02.2016



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
AECOM Technical Services Inc.									
3066									
37675081	12/16/2015	23,127.59	0.00	02/02/2016	15023-9301	Misc		False	0
				445-445-8160-000 New Treatment Plant					
				Project: COT Indirect Potable Reuse Evaluation					
		37675081 Total:		23,127.59					
37675085	12/16/2015	1,002.50	0.00	02/02/2016	15023-9301	Misc		False	0
				445-445-8160-000 New Treatment Plant					
				Project: COT Recycled Water Planning Grant App					
		37675085 Total:		1,002.50					
		3066 Total:		24,130.09					
		AECOM Technical Service		24,130.09					
Argo Chemical									
2200									
1512181	12/31/2015	1,159.25	0.00	02/02/2016				False	0
				442-403-7430-000 Chemicals					
				Wtr/Argo-Chlor Sol 12.5% ANSI/NSF					
		1512181 Total:		1,159.25					
		2200 Total:		1,159.25					
		Argo Chemical Total:		1,159.25					

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
AT&T 2963									
7519067	1/6/2016	412.52	0.00	02/02/2016				False	0
001-100-7300-000 Utilities				PD/Telephone Lines					
7519067 Total:		412.52							
7519236	1/6/2016	109.63	0.00	02/02/2016				False	0
444-403-7320-000 Telephone				Swr/SCADA					
7519236 Total:		109.63							
7519237	1/6/2016	415.09	0.00	02/02/2016				False	0
001-010-7320-000 Telephone & Internet				GG/CH Line 1					
7519237 Total:		415.09							
7519238	1/6/2016	122.57	0.00	02/02/2016				False	0
444-403-7320-000 Telephone				Swr/WWTP Office					
7519238 Total:		122.57							
7519239	1/6/2016	55.16	0.00	02/02/2016				False	0
001-140-7320-000 Telephone				RR Depot					
7519239 Total:		55.16							
7519241	1/6/2016	71.14	0.00	02/02/2016				False	0
001-010-7320-000 Telephone & Internet				GG/CH Fax					
7519241 Total:		71.14							
7519242	1/6/2016	19.64	0.00	02/02/2016				False	0
447-447-7320-000 Telephone				Air/AWOS					
7519242 Total:		19.64							
7519243	1/6/2016	37.43	0.00	02/02/2016				False	0
001-030-7320-000 Telephone & Internet				PW/DSL Fax					
7519243 Total:		37.43							
7519244	1/6/2016	19.64	0.00	02/02/2016				False	0

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
447-447-7320-000 Telephone					Air/Fuel System				
	7519244 Total:	19.64							
7519245	1/6/2016	19.64	0.00	02/02/2016				False	0
604-604-7300-000 Utilities					LLD/Auto Dialer/1002 Applewood				
	7519245 Total:	19.64							
7535367	1/11/2016	299.09	0.00	02/02/2016				False	0
001-100-7320-000 Telephone & Internet					PD/T1 Line				
	7535367 Total:	299.09							
7559407	1/13/2016	165.95	0.00	02/02/2016				False	0
001-100-7320-000 Telephone & Internet					PD/Subscriber Access Line				
	7559407 Total:	165.95							
	2963 Total:	1,747.50							
	AT&T Total:	1,747.50							
BC Laboratories Inc. 0035									
B222418	1/5/2016	50.00	0.00	02/02/2016				False	0
442-401-6780-000 Laboratory Fees					Wtr/Curry Resv #1 and #2				
	B222418 Total:	50.00							
B222418-1	1/5/2016	36.00	0.00	02/02/2016				False	0
442-403-6780-000 Laboratory Fees					Wtr/Mulberry-Hickory-Fig/Water Samples				
	B222418-1 Total:	36.00							
B222793	1/5/2016	325.00	0.00	02/02/2016				False	0
444-403-6780-000 Laboratory Fees					Swr/Influent-Effluent/Water Samples				
	B222793 Total:	325.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PQ	Line #
Account Number					Description	Reference			
B222852	1/5/2016	50.00	0.00	02/02/2016				False	0
442-401-6780-000	Laboratory Fees				Wtr/Bacteriological/Pinon & Mojave Well				
	B222852 Total:	50.00							
B222852-1	1/5/2016	36.00	0.00	02/02/2016				False	0
442-403-6780-000	Laboratory Fees				Wtr/Bacteriological/Oakwood-Brentwood-Tanglewood				
	B222852-1 Total:	36.00							
B223061	1/5/2016	325.00	0.00	02/02/2016				False	0
444-403-6780-000	Laboratory Fees				Swr/Influent-Effluent/Water Samples				
	B223061 Total:	325.00							
B223063	1/5/2016	30.00	0.00	02/02/2016				False	0
442-401-6780-000	Laboratory Fees				Wtr/Mojave & Dennison Wells				
	B223063 Total:	30.00							
B223064	1/5/2016	15.00	0.00	02/02/2016				False	0
442-403-6780-000	Laboratory Fees				Wtr/Crry Resv				
	B223064 Total:	15.00							
B223459	1/12/2016	30.00	0.00	02/02/2016				False	0
442-401-6780-000	Laboratory Fees				Wtr/Dennison & Mojave Wells				
	B223459 Total:	30.00							
	0035 Total:	897.00							
	BC Laboratories Inc. Total	897.00							
Benz Construction Services									
1505									
58021002	12/31/2015	202.57	0.00	02/02/2016				False	0
444-403-6730-000	Contract Services				Swr/800 Enterprise/Roll Off Rental				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	58021002 Total:	202.57							
	1505 Total:	202.57							
	Benz Construction Service	202.57							
Benz Propane Company Inc.									
0041									
1228101	12/31/2015	429.81	0.00	02/02/2016				False	0
001-030-7300-000	Utilities				PW/800 Enterprise/Dec 2015 Billing				
	1228101 Total:	429.81							
1228102	12/31/2015	617.56	0.00	02/02/2016				False	0
442-403-7300-000	Utilities				Wtr/750 Enterprise/Dec 2015 Billing				
	1228102 Total:	617.56							
1228102-1	12/31/2015	77.20	0.00	02/02/2016				False	0
001-035-7300-000	Utilities				Land/750 Enterprise/Dec 2015 Billing				
	1228102-1 Total:	77.20							
1228102-2	12/31/2015	77.20	0.00	02/02/2016				False	0
001-030-7300-000	Utilities				PW/750 Enterprise/Dec 2015 Billing				
	1228102-2 Total:	77.20							
	0041 Total:	1,201.77							
	Benz Propane Company In	1,201.77							
Bright House Networks									
3274									
064495401011616	1/16/2016	173.76	0.00	02/02/2016				False	0
001-010-7320-000	Telephone & Internet				GG/Internet Service/Jan 21-Feb 20 2016				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	064495401011616 Total:	173.76							
	3274 Total:	173.76							
	Bright House Networks To	173.76							
BSK Associates									
0061									
0075623	12/31/2015	11,649.00	0.00	02/02/2016				False	0
444-403-6780-000	Laboratory Fees				Swr/Reclamation Area Sampling for 2015				
	0075623 Total:	11,649.00							
	0061 Total:	11,649.00							
	BSK Associates Total:	11,649.00							
Cal Prime Inc									
3925									
R06010-5	1/25/2016	189,479.96	0.00	02/02/2016	06010-3101	C		False	0
226-003-8150-001	Teha Bl Impr-Phase III (2006)				Tehachapi Blvd Improvement Improvements Phase III				
	R06010-5 Total:	189,479.96							
W13016-1	1/25/2016	51,580.11	0.00	02/02/2016	13016-3101	C		False	0
442-403-8210-000	Structure Improvement				Snyder Well Intertie				
	W13016-1 Total:	51,580.11							
Z14004-1	1/25/2016	31,635.00	0.00	02/02/2016	14004-3101	C		False	0
329-329-8160-000	Construction				Freedom Plaza project				
	Z14004-1 Total:	31,635.00							
	3925 Total:	272,695.07							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Cal Prime Inc Total:	272,695.07							
Chriso's Tree Trimming									
3191									
625	1/5/2016	2,730.00	0.00	02/02/2016				False	0
001-030-6733-000	Contract Serv-tree Maintenance				PW/Removal of Elm Tree and Stump Grind/Elm & Ash St.				
	625 Total:	2,730.00							
	3191 Total:	2,730.00							
	Chriso's Tree Trimming To	2,730.00							
Coffee Break Service Inc.									
2147									
226938	1/14/2016	454.55	0.00	02/02/2016				False	0
001-010-6010-000	Office Supplies				GG/Coffee Service/Jan 2016				
	226938 Total:	454.55							
	2147 Total:	454.55							
	Coffee Break Service Inc. T	454.55							
Cycling Promotions West									
3966									
30902938	1/7/2016	1,300.00	0.00	02/02/2016	15012-7101	Misc		False	0
001-000-2190-004	Gran Fondo Event				GF/Half Page Color Ad-2016 Bicycle Event Guide				
	30902938 Total:	1,300.00							
	3966 Total:	1,300.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Cycling Promotions West T	1,300.00							
DataProse Inc. 2478									
DP1503803	12/31/2015	106.06	0.00	02/02/2016				False	0
441-441-6730-000	Contract Services				Ref/Printing				
	DP1503803 Total:	106.06							
DP1503803-1	12/31/2015	212.11	0.00	02/02/2016				False	0
442-403-6730-000	Contract Services				Wtr/Printing				
	DP1503803-1 Total:	212.11							
DP1503803-2	12/31/2015	212.11	0.00	02/02/2016				False	0
444-403-6730-000	Contract Services				Swr/Printing				
	DP1503803-2 Total:	212.11							
DP1503803-3	12/31/2015	222.45	0.00	02/02/2016				False	0
441-441-6100-000	Postage				Ref/Postage				
	DP1503803-3 Total:	222.45							
DP1503803-4	12/31/2015	444.90	0.00	02/02/2016				False	0
442-403-6100-000	Postage				Wtr/Postage				
	DP1503803-4 Total:	444.90							
DP1503803-5	12/31/2015	444.90	0.00	02/02/2016				False	0
444-403-6100-000	Postage				Swr/Postage				
	DP1503803-5 Total:	444.90							
	2478 Total:	1,642.53							
	DataProse Inc. Total:	1,642.53							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
Department of Justice Accounting Office									
2874									
143324	1/6/2016	32.00	0.00	02/02/2016				False	0
001-000-4325-000 Misc Fecs/Rev-Police					PD/Fingerprint Applications/Dec 2015				
	143324 Total:	32.00							
	2874 Total:	32.00							
	Department of Justice Acco	32.00							
E & W Theatres Inc.									
3064									
80-4	12/31/2016	450.00	0.00	02/02/2016				False	0
001-010-6320-000 Community Promotions					G/On Screen Advertising/Jan-Mar 2016				
	80-4 Total:	450.00							
	3064 Total:	450.00							
	E & W Theatres Inc. Total:	450.00							
Fastenal Company									
2752									
CATEH9556	12/30/2015	3.23	0.00	02/02/2016				False	0
121-121-7120-000 Maint/repair-sweeper					PW/HCS 3/8-16 x1.25 Z5				
	CATEH9556 Total:	3.23							
	2752 Total:	3.23							
	Fastenal Company Total:	3.23							
Gas Company, The									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
0395									
1132016	11/20/2016	286.51	0.00	02/02/2016				False	0
447-447-7300-000 Utilities					Air/13691700283/100 Commercial Way/Dec 8 2015-Jan 11				
	1132016 Total:	286.51							
1132016-1	1/13/2016	983.55	0.00	02/02/2016				False	0
001-100-7300-000 Utilities					PD/12851696026/220 West C St/Dec 8 2015-Jan 11 2016				
	1132016-1 Total:	983.55							
1132016-2	1/13/2016	141.07	0.00	02/02/2016				False	0
447-447-7300-000 Utilities					PD/01091699981/409 Bryan Ct/Dec 8 2015-Jan 11 2016				
	1132016-2 Total:	141.07							
	0395 Total:	1,411.13							
	Gas Company, The Total:	1,411.13							
Greater A.V. Economic Alliance									
3968									
1416	12/1/2015	2,500.00	0.00	02/02/2016				False	0
001-010-6300-000 Dues & Publications					GG/2015-2016 GAVEA Membership				
	1416 Total:	2,500.00							
	3968 Total:	2,500.00							
	Greater A.V. Economic All	2,500.00							
Greater Tehachapi Chamber of Commerce									
0424									
8943	1/31/2016	4,000.00	0.00	02/02/2016				False	0
001-010-6320-000 Community Promotions					GG/Chairman's Circle Membership Gold Level				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	8943 Total:	4,000.00							
	0424 Total:	4,000.00							
	Greater Tehachapi Chambe	4,000.00							
Grimes, Ed 1822									
1232016	1/23/2016	367.62	0.00	02/02/2016				False	0
001-110-6220-000	Mileage Reimb/car Rental				Council/Accaps & League of Cities/Mileage & Parking 653				
	1232016 Total:	367.62							
1232016-1	1/23/2016	57.61	0.00	02/02/2016				False	0
001-110-6150-000	Meals & Lodging				Council/Accaps & League of Cities/Meals				
	1232016-1 Total:	57.61							
	1822 Total:	425.23							
	Grimes, Ed Total:	425.23							
Haaker Equipment Company 1846									
C18628	1/12/2016	697.50	0.00	02/02/2016				False	0
121-121-7120-000	Maint/repair-sweeper				Strts/Gutter Broom				
	C18628 Total:	697.50							
C18692	1/7/2016	-621.60	0.00	02/02/2016				False	0
121-121-7120-000	Maint/repair-sweeper				Strts/4 Seg Gtr Brm Set/Credit Memo				
	C18692 Total:	-621.60							
	1846 Total:	75.90							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Haaker Equipment Compa	75.90							
HD Supply Waterworks LTD									
1801									
E938795	12/30/2015	400.11	0.00	02/02/2016				False	0
	442-403-7130-000 Repairs & Maint - Water Lines				Wtr/2 P Jets 90 Bend No Lead				
	E938795 Total:	400.11							
E938797	12/30/2015	262.04	0.00	02/02/2016				False	0
	442-403-7130-000 Repairs & Maint - Water Lines				Wtr/Brass Nipple				
	E938797 Total:	262.04							
E948969	12/30/2015	118.89	0.00	02/02/2016				False	0
	442-403-7140-000 Maintenance-meters				Wtr/Brass Oval Mtr Flg No Lead				
	E948969 Total:	118.89							
E948969-1	12/30/2015	1,457.24	0.00	02/02/2016				False	0
	442-403-8005-000 Meter Purchases				Wtr/Meter Usg 3G				
	E948969-1 Total:	1,457.24							
E948969-2	12/30/2015	2,607.54	0.00	02/02/2016				False	0
	442-403-7130-000 Repairs & Maint - Water Lines				Wtr/Pipe/Bass Import CPfg/Ang Mtr Stop				
	E948969-2 Total:	2,607.54							
E974545	1/5/2015	172.16	0.00	02/02/2016				False	0
	442-403-7130-000 Repairs & Maint - Water Lines				Wtr/6x12 1/2 Clamp				
	E974545 Total:	172.16							
	1801 Total:	5,017.98							
	HD Supply Waterworks LT	5,017.98							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
Icon Enterprises, Inc									
2914									
156792	1/1/2016	2,127.32	0.00	02/02/2016				False	0
	001-010-6730-000 Contract Services				Gg/Qtly Maintenance for Equipment				
	156792 Total:	2,127.32							
	2914 Total:	2,127.32							
	Icon Enterprises, Inc Total:	2,127.32							
International Council of Shopping Centers									
2502									
1250399	1/15/2016	135.00	0.00	02/02/2016				False	0
	001-010-6300-000 Dues & Publications				GG/1 Yr Dues thru Mar 31 2017/T Garrett				
	1250399 Total:	135.00							
1629639	1/15/2016	135.00	0.00	02/02/2016				False	0
	001-010-6300-000 Dues & Publications				GG/1 Yr Dues thru Mar 31 2017/M Vance				
	1629639 Total:	135.00							
	2502 Total:	270.00							
	International Council of Sh	270.00							
Kern County Auditors Office									
0223									
11302015	11/30/2015	11.00	0.00	02/02/2016				False	0
	001-000-4335-000 Parking Citation Revenue				Parking Citation Revenue/Oct 2015				
	11302015 Total:	11.00							
	0223 Total:	11.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Kern County Auditors Offi	11.00							
Liberty Composting Inc.									
3179									
19145	12/31/2015	4,547.68	0.00	02/02/2016				False	0
444-403-7291-000	Sludge Disposal				Tipping Fees-Biosolids Dec 2015				
	19145 Total:	4,547.68							
	3179 Total:	4,547.68							
	Liberty Composting Inc. T	4,547.68							
Liebert Cassidy Whitmore									
0260									
1272016	1/27/2016	60.00	0.00	02/02/2016				False	0
001-015-6200-000	Education & Training				Fin/ACA Training/H Chung				
	1272016 Total:	60.00							
	0260 Total:	60.00							
	Liebert Cassidy Whitmore	60.00							
Martin & Chapman Company									
0276									
2016026	11/4/2016	131.63	0.00	02/02/2016				False	0
001-120-6330-000	Municipal Election				CC/Election Materials/Nov 2016				
	2016026 Total:	131.63							
	0276 Total:	131.63							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Martin & Chapman Compa	131.63							
McMaster-Carr Supply Company									
0485									
46734851	1/7/2016	41.13	0.00	02/02/2016				False	0
	444-403-6080-000 Laboratory Supplies				Swr/Digital Pocket Timer				
	46734851 Total:	41.13							
	0485 Total:	41.13							
	McMaster-Carr Supply Co	41.13							
Mercury Graphics									
1055									
4732	1/21/2016	130.08	0.00	02/02/2016				False	0
	001-010-6710-000 Printing				GG/Window Envelopes-2 Color				
	4732 Total:	130.08							
	1055 Total:	130.08							
	Mercury Graphics Total:	130.08							
Mission Linen & Uniform Service									
0300									
501724103	1/19/2016	49.40	0.00	02/02/2016				False	0
	444-403-6730-000 Contract Services				Swr/Lg dust Mop-Mats				
	501724103 Total:	49.40							
	0300 Total:	49.40							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Mission Linen & Uniform	49.40							
Mojave Sanitation 0304									
2661833	12/31/2015	2,205.81	0.00	02/02/2016				False	0
001-040-7290-000	Refuse Disposal Fee				Const/Gate Fee/Dec 2015				
	2661833 Total:	2,205.81							
	0304 Total:	2,205.81							
	Mojave Sanitation Total:	2,205.81							
Napier, Don 1063									
1-A	1/22/2016	555.75	0.00	02/02/2016				False	0
001-100-6200-000	Education/Training				PD/2 yr Certification for CPR-AED-First Aid				
	1-A Total:	555.75							
1-B	1/22/2016	213.75	0.00	02/02/2016				False	0
442-403-6200-000	Education & Training				Wtr/2 yr Certification for CPR-AED-First Aid				
	1-B Total:	213.75							
1-C	1/22/2016	128.25	0.00	02/02/2016				False	0
444-403-6200-000	Education & Training				Swr/2 yr Certification for CPR-AED-First Aid				
	1-C Total:	128.25							
1-D	1/22/2016	299.25	0.00	02/02/2016				False	0
001-030-6200-000	Education & Training				PW/2 yr Certification for CPR-AED-First Aid				
	1-D Total:	299.25							
1-E	1/22/2016	213.75	0.00	02/02/2016				False	0
001-015-6200-000	Education & Training				FIN/2 yr Certification for CPR-AED-First Aid				

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	1-E Total:	213.75							
1-F	1/22/2016	42.75	0.00	02/02/2016				False	0
001-035-6200-000	Education & Training				Land/2 yr Certification for CPR-AED-First Aid				
	1-F Total:	42.75							
1-G	1/22/2016	85.50	0.00	02/02/2016				False	0
001-040-6200-000	Education & Training				Const/2 yr Certification for CPR-AED-First Aid				
	1-G Total:	85.50							
1-H	1/22/2016	213.75	0.00	02/02/2016				False	0
001-080-6200-000	Education & Training				Eng/2 yr Certification for CPR-AED-First Aid				
	1-H Total:	213.75							
1-I	1/22/2016	256.50	0.00	02/02/2016				False	0
001-010-6200-000	Education & Training				GG/2 yr Certification for CPR-AED-First Aid				
	1-I Total:	256.50							
	1063 Total:	2,009.25							
	Napier, Don Total:	2,009.25							
RSI Petroleum Products									
0362									
0289993	1/5/2016	549.06	0.00	02/02/2016				False	0
001-030-7400-000	Gas & Oil				PW/Regular Unleaded Fuel/Diesel Fuel				
	0289993 Total:	549.06							
	0362 Total:	549.06							
	RSI Petroleum Products To	549.06							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
Secure On-Site Shredding									
3674									
300421006	12/31/2015	35.00	0.00	02/02/2016				False	0
001-100-6730-000	Contract Services				PD/220 West C St/Shredding/Dec 2015				
	300421006 Total:	35.00							
	3674 Total:	35.00							
	Secure On-Site Shredding	35.00							
South Street Digital, Inc									
3903									
10284	1/4/2016	284.90	0.00	02/02/2016				False	0
001-010-6320-000	Community Promotions				GG/16 Page Annual Report				
	10284 Total:	284.90							
1028410260	1/4/2016	25.00	0.00	02/02/2016				False	0
001-010-6320-000	Community Promotions				GG/December Brief				
	1028410260 Total:	25.00							
	3903 Total:	309.90							
	South Street Digital, Inc To	309.90							
Southern California Edison									
0372									
1202016	1/20/2016	49.70	0.00	02/02/2016				False	0
121-121-7520-000	St/Landscape ElectricUtilities				Strts/3021062576/800 S Curry St #A/Dec 17 2015-Jan 19 2016				
	1202016 Total:	49.70							
1222016	1/22/2016	119.40	0.00	02/02/2016				False	0
447-447-7300-000	Utilities				Air/3001191005/314 N Hayes St/Dec 18 2015-Jan 20 2016				

Invoice Number Account Number	Invoice Date	Amount	Quantity	Payment Date Description	Task Label	Type Reference	PO #	Close PO	Line #
	1222016 Total:	119.40							
1222016-1 447-447-7300-000 Utilities	1/22/2016	120.32	0.00	02/02/2016 Air/3001191007/9999 1/2 Hayes/Dec 18 2015-Jan 20 2016				False	0
	1222016-1 Total:	120.32							
1222016-2 447-447-7300-000 Utilities	1/22/2016	43.85	0.00	02/02/2016 Air/3001191024/316 S Mojave St/Dec 18 2015-Jan 20 2016				False	0
	1222016-2 Total:	43.85							
1222016-3 447-447-7300-000 Utilities	1/22/2016	91.42	0.00	02/02/2016 Air/3010031432/314 N Hayes St PAPI/Dec 18 2015-Jan 20 2016				False	0
	1222016-3 Total:	91.42							
1222016-4 447-447-7300-000 Utilities	1/22/2016	190.62	0.00	02/02/2016 Air/3014805014/409 Bryan Cu/Dec 18 2015-Jan 20 2016				False	0
	1222016-4 Total:	190.62							
1222016-5 447-447-7300-000 Utilities	1/22/2016	80.04	0.00	02/02/2016 Air/3022794036/W End Tehachapi Airport/Dec 18 2015-Jan 20 2016				False	0
	1222016-5 Total:	80.04							
1222016-6 447-447-7300-000 Utilities	1/22/2016	312.13	0.00	02/02/2016 Air/3026017222/314 N Hayes St #B/Dec 18 2015-Jan 20 2016				False	0
	1222016-6 Total:	312.13							
1222016-7 447-447-7300-000 Utilities	1/22/2016	27.59	0.00	02/02/2016 Air/3031602904/314 N Hayes St #G3/Dec 18 2015-Jan 20 2016				False	0
	1222016-7 Total:	27.59							
1222016-8 447-447-7300-000 Utilities	1/22/2016	178.70	0.00	02/02/2016 Air/3033415083/Dennison-Hwy 58/Dec 18 2015-Jan 20 2016				False	0
	1222016-8 Total:	178.70							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
1222016-9	1/22/2016	74.62	0.00	02/02/2016				False	0
447-447-7300-000 Utilities					Air/3031228520/314 N Hayes/Dec 18 2015-Jan 20 2016				
	1222016-9 Total:	74.62							
1222016-A	1/22/2016	731.03	0.00	02/02/2016				False	0
447-447-7300-000 Utilities					GG/3001191078/115 S Robinson/Dec 18 2015-Jan 20 2016				
	1222016-A Total:	731.03							
1222016-B	1/22/2016	290.93	0.00	02/02/2016				False	0
001-080-7300-000 Utilities					Eng/3001191086/117 S Robinson/Dec 18 2015-Jan 20 2016				
	1222016-B Total:	290.93							
1222016-C	1/22/2016	158.14	0.00	02/02/2016				False	0
001-030-7300-000 Utilities					PW/3027621308/100 Commercial Way/Dec 18 2015-Jan 20				
	1222016-C Total:	158.14							
1222016-D	1/22/2016	158.63	0.00	02/02/2016				False	0
001-030-7300-000 Utilities					PW/3027874638/101 Commercial Way/Dec 18 2015-Jan 20				
	1222016-D Total:	158.63							
	0372 Total:	2,627.12							
	Southern California Edison	2,627.12							
Sparkletts									
0399									
4365880010116	1/1/2016	35.70	0.00	02/02/2016				False	0
444-403-6080-000 Laboratory Supplies					Swr/Hot-Cold Cooler Rental/Distilled Water				
	4365880010116 Total:	35.70							
	0399 Total:	35.70							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Sparkletts Total:	35.70							
SSD Systems 1982									
1155731-A	1/13/2016	39.25	0.00	02/02/2016	Air/314 Hayes St-Pilots Lounge/Alarm Svc/Feb 1-Feb 29 2016			False	0
447-447-6730-000 Contract Services									
	1155731-A Total:	39.25							
1155731-A1	1/13/2016	37.01	0.00	02/02/2016	Const/100 Commercial Way/Alarm Svc/Feb 1-Feb 29 2016			False	0
001-040-6730-000 Contract Services									
	1155731-A1 Total:	37.01							
1155731-A2	1/13/2016	49.00	0.00	02/02/2016	Annex/129 East F St/Alarm Svc/Feb 1-Feb 29 2016			False	0
001-080-6730-000 Contract Services									
	1155731-A2 Total:	49.00							
1155731-A3	1/13/2016	49.66	0.00	02/02/2016	PW/800 Enterprise Way/Alarm Svc/Feb 1-Feb 29 2016			False	0
001-030-6730-000 Contract Services									
	1155731-A3 Total:	49.66							
1155731-A4	1/13/2016	66.17	0.00	02/02/2016	Wtr/750 Enterprise-Wtr Treatment/Alarm Svc/Feb 1-Feb 29 2016			False	0
444-403-6730-000 Contract Services									
	1155731-A4 Total:	66.17							
1155731-A5	1/13/2016	54.95	0.00	02/02/2016	Wtr/750 Enterprise-Wtr Storage/Alarm Svc/Feb 1-Feb 29 2016			False	0
442-403-6730-000 Contract Services									
	1155731-A5 Total:	54.95							
1155731-A6	1/13/2016	84.37	0.00	02/02/2016	Depot/101 Tehachapi Bl/Alarm Svc/Feb 1-Feb 29 2016			False	0
001-140-6730-000 Contract Services									
	1155731-A6 Total:	84.37							
1155731-A7	1/13/2016	149.52	0.00	02/02/2016	PD/220 C St/Alarm Svc/Feb 1-Feb 29 2016			False	0
001-100-6730-000 Contract Services									

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	1155731-A7 Total:	149.52							
1155731-A8	1/13/2016	37.01	0.00	02/02/2016				False	0
001-010-6730-000	Contract Services				GG/115 S Robinson-City Hall/Alarm Svc/Feb 1-Feb 29 201				
	1155731-A8 Total:	37.01							
1155731-A9	1/13/2016	24.67	0.00	02/02/2016				False	0
447-447-6730-000	Contract Services				Air/314 Hayes St-Radio Backup Svc/Alarm Svc/Feb 1-Feb				
	1155731-A9 Total:	24.67							
	1982 Total:	591.61							
	SSD Systems Total:	591.61							
Swift Napa Auto Parts									
2111									
861015	1/7/2016	8.58	0.00	02/02/2016				False	0
442-403-7110-000	Vehicle Maint				Wtr/Pin Stripping				
	861015 Total:	8.58							
	2111 Total:	8.58							
	Swift Napa Auto Parts Total:	8.58							
SymbolArts									
2827									
0249143-IN	1/4/2016	129.93	0.00	02/02/2016				False	0
001-100-8250-000	Machinery & Equipment				PD/Badges				
	0249143-IN Total:	129.93							
	2827 Total:	129.93							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	SymbolArts Total:	129.93							
Tehachapi Flower Shop									
0428									
9838	1/14/2016	65.52	0.00	02/02/2016				False	0
	001-010-6310-000 Community Relations			GG/Flowers to Mike Pera					
	9838 Total:	65.52							
	0428 Total:	65.52							
	Tehachapi Flower Shop To	65.52							
Trane U.S. Inc.									
3964									
35941701	11/25/2015	960.00	0.00	02/02/2016				False	0
	001-100-7100-000 Repairs & Maint			PD/Transformer-Communication Failure-AC 03 to SC					
	35941701 Total:	960.00							
	3964 Total:	960.00							
	Trane U.S. Inc. Total:	960.00							
Universal Electronic Alarms Inc									
3956									
TRN-CA24836	1/20/2016	260.00	0.00	02/02/2016				False	0
	001-150-7100-000 Repairs & Maint			Beekay/Repair-Maintenance of Fire Supression System					
	TRN-CA24836 Total:	260.00							
	3956 Total:	260.00							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number				Description		Reference			
	Universal Electronic Alarm	260.00							
USA Bluebook 0450									
838336	1/5/2016	179.03	0.00	02/02/2016				False	0
	442-403-7100-000 Repairs & Maint				Wtr/Letter & Number Stamp/Hydrant Tags				
	838336 Total:	179.03							
	0450 Total:	179.03							
	USA Bluebook Total:	179.03							
Verizon Wireless 3011									
9758082631	1/1/2016	819.42	0.00	02/02/2016				False	0
	001-100-7320-000 Telephone & Internet				PD/Mobile Broadband/Jan 1-Feb 1 2016				
	9758082631 Total:	819.42							
9758873273	1/13/2016	29.65	0.00	02/02/2016				False	0
	001-015-7320-000 Telephone & Internet				Fin/Mobile Broadband/Jan 14-Feb 13 2016/H Chung				
	9758873273 Total:	29.65							
9758873273-1	1/13/2016	15.01	0.00	02/02/2016				False	0
	442-403-7320-000 Telephone				Wtr/Mobile Broadband/Jan 14-Feb 13 2016/J Curry				
	9758873273-1 Total:	15.01							
9758873273-2	1/13/2016	15.01	0.00	02/02/2016				False	0
	444-403-7320-000 Telephone				Swr/Mobile Broadband/Jan 14-Feb 13 2016/J Curry				
	9758873273-2 Total:	15.01							
	3011 Total:	879.09							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
	Verizon Wireless Total:	879.09							
WITTS Everything for the Office									
0476									
139954-0	1/12/2016	53.37	0.00	02/02/2016	GG/Envelopes/3x3 Note Cards/Markers			False	0
001-010-6010-000	Office Supplies								
	139954-0 Total:	53.37							
139975-0	1/13/2016	145.92	0.00	02/02/2016	GG/Pens/Memo Books/Cork Board/Calendar/Markers			False	0
001-010-6010-000	Office Supplies								
	139975-0 Total:	145.92							
140001-0	1/13/2016	70.82	0.00	02/02/2016	PD/Staples/Cartridge			False	0
001-100-6010-000	Office Supplies								
	140001-0 Total:	70.82							
140024-0	1/13/2016	31.61	0.00	02/02/2016	GG/3"x165' Roll			False	0
001-010-6010-000	Office Supplies								
	140024-0 Total:	31.61							
140081-1	1/19/2016	118.24	0.00	02/02/2016	GG/Passport Printer			False	0
001-010-6010-000	Office Supplies								
	140081-1 Total:	118.24							
140110-0	12/1/2016	63.59	0.00	02/02/2016	GG/Flag Markers/Paper/Ink Cartridge			False	0
001-010-6010-000	Office Supplies								
	140110-0 Total:	63.59							
	0476 Total:	483.55							
	WITTS Everything for the	483.55							

Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label	Type	PO #	Close PO	Line #
Account Number					Description	Reference			
Zec Medical Service									
0478									
34-222583	1/21/2016	79.50	0.00	02/02/2016				False	0
001-030-6010-000 Office Supplies					PW/First Aid Supplies				
	34-222583 Total:	79.50							
34-222584	1/21/2016	37.97	0.00	02/02/2016				False	0
444-403-6010-000 Office Supplies					Swr/First Aid Supplies				
	34-222584 Total:	37.97							
34-222584-1	1/21/2016	37.98	0.00	02/02/2016				False	0
442-403-6010-000 Office Supplies					Wtr/First Aid Supplies				
	34-222584-1 Total:	37.98							
34-222585	1/21/2016	44.77	0.00	02/02/2016				False	0
001-040-6010-000 Office Supplies					Const/First Aid Supplies				
	34-222585 Total:	44.77							
34-222588	1/21/2016	28.49	0.00	02/02/2016				False	0
001-080-6010-000 Office Supplies					Eng/First Aid Supplies				
	34-222588 Total:	28.49							
34-222590	1/21/2016	116.05	0.00	02/02/2016				False	0
001-100-6010-000 Office Supplies					PD/First Aid Supplies				
	34-222590 Total:	116.05							
	0478 Total:	344.76							
	Zec Medical Service Total:	344.76							
	Report Total:	352,940.71							

Accounts Payable

Check Detail

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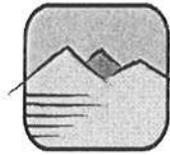
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1739 - Chevron & Texaco Business Card Services		
44262	01/20/2016	
Inv 631295		267.72
Inv 631295-1		3,594.80
44262 Total:		3,862.52
1739 - Chevron & Texaco Business Card Services Total:		3,862.52
3807 - Diamond Technologies		
44263	01/20/2016	
Inv 15508		1,972.48
44263 Total:		1,972.48
3807 - Diamond Technologies Total:		1,972.48
2695 - Home Depot Credit Services		
44264	01/20/2016	
Inv A-3563599		18.98
Inv AA-3575402		31.31
Inv B-2580885		36.50
Inv BB-2591226		10.51
Inv C-1012872		10.51
Inv CC-1300486		9.35
Inv D-1563718		150.85
Inv DD-1563720		12.16
Inv E-12919		227.41
Inv EE-570139		45.76
Inv F-9570176		24.54
Inv FF-6013011		4.92
Inv G-6013019		20.76
Inv GG-6563939		31.99
Inv H-5025182		71.63
Inv HH-5132159		34.38
Inv I-5570395		5.79
Inv II-5570402		3.60
Inv III-5581157		9.38
Inv J-4013076		36.49
Inv JJ-4013089		32.22
Inv K-4025250		17.16
Inv KK-4300535		32.63
Inv L-4570461		33.24
Inv LL-3013116		21.73

Check Number	Check Date	Amount
Inv M-3013131		4.49
Inv MM-3013149		46.43
Inv N-3025297		20.82
Inv NN-3080876		-46.43
Inv O-3103854		18.71
Inv OO-3581268		19.31
Inv P-3581268		45.86
Inv PP-9013272		6.24
Inv Q-9013291		9.35
Inv QQ-9025538		7.49
Inv R-9570719		17.68
Inv RR-8013336		26.58
Inv S-8025549		5.34
Inv SS-8042389		28.60
Inv T-7020013		18.93
Inv TT-7020043		27.93
Inv U-7581495		22.58
Inv UU-2013511		6.06
Inv V-2042491		42.97
Inv VV-2104231		29.93
Inv W-1104275		8.66
Inv WW-111283		-26.61
Inv X-13601		44.34
Inv XX-9013648		5.34
Inv Y-5013756		137.46
Inv YY-5013761		87.06
44264 Total:		1,548.92
2695 - Home Depot Credit Services Total:		1,548.92
Total:		7,383.92

Accounts Payable

Check Detail

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CITY OF
TEHACHAPI
CALIFORNIA

Check Number	Check Date	Amount	
UB*01600 - Butler, Jami & Keith			
44271	01/21/2016		
Inv		200.00	
44271 Total:		200.00	
UB*01600 - Butler, Jami & Keith Total:			200.00
3735 - California Building Standards Commission			
44272	01/21/2016		
Inv 1212016		226.89	
44272 Total:		226.89	
3735 - California Building Standards Commission Total:			226.89
3736 - Department of Conservation			
44273	01/21/2016		
Inv 1212016		702.89	
44273 Total:		702.89	
3736 - Department of Conservation Total:			702.89
3965 - KCAC/City of Taft			
44274	01/21/2016		
Inv 1192016		150.00	
Inv 1192016-1		60.00	
44274 Total:		210.00	
3965 - KCAC/City of Taft Total:			210.00
1869 - State Water Resources Control Board			
44275	01/21/2016		
Inv 1122016		60.00	
44275 Total:		60.00	
1869 - State Water Resources Control Board Total:			60.00

Check Number	Check Date	Amount
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Total:		1,399.78
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Accounts Payable

To Be Paid Proof List

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 Printed: 02/09/2016 - 2:20PM
 Batch: 10916.02.2016



Invoice Number	Invoice Date	Amount	Quantity	Payment Date	Task Label
Account Number					Description
0015	Praxair Distribution Inc., 211				
54674156	1/20/2016	155.94	0.00	02/17/2016	
001-030-7120-000	Equipment Maint				PW/Ind Acetylene/Ind High Press 100cf/Safety & Environ
	54674156 Total:	155.94			
	0015 Total:	155.94			
0035	BC Laboratories Inc.				
B224354	1/27/2016	325.00	0.00	02/17/2016	
444-403-6780-000	Laboratory Fees				Swr/Influent-Effluent/Water Samples
	B224354 Total:	325.00			
B224680	1/27/2016	15.00	0.00	02/17/2016	
442-401-6780-000	Laboratory Fees				Wtr/Curry Resv
	B224680 Total:	15.00			
B224681	1/27/2016	30.00	0.00	02/17/2016	
442-401-6780-000	Laboratory Fees				Wtr/Dennison & Mojave
	B224681 Total:	30.00			
B224709	1/25/2016	25.00	0.00	02/17/2016	
442-401-6780-000	Laboratory Fees				Wtr/Curry Well
	B224709 Total:	25.00			
B224709-1	1/25/2016	36.00	0.00	02/17/2016	
442-401-6780-000	Laboratory Fees				Wtr/802 Mulberry/1185 Fig/1073 Hickory

	B224709-1 Total:		36.00	
B224960		1/27/2016	325.00	0.00 02/17/2016
444-403-6780-000	Laboratory Fees			Swr/Influent-Effluent/Water Samples
	B224960 Total:		325.00	
	0035 Total:		756.00	
0041	Benz Propane Company Inc.			
82029		1/26/2016	112.10	0.00 02/17/2016
001-030-7120-000	Equipment Maint			PW/Propane Bottle
	82029 Total:		112.10	
	0041 Total:		112.10	
0223	Kern County Auditors Office			
212016		2/1/2016	22.00	0.00 02/17/2016
001-000-4335-000	Parking Citation Revenue			Parking Citations Paid/Dec 2015
	212016 Total:		22.00	
	0223 Total:		22.00	
0300	Mission Linen & Uniform Service			
501679500		1/12/2016	99.10	0.00 02/17/2016
001-030-6730-000	Contract Services			PW/Linen Maintenance
	501679500 Total:		99.10	
501679501		1/12/2016	49.40	0.00 02/17/2016
001-030-6730-000	Contract Services			PW/LG Dust Mop/Mats
	501679501 Total:		49.40	
501724102		1/19/2016	104.52	0.00 02/17/2016
001-030-6730-000	Contract Services			PW/Linen Maintenance

	501724102 Total:		104.52	
501768555	1/26/2016		99.10	0.00 02/17/2016
001-030-6730-000	Contract Services			PW/Linen Maintenance
	501768555 Total:		99.10	
501768556	1/26/2016		49.40	0.00 02/17/2016
444-403-6730-000	Contract Services			Swr/LG Dust Mop/Mats
	501768556 Total:		49.40	
501774157	1/26/2016		10.75	0.00 02/17/2016
001-030-6730-000	Contract Services			Pw/Box Lg Gloves
	501774157 Total:		10.75	
501813950	2/2/2016		104.52	0.00 02/17/2016
001-030-6730-000	Contract Services			PW/Linen Maintenance
	501813950 Total:		104.52	
501813951	2/2/2016		49.40	0.00 02/17/2016
444-403-6730-000	Contract Services			Swr/Lg Dust Mop/Mats
	501813951 Total:		49.40	
	0300 Total:		566.19	
0304	Mojave Sanitation			
2674611	1/31/2016		2,334.63	0.00 02/17/2016
001-040-7290-000	Refuse Disposal Fee			Const/310163000/Gate Fee
	2674611 Total:		2,334.63	
	0304 Total:		2,334.63	
0362	RSI Petroleum Products			
003081	1/26/2016		727.91	0.00 02/17/2016
001-030-7400-000	Gas & Oil			PW/Regular Unleaded Gas/Diesel Fuel

	003081 Total:		727.91	
0290410		1/19/2016	710.54	0.00 02/17/2016
	001-030-7400-000 Gas & Oil			PW/Regular Unleaded Gas/Diesel Fuel
	0290410 Total:		710.54	
	0362 Total:		1,438.45	
0372	Southern California Edison			
1272016-A		1/27/2016	40.16	0.00 02/17/2016
	702-702-7510-000 Landscape Electricity			Drain/3041481187/119 Industrial Pkwy/Dec 24 2015-Jan 2
	1272016-A Total:		40.16	
1272016-B		1/27/2016	6,478.33	0.00 02/17/2016
	444-403-7300-000 Utilities			Swr/3002010214/800 Enterprise/Dec 24 2015-Jan 26 2016
	1272016-B Total:		6,478.33	
1272016-C		1/27/2016	1,859.76	0.00 02/17/2016
	444-403-7300-000 Utilities			Swr/3001191072/880 Enterprise/Dec 24 2015-Jan 26 2016
	1272016-C Total:		1,859.76	
1272016-D		1/27/2016	66.71	0.00 02/17/2016
	001-010-7300-000 Utilities			GG/3030020393/111 West I St/Dec 24 2015-Jan 26 2016
	1272016-D Total:		66.71	
1272016-E		1/27/2016	28.54	0.00 02/17/2016
	121-121-7520-000 St/Landscape ElectricUtilities			Strts/3033175626/209 1/2 E Tehachapi Bl/Dec 24 2015-Jan
	1272016-E Total:		28.54	
1272016-F		1/27/2016	199.22	0.00 02/17/2016
	121-121-7520-000 St/Landscape ElectricUtilities			Strts/3032669808/333 1/2 E Tehachapi Bl/Dec 24 2015-Jan
	1272016-F Total:		199.22	
1272016-G		1/27/2016	28.01	0.00 02/17/2016

001-010-7300-000 Utilities			GG/3009658698/1125 Capital Hills/Dec 24 2015-Jan 26 2016
1272016-G Total:		28.01	
1272016-H	1/27/2016	53.98	0.00 02/17/2016
001-010-7300-000 Utilities			GG/3026111038/109 E Tehachapi Bl/Dec 24 2015-Jan 26 2016
1272016-H Total:		53.98	
1282016	1/28/2016	51.09	0.00 02/17/2016
001-030-7300-000 Utilities			PW/3035440510/801 Mountain View Ave/Dec 28 2015- Jan 27 2016
1282016 Total:		51.09	
1292016	1/29/2016	19.14	0.00 02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities			Strts/3017193095/Curry-D St/Dec 28 2015-Jan 27 2016
1292016 Total:		19.14	
1292016-A	1/29/2016	1,542.42	0.00 02/17/2016
442-401-7300-000 Utilities			Wtr/3019620821/Curry-D St/Dec 8 2015-Jan 7 2016
1292016-A Total:		1,542.42	
1292016-B	1/29/2016	19.14	0.00 02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities			Strts/3001191080/Tehachapi Bl-Green/Dec 28 2015-Jan 27 2016
1292016-B Total:		19.14	
1292016-C	1/29/2016	106.80	0.00 02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities			Strts/3024394092/103 Tehachapi Bl/Dec 28 2015-Jan 27 2016
1292016-C Total:		106.80	
1292016-D	1/29/2016	240.21	0.00 02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities			Strts/3024394117/101 E Tehachapi Bl/Dec 28 2015-Jan 27 2016
1292016-D Total:		240.21	
1292016-E	1/29/2016	174.83	0.00 02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities			Strts/3025113899/110 S Mill St./Dec 28 2015-Jan 27 2016

	1292016-E Total:	174.83		
222016	2/2/2016	23.52	0.00	02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities				Strts/3001191026/326 East D St/Jan 1-Feb 1 2016
222016	2/2/2016	13.77	0.00	02/17/2016
121-121-7520-000 St/Landscape ElectricUtilities				Strts/3001191076/303 E Ave D/Jan 1-Feb 1 2016
	222016 Total:	37.29		
222016-A	2/2/2016	76.05	0.00	02/17/2016
615-615-7520-000 Street Lights				LLD/3038368118/Tehachapi Bl-Bailey/Jan 1-Feb 1 2016
	222016-A Total:	76.05		
	0372 Total:	11,021.68		
0426	Tehachapi-Cummings County Water District			
252016	2/5/2016	4.50	0.00	02/17/2016
442-401-6729-000 Contract-Water Supply				Wtr/Acct #005399-000-SL6A/Jan 1-Jan 31 2016
	252016 Total:	4.50		
252016-1	2/5/2016	4.50	0.00	02/17/2016
442-401-6729-000 Contract-Water Supply				Wtr/Acct #005400-000-SL6B/Jan 1-Jan 31 2016
	252016-1 Total:	4.50		
252016-2	2/5/2016	4.50	0.00	02/17/2016
442-401-6729-000 Contract-Water Supply				Wtr/Acct #005402-000-DS1/Jan 1-Jan 31 2016
	252016-2 Total:	4.50		
252016-3	2/5/2016	4.50	0.00	02/17/2016
604-604-7300-000 Utilities				LLD/Acct #005403-000-T10N/Jan 1-Jan 31 2016
	252016-3 Total:	4.50		
252016-4	2/5/2016	4.50	0.00	02/17/2016
606-606-7300-000 Utilities				LLD/Acct #005404-000-DS2KB Landscaping/Jan 1-Jan 31

	252016-4 Total:		4.50	
252016-5	2/5/2016		4.50	0.00 02/17/2016
606-606-7300-000	Utilities			LLD/Acct #005405-000-DS2City Median/Jan 1-Jan 31 201
	252016-5 Total:		4.50	
	0426 Total:		27.00	
0441	Vulcan Materials Company Western Division			
71016035	1/25/2016		387.43	0.00 02/17/2016
442-403-7150-000	Repairs-streets			Wtr/3/8 Fine PG64-10
	71016035 Total:		387.43	
71024338	1/31/2016		385.34	0.00 02/17/2016
442-403-7150-000	Repairs-streets			Wtr/3/8' Fine PG64-10
	71024338 Total:		385.34	
	0441 Total:		772.77	
0445	Tehachapi Senior Center Inc.			
292016	2/9/2016		400.00	0.00 02/17/2016
001-000-2126-000	Senior Nutrition Program			Senior Center Space Rent-Feb 2016
	292016 Total:		400.00	
	0445 Total:		400.00	
0476	WITTS Everything for the Office			
140197-0	1/28/2016		131.60	0.00 02/17/2016
001-010-6010-000	Office Supplies			GG/Ink Cartridges/Tape/Paper/Markers/Folders
	140197-0 Total:		131.60	
140203-0	1/28/2016		55.28	0.00 02/17/2016
001-010-6010-000	Office Supplies			GG/Ink Cartridge-2 Pak

	140203-0 Total:		55.28		
140261-0		2/3/2016	56.30	0.00 02/17/2016	
	001-010-6010-000 Office Supplies			GG/Ink Cartridge-3 Pak	
	140261-0 Total:		56.30		
	0476 Total:		243.18		
0524	Scotts Auto Body Inc.				
212016		2/1/2016	60.00	0.00 02/17/2016	
	442-403-7110-000 Vehicle Maint			Wtr/2011 Dodge Ram Wheel Alignment	
	212016 Total:		60.00		
	0524 Total:		60.00		
0607	Kern County Local Agency				
232016		2/3/2016	202.25	0.00 02/17/2016	15020-7101
	001-050-6736-000 Annexation Expense			Eng/Annexation No. 84 Proceeding No. 1684	
	232016 Total:		202.25		
	0607 Total:		202.25		
0832	ACWA/JPIA				
0394833		2/4/2016	54,749.97	0.00 02/17/2016	
	001-000-2380-000 Medical Insurance			Medical Premium/March 2016	
	0394833 Total:		54,749.97		
0394833-1		2/4/2016	-3,496.40	0.00 02/17/2016	
	001-000-2380-000 Medical Insurance			Medical Premium Adjustment/March 2016	
	0394833-1 Total:		-3,496.40		
0394833-2		2/4/2016	7,622.76	0.00 02/17/2016	
	001-000-2381-000 Dental Insurance			Dental Premium/March 2016	

	0394833-2 Total:		7,622.76	
0394833-3	2/4/2016		-492.51	0.00 02/17/2016
001-000-2381-000	Dental Insurance			Dental Premium Adjustment/March 2016
	0394833-3 Total:		-492.51	
0394833-4	2/4/2016		1,143.72	0.00 02/17/2016
001-000-2382-000	Vision Insurance			Vision Premium/March 2016
	0394833-4 Total:		1,143.72	
0394833-5	2/4/2016		-63.54	0.00 02/17/2016
001-000-2382-000	Vision Insurance			Vision Premium Adjustment/March 2016
	0394833-5 Total:		-63.54	
0394833-6	2/4/2016		1,281.15	0.00 02/17/2016
001-000-2340-000	Life Insurance Employees			Life Premium/March 2016
	0394833-6 Total:		1,281.15	
0394833-7	2/4/2016		-72.69	0.00 02/17/2016
001-000-2340-000	Life Insurance Employees			Life Premium Adjustment/March 2016
	0394833-7 Total:		-72.69	
	0832 Total:		60,672.46	
0919	Taft, City of			
8330	1/28/2016		30.00	0.00 02/17/2016
001-010-6150-000	Meals & Lodging			GG/KCAC Dinner/M Vance
	8330 Total:		30.00	
8330-1	1/28/2016		30.00	0.00 02/17/2016
001-110-6150-000	Meals & Lodging			Council/KCAC Dinner/E Grimes
	8330-1 Total:		30.00	

	0919 Total:		60.00	
0972	The Tire Store			
88628		1/28/2016	440.00	0.00 02/17/2016
	442-403-7110-000 Vehicle Maint			Wtr/2 Tires
	88628 Total:		440.00	
	0972 Total:		440.00	
1037	Antelope Valley Press			
1272016		1/27/2016	472.28	0.00 02/17/2016
	001-010-6300-000 Dues & Publications			GG/AV Newspaper-52 Week Subscription
	1272016 Total:		472.28	
	1037 Total:		472.28	
1055	Mercury Graphics			
4737		1/26/2016	394.96	0.00 02/17/2016
	001-010-6710-000 Printing			GG/#10 Envelopes-Full Color w/Window
	4737 Total:		394.96	
	1055 Total:		394.96	
1658	Accela Inc #774375			
INV32602		1/31/2016	364.35	0.00 02/17/2016
	001-010-7451-000 Credit Card Processing Expens			GG/WebPayment Transaction Fees/Jan 2016
	INV32602 Total:		364.35	
	1658 Total:		364.35	
1695	Applegate Garden Florist			
40300-1		1/26/2016	53.75	0.00 02/17/2016
	001-010-6310-000 Community Relations			GG/Kim Nixon

	40300-1 Total:	53.75	
40392-1	1/26/2016	53.75	0.00 02/17/2016
001-010-6310-000	Community Relations		GG/Ruthie Grimes
	40392-1 Total:	53.75	
	1695 Total:	107.50	
1801	HD Supply Waterworks LTD		
F005348	1/22/2016	144.23	0.00 02/17/2016
442-403-6005-000	Small Tools (portable)		Wtr/Ratchet Shears
	F005348 Total:	144.23	
F019530	1/28/2016	319.08	0.00 02/17/2016
442-403-7130-000	Repairs & Maint - Water Lines		Wtr/Fibrelyte Lid/Det Tape Water/Adaptor
	F019530 Total:	319.08	
F044707	1/25/2016	174.92	0.00 02/17/2016
442-403-7130-000	Repairs & Maint - Water Lines		Wtr/Ball Meter Valve
	F044707 Total:	174.92	
F044721	1/28/2016	89.17	0.00 02/17/2016
442-403-7130-000	Repairs & Maint - Water Lines		Wtr/Dbi Strap Branz Sad
	F044721 Total:	89.17	
F058020	1/28/2016	213.74	0.00 02/17/2016
444-403-7100-000	Repairs & Maint		Swr/Cloth Ins Rub Gasket/Hex Bolt & Nut Kit
	F058020 Total:	213.74	
F059014	1/28/2016	524.39	0.00 02/17/2016
442-403-7130-000	Repairs & Maint - Water Lines		Wtr/Adaptor/Tube Replace
	F059014 Total:	524.39	

	1801 Total:		1,465.53	
1846	Haaker Equipment Company			
C18847	1/26/2016		1,290.00	0.00 02/17/2016
	121-121-7120-000 Maint/repair-sweeper			Strts/Carbide Assy R/H and L/H
	C18847 Total:		1,290.00	
C19005	1/26/2016		96.75	0.00 02/17/2016
	121-121-7120-000 Maint/repair-sweeper			Strts/Quick Clamp
	C19005 Total:		96.75	
	1846 Total:		1,386.75	
1851	AT&T			
212016	2/1/2016		18.81	0.00 02/17/2016
	001-010-7320-000 Telephone & Internet			GG/White Pages/24813431106697/Feb 1-Feb 29 2016
	212016 Total:		18.81	
	1851 Total:		18.81	
2136	Mojave Desert News			
45320	1/8/2016		34.68	0.00 02/17/2016
	001-100-6700-000 Advertising			PD/Help Wanted Ad-Lead Dispatcher
	45320 Total:		34.68	
45389	1/15/2016		34.68	0.00 02/17/2016
	001-100-6700-000 Advertising			PD/Help Wanted Ad-Lead Dispatcher
	45389 Total:		34.68	
	2136 Total:		69.36	
2147	Coffee Break Service Inc.			
FEB4505	2/8/2016		26.95	0.00 02/17/2016
	001-010-6010-000 Office Supplies			GG/Monthly Water Cooler Rental/Feb 2016

	FEB4505 Total:		26.95	
	2147 Total:		26.95	
2200	Argo Chemical			
1601121		1/21/2016	456.67	0.00 02/17/2016
	442-403-7430-000 Chemicals			Wtr/Chlor Solition ANSI/NSF
	1601121 Total:		456.67	
	2200 Total:		456.67	
2748	RCS Investigations & Consulting LLC			
3081		1/28/2016	1,650.00	0.00 02/17/2016
	001-100-6730-000 Contract Services			PD/Background Investigation/A Price
	3081 Total:		1,650.00	
	2748 Total:		1,650.00	
2893	Cardmember Service			
4862		12/16/2015	573.42	0.00 02/17/2016
	001-010-7100-000 Repairs & Maint			GG/Quality Flags/COT Flags
4862		12/16/2015	328.02	0.00 02/17/2016
	001-010-6310-000 Community Relations			GG/Quality Flags/Nylon CA State Flags
	4862 Total:		901.44	
9829		1/4/2016	135.00	0.00 02/17/2016
	001-010-6310-000 Community Relations			GG/Quality Flags/COT Live It Up Flags
	9829 Total:		135.00	
	2893 Total:		1,036.44	
2902	Sim Sanitation Inc			
33345		1/25/2016	82.00	0.00 02/17/2016
	447-447-6730-000 Contract Services			Air/Mo Std Unit Rental/Mo Handicap Rental/2-1-16 to 2-2'

	33345 Total:		82.00	
	2902 Total:		82.00	
2981	Burke Williams & Sorenson LLP			
197475	2/5/2016	742.00	0.00	02/17/2016
664-664-6631-000	Foreclosure Expense			LLD/Professional Svcs Thru Jan 31 2016.
	197475 Total:		742.00	
	2981 Total:		742.00	
3011	Verizon Wireless			
9759068719	1/18/2016	38.01	0.00	02/17/2016
001-080-7320-000	Telephone & Internet			Eng/Mobile Broadband/R Montgomery/Dec 18 2015-Jan 19 2016
	9759068719 Total:		38.01	
9759068719-A	1/18/2016	19.00	0.00	02/17/2016
442-403-7320-000	Telephone			Wtr/Mobile Broadband/T Napier/Dec 18 2015-Jan 19 2016
	9759068719-A Total:		19.00	
9759068719-B	1/18/2016	19.01	0.00	02/17/2016
444-403-7320-000	Telephone			Swr/Mobile Broadband/T Napier/Dec 18 2015-Jan 19 2016
	9759068719-B Total:		19.01	
9759068719-C	1/18/2016	38.01	0.00	02/17/2016
001-080-7320-000	Telephone & Internet			Eng/Mobile Broadband/C Arbaut/Dec 18 2015-Jan 19 2016
	9759068719-C Total:		38.01	
9759068719-D	1/18/2016	38.01	0.00	02/17/2016
001-010-7320-000	Telephone & Internet			GG/Mobile Broadband/G Garret/Dec 18 2015-Jan 19 2016
	9759068719-D Total:		38.01	
9759068719-E	1/18/2016	38.01	0.00	02/17/2016
447-447-7320-000	Telephone			Air/Mobile Broadband/Airport/Dec 18 2015-Jan 19 2016

	9759068719-E Total:	38.01		
9759068719-F	1/18/2016	14.82	0.00	02/17/2016
442-403-7320-000 Telephone				Wtr/Mobile Broadband/T Napier/Dec 18 2015-Jan 19 2016
	9759068719-F Total:	14.82		
9759068719-G	1/18/2016	14.83	0.00	02/17/2016
444-403-7320-000 Telephone				Swr/Mobile Broadband/T Napier/Dec 18 2015-Jan 19 2016
	9759068719-G Total:	14.83		
9759068719-H	1/18/2016	29.65	0.00	02/17/2016
001-010-7320-000 Telephone & Internet				GG/Mobile Broadband/M Vance/Dec 18 2015-Jan 19 2016
	9759068719-H Total:	29.65		
9759068719-I	1/18/2016	29.65	0.00	02/17/2016
001-080-7320-000 Telephone & Internet				Eng/Mobile Broadband/J Schlosser/Dec 18 2015-Jan 19 20
	9759068719-I Total:	29.65		
9759068719-J	1/18/2016	15.01	0.00	02/17/2016
442-403-7320-000 Telephone				Wtr/Mobile Broadband/J Curry/Dec 18 2015-Jan 19 2016
	9759068719-J Total:	15.01		
9759068719-K	1/18/2016	15.01	0.00	02/17/2016
444-403-7320-000 Telephone				Swr/Mobile Broadband/J Curry/Dec 18 2015-Jan 19 2016
	9759068719-K Total:	15.01		
9759162002	1/20/2016	30.02	0.00	02/17/2016
001-010-7320-000 Telephone & Internet				GG/Mobil Broadband/A Whitmore/Dec 21 2015-Jan 20 20
	9759162002 Total:	30.02		
	3011 Total:	339.04		
3062	Municipal Code Corporation			
00265789	1/25/2016	774.00	0.00	02/17/2016

001-120-6900-000 Codes

CC/Update to Municiple Code Book

00265789 Total:		774.00		
3062 Total:		774.00		
3066	AECOM Technical Services Inc.			
37687348	1/14/2016	53,451.49	0.00 02/17/2016	15023-9301
445-445-8160-000	New Treatment Plant			Indirect Potable Reuse Evaluation
37687348 Total:		53,451.49		
3066 Total:		53,451.49		
3093	Kern County Animal Services			
1192016	1/19/2016	8,750.00	0.00 02/17/2016	
001-010-6730-000	Contract Services			GG/Agreement 067-2002 & 433-2012/Qtrly Billing Oct-De
1192016 Total:		8,750.00		
3093 Total:		8,750.00		
3094	Dunn Edwards Corporation			
2030368872	1/27/2016	535.51	0.00 02/17/2016	
001-040-7120-000	Equip/computer Maint			const/Seal Gun Roller/Filter Screen/Guage/Labor
2030368872 Total:		535.51		
3094 Total:		535.51		
3199	Slick Fish Marketing Co.			
2244	1/31/2016	148.75	0.00 02/17/2016	
001-010-6320-000	Community Promotions			GG/Talk It Up 2016/Loop Ad
2244 Total:		148.75		
2244-1	1/31/2016	-49.58	0.00 02/17/2016	
001-010-6320-000	Community Promotions			FTB Order #312613192904136373/25% Of \$198.33

	2244-1 Total:		-49.58	
2245		2/2/2016	66.57	0.00 02/17/2016
001-000-2190-004	Gran Fondo Event			GF/GranFondo Site Updates-Registration-Sponsorship
	2245 Total:		66.57	
2245-1		2/2/2016	-22.18	0.00 02/17/2016
001-000-2190-004	Gran Fondo Event			FTB Order #312613192904136373/25% Of \$88.75
	2245-1 Total:		-22.18	
	3199 Total:		143.56	
3204	California Association of Code Enforcement Offi			
300002013		2/4/2016	85.00	0.00 02/17/2016
001-100-6300-000	Dues & Publications			PD/CACEO Dues/A Price
	300002013 Total:		85.00	
	3204 Total:		85.00	
3281	Statewide Traffic Safety & Signs Inc.			
12002413		1/26/2016	118.25	0.00 02/17/2016
121-121-7100-000	Street Signs & Markings			Strts/Custom Signs: 8x30 Michael Ave/8x30 Dennison Rd
	12002413 Total:		118.25	
12002414		1/26/2016	645.00	0.00 02/17/2016
121-121-7100-000	Street Signs & Markings			Strts/Custom Sign: 30x30 Flooded Sign
	12002414 Total:		645.00	
	3281 Total:		763.25	
3363	RSINet			
2804		1/27/2016	180.00	0.00 02/17/2016
447-447-6730-000	Contract Services			Air/AWOS-Data Svc Oct-Dec 2015

	2804 Total:		180.00	
	3363 Total:		180.00	
3370	Information Technology Service, County of Kern			
5325	1/31/2016	840.00	0.00	02/17/2016
001-100-6730-000	Contract Services			PD/CJIS Access License Fee Oct-Dec 2015
	5325 Total:		840.00	
5333	1/21/2016	420.00	0.00	02/17/2016
001-100-6730-000	Contract Services			PD/CJIS Access License Fee Apr-Sep 2015 - Adjustment
	5333 Total:		420.00	
	3370 Total:		1,260.00	
3429	Independent Fire and Safety Inc.			
25058	1/25/2016	157.50	0.00	02/17/2016
001-030-7103-000	Repairs & Maint-Senior Ctr			PW-Sr Ctr/Fire Ext Annual Maint
	25058 Total:		157.50	
	3429 Total:		157.50	
3448	Utility Services Associates LLC			
125000	1/29/2016	2,942.00	0.00	02/17/2016
442-403-6730-000	Contract Services			Wtr/Water Line Survey & Pinpointing Project
	125000 Total:		2,942.00	
	3448 Total:		2,942.00	
3480	ProIT			
1131073	1/24/2016	2,247.50	0.00	02/17/2016
001-120-6730-000	Contract Services			CC/Laserfiche LSAP

	1131073 Total:		2,247.50	
	3480 Total:		2,247.50	
3566	BlueLine Rental			
27933510001		1/13/2016	1,471.53	0.00 02/17/2016
	121-121-7200-000 Equipment Rental			Strts/Artic Boom Lift DSL/Christmas Lights
	27933510001 Total:		1,471.53	
27933510001-1		1/13/2016	1,471.52	0.00 02/17/2016
	001-010-6775-000 Community Appearance			GG/Artic Boom Lift DSL/Christmas Lights
	27933510001-1 Total:		1,471.52	
	3566 Total:		2,943.05	
3611	AT&T National Compliance Center			
206716		12/29/2016	800.00	0.00 02/17/2016
	001-100-6730-000 Contract Services			PD/Steven Orozco 15-11-1548/15-12-1706
	206716 Total:		800.00	
	3611 Total:		800.00	
3673	Radar Shop, The			
7914		1/17/2016	132.00	0.00 02/17/2016
	001-100-7100-000 Repairs & Maint			PD/Doppler Radar Unit - Recertification
	7914 Total:		132.00	
	3673 Total:		132.00	
3725	Powerstride Battery Co. Inc.			
B351433		1/12/2016	211.16	0.00 02/17/2016
	444-403-7120-000 Equipment Maint			Swr/PS-4D M/F

	B351433 Total:		211.16		
	3725 Total:		211.16		
3730	Tractor Supply Credit Plan				
028595		1/28/2016	40.83	0.00	02/17/2016
444-403-6080-000	Laboratory Supplies			Swr/2	Gal Alcohol
	028595 Total:		40.83		
	3730 Total:		40.83		
3807	Diamond Technologies				
16142		1/31/2016	1,857.64	0.00	02/17/2016
001-070-8240-000	Computer Equipment			IT/Monthly Backup for January 2016 Billing	
	16142 Total:		1,857.64		
16165		1/14/2016	4,763.37	0.00	02/17/2016
001-100-6730-001	Dispatching Service			15002-5201	PD/Computer for New Dispatcher
	16165 Total:		4,763.37		
	3807 Total:		6,621.01		
3829	QT POD				
58067		2/4/2016	995.00	0.00	02/17/2016
447-447-6730-000	Contract Services			Air/Gold Service Agreement-Extended Warranty	
	58067 Total:		995.00		
	3829 Total:		995.00		
3840	ProPet Distributors Inc.				
111105		1/26/2016	86.46	0.00	02/17/2016
604-604-7137-000	Landscape Maintenance			LLD/Dogipot Litter Pick Up Bags	

	111105 Total:		86.46	
111105-1		1/26/2016	43.22	0.00 02/17/2016
001-035-6730-000	Contract Services			Land/Dogipot Litter Pick Up Bags
	111105-1 Total:		43.22	
111105-2		1/26/2016	43.22	0.00 02/17/2016
001-140-6730-000	Contract Services			Depot/Dogipot Litter Pick Up Bags
	111105-2 Total:		43.22	
	3840 Total:		172.90	
3844	Franchise Tax Board			
2244		1/31/2016	49.58	0.00 02/17/2016
001-010-6320-000	Community Promotions			Slick Fish Mktg Order #312613192904136373/25% of 198
	2244 Total:		49.58	
2245		2/2/2016	22.18	0.00 02/17/2016
001-000-2190-004	Gran Fondo Event			Slick Fish Mktg Order #312613192904136373/25% of 88.
	2245 Total:		22.18	
	3844 Total:		71.76	
3970	Playground Destination Prop In			
505009		1/28/2016	8,000.00	0.00 02/17/2016
001-010-6320-000	Community Promotions			GG/Mtn Bike Resort
	505009 Total:		8,000.00	
	3970 Total:		8,000.00	
	Report Total:		179,174.81	

AP-To Be Paid Proof List (02/09/2016 - 2:20 PM)

Accounts Payable

Computer Check Register

User: afrescas
 Printed: 02/03/2016 - 11:44AM
 Batch: 10904.02.2016
 Bank Account: AP



Check	Vendor No	Vendor Name	Date	Invoice No	Amount
44366	1822	Ed Grimes	2/3/2016		
				1232016	57.61
				1232016-1	352.62
Check 44366 Total:					410.23
44367	0372	Southern California Edison	2/3/2016		
				1222016	101.72
				1222016-1	279.99
				1222016-2	379.51
Check 44367 Total:					761.22
Report Total:					1,171.45

Accounts Payable

Computer Check Register

User: afrescas
 Printed: 02/03/2016 - 9:14AM
 Batch: 10903.02.2016
 Bank Account: AP



Check	Vendor No	Vendor Name	Date	Invoice No	Amount
44334	3066	AECOM Technical Services I	2/3/2016		
				37687346	4,345.39
				37687347	289.00
				37687349	889.50
				37687350	3,469.85
		Check 44334 Total:			8,993.74
44335	0027	Atco International	2/3/2016		
				I0451025	288.10
				I0451025-1	-20.10
		Check 44335 Total:			268.00
44336	2243	The Bank of New York Mello	2/3/2016		
				2521919065	200.00
		Check 44336 Total:			200.00
44337	0035	BC Laboratories Inc.	2/3/2016		
				B223660	45.00
				B223646	325.00
				B223722	15.00
				B224156	50.00
				B224156-1	36.00
		Check 44337 Total:			471.00
44338	0543	BSE Rents	2/3/2016		
				77015	995.93
		Check 44338 Total:			995.93
44339	0061	BSK Associates	2/3/2016		
				0075642	2,928.50
				0075797	257.00
				0075798	645.50
				0075799	688.50
				0075800	5,066.00
		Check 44339 Total:			9,585.50
44340	3904	Cen-Cal Construction	2/3/2016		
				R12010-4	111,060.69
		Check 44340 Total:			111,060.69
44341	3277	CoreLogic Information Soluti	2/3/2016		
				81652155	241.66

Check	Vendor No	Vendor Name	Date	Invoice No	Amount
					241.66
		Check 44341 Total:			
44342	3882	DFS Flooring LP	2/3/2016		
				600568-3	2,079.59
		Check 44342 Total:			2,079.59
44343	2752	Fastenal Company	2/3/2016		
				CATEH9637	12.90
		Check 44343 Total:			12.90
44344	2134	Ferguson Enterprises Inc #135	2/3/2016		
				2835127	404.86
		Check 44344 Total:			404.86
44345	3844	Franchise Tax Board	2/3/2016		
				2239	30.00
				2241	45.77
		Check 44345 Total:			75.77
44346	1849	Government Finance Officers	2/3/2016		
				0123001	190.00
		Check 44346 Total:			190.00
44347	1801	HD Supply Waterworks LTD	2/3/2016		
				E986106	456.66
				E987502	106.89
				F005343	246.40
		Check 44347 Total:			809.95
44348	3657	Wiley D. Hughes Surveying I	2/3/2016		
				1599	595.00
		Check 44348 Total:			595.00
44349	3256	Kern County Fire Department	2/3/2016		
				16-000210	21,820.25
				16-000211	21,820.25
		Check 44349 Total:			43,640.50
44350	3835	Kern Water Bank Authority	2/3/2016		
				01012016	2,273.55
		Check 44350 Total:			2,273.55
44351	0260	Liebert Cassidy Whitmore	2/3/2016		
				1415469	812.50
				1415469-1	117.50
				1415470	357.50
				1415471	141.00
				1415472	464.50
		Check 44351 Total:			1,893.00
44352	3969	Michael K Nunley & Assoc Ir	2/3/2016		

Check	Vendor No	Vendor Name	Date	Invoice No	Amount
				1630	1,155.00
				1629	3,862.50
					<hr/>
				Check 44352 Total:	5,017.50
44353	0182	P&J Electric Inc.	2/3/2016		
				5153	250.00
					<hr/>
				Check 44353 Total:	250.00
44354	1005	Quad Knopf Inc.	2/3/2016		
				83174	660.00
				83187	31,486.51
				83194	435.24
					<hr/>
				Check 44354 Total:	32,581.75
44355	2994	Richards Watson & Gershon	2/3/2016		
				205124	25.00
					<hr/>
				Check 44355 Total:	25.00
44356	0362	RSI Petroleum Products	2/3/2016		
				0290206	897.59
					<hr/>
				Check 44356 Total:	897.59
44357	2602	Rubber Cal	2/3/2016		
				IN229114	183.83
					<hr/>
				Check 44357 Total:	183.83
44358	0373	Thomas F. Schroeter Attorney	2/3/2016		
				1272016	260.00
				1272016-1	-212.55
				1272016-2	3,282.50
					<hr/>
				Check 44358 Total:	3,329.95
44359	3199	Slick Fish Marketing Co.	2/3/2016		
				2239	120.00
				2239-1	-30.00
				2241-1	-45.77
				2241	183.08
					<hr/>
				Check 44359 Total:	227.31
44360	3903	South Street Digital, Inc	2/3/2016		
				10240	1,071.24
				10268	449.91
					<hr/>
				Check 44360 Total:	1,521.15
44361	0372	Southern California Edison	2/3/2016		
				1252016	114.45
				1252016-1	110.63
				1252016-2	198.78
				1252016-3	147.88
				1252016-4	435.57
				1262016	126.80
				1262016-1	28.54
				1262016-2	22.59

Check	Vendor No	Vendor Name	Date	Invoice No	Amount
				1262016-3	1,438.83
		Check 44361 Total:			2,624.07
44362	2111	Swift Napa Auto Parts	2/3/2016	860991	154.80
		Check 44362 Total:			154.80
44363	0431	Tehachapi News	2/3/2016	2640683-1	78.75
				2640683	112.50
		Check 44363 Total:			191.25
44364	0446	Tehachapi Unified School Dis	2/3/2016	160199	660.00
				160199-1	300.00
		Check 44364 Total:			960.00
44365	3561	Lisa Wise Consulting Inc.	2/3/2016	2154	1,840.00
				2153	2,616.00
		Check 44365 Total:			4,456.00
		Report Total:			236,211.84

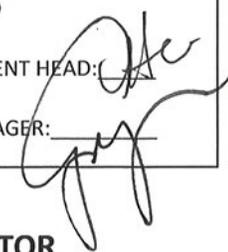
**CITY OF TEHACHAPI
TREASURER'S REPORT
FY 2015-16**

MONTH END BANK STATEMENT BALANCE

BANK ACCOUNTS	Institution	Acct#	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015	1/31/2016
General Checking	Bank of the Sierra	21002-06457	650,579.37	638,877.46	533,950.92	504,930.60	642,489.61	268,335.74
Water Deposit Trust	Bank of the Sierra	21002-08503	109,870.00	112,350.00	114,280.00	110,840.00	110,840.00	113,210.00
AD 83-1/87-1, Tucker	Bank of the Sierra	21004-80193	87,633.41	87,635.93	87,635.93	0.00	0.00	0.00
AD 89-3	Bank of the Sierra	21002-81054	828.82	828.82	828.82	0.00	0.00	0.00
Payroll	Bank of the West	709-031215	96,154.64	95,805.81	95,329.56	94,978.17	94,679.62	94,189.80
AFLAC Flex Spending	Bank of the West	709-039747	14,157.15	15,590.75	16,624.61	14,394.12	14,619.38	14,907.33
Airport key Deposit/Cr Card Purch	Bank of the West	709-029821	98,317.06	118,446.96	138,059.48	149,296.15	158,624.77	164,294.36
Ashtown Water Escrow	Bank of the West	CD 709-000-855969	107,978.09	107,978.09	107,978.09	107,978.09	107,978.09	107,978.09
LAIF	State of California	98-15-914	8,446,589.49	8,146,589.49	7,755,980.20	6,255,980.20	5,955,980.20	7,565,297.41
Total Funds in Banks			9,612,108.03	9,324,103.31	8,850,667.61	7,238,397.33	7,085,211.67	8,328,212.73
INVESTMENTS								
CSJVRMA Investment Pool	Chandler Asset Mgt	1113	2,064,354.00	2,074,141.00	2,071,972.00	2,066,520.00	2,064,201.00	2,084,178.00
Loaned to Wtr/Swr to pay-off COP2000			145,889.41	145,889.41	145,889.41	0.00	0.00	0.00
Total Investments			2,210,243.41	2,220,030.41	2,217,861.41	2,066,520.00	2,064,201.00	2,084,178.00
TOTAL PORTFOLIO			11,822,351.44	11,544,133.72	11,068,529.02	9,304,917.33	9,149,412.67	10,412,390.73
RDA SUCCESSOR AGENCY FUNDS								
RDA 2007	Bank of New York	870951/52/53/54	333,060.99	333,060.99	333,060.99	734,320.99	362,780.16	362,783.66
RDA 2005	Bank of New York	870711-16	292,456.25	292,456.25	292,456.25	681,397.50	322,176.25	322,179.34
Successor Agency RDA	LAIF	98-15-914 (2)	3,143,650.05	3,143,650.05	3,143,650.05	3,143,650.05	3,143,650.05	3,143,650.05
Total RDA Successor Agency Funds			3,769,167.29	3,769,167.29	3,769,167.29	4,559,368.54	3,828,606.46	3,828,613.05



APPROVED
DEPARTMENT HEAD: _____
CITY MANAGER: _____



COUNCIL REPORTS

MEETING DATE: FEBRUARY 16, 2016 AGENDA SECTION: FINANCE DIRECTOR

TO: HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: FEBRUARY 9, 2016

SUBJECT: FISCAL YEAR END 2015 FINANCIAL REPORTS

BACKGROUND

Financial reports for the fiscal year 2014-15 are now audited and completed.

The reports include:

1. Independent Accountant'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. The auditor 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.

The auditor agrees with our appropriation calculation for the audit year as well as the prior year.

2. Annual Financial Report and Independent Auditor's Report:

Audited financial statements for the period ending June 30, 2015.

Net fund balance changes in major funds:

General Fund: \$ 574,787 net gain resulting \$8,213,340 year-end fund balance.
Water Fund: (\$ 130,440) net loss resulting \$6,174,541 year-end fund balance.
Sewer Fund: (\$ 283,912) net loss resulting \$8,348,091 year-end fund balance.
Airport Fund: (\$ 78,930) net loss resulting \$638,938 year-end fund balance.

One notable change to this financial report is implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires a liability for pension obligation to be recognized in the Balance Sheet. As a result, the beginning net position in the Statement of Activities were restated.

3. Statements of Audit Standards (SAS) 114:

Auditor's communication with governing body who oversees the financial reporting process.

No negative findings are reported.

4. Single Audit Report on Federal Award Programs:

Refers to Single Audit, also known as "OMB A-133 Audit." In general, any entity that expends \$500,000 or more of federal grants or awards in a year is required to undergo a Single Audit.

The amount of federal grant projects subject to single audit in the fiscal year 2014-15 is \$1,477,326.

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, 2015. 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 + Frankhamel, LLP

January 26, 2016

**CITY OF TEHACHAPI
 APPROPRIATIONS LIMIT COMPUTATION
 2014 – 2015**

	<u>2014 - 2015</u>
Change in Per Capital Personal Income	-0.23%
Population Change	
County Population Growth	1.42%
Change in Per Capita Personal Income Converted to a Ratio	0.9977
Population Change Converted to a Ratio	1.0142
Calculation of Growth Factor	1.0118673
2013 - 2014 Appropriations Limit	<u>\$ 10,335,319</u>
2014 - 2015 Appropriations Limit (\$10,335,319 X 1.0118673)	<u>\$ 10,457,971</u>



City of Tehachapi

Annual Financial Report and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2015

CITY OF TEHACHAPI
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

City of Tehachapi
Annual Financial Report
Year Ended June 30, 2015

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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, 2015, 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, 2015, 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.

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2015, the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tehachapi's financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant + Fankhaed, LLP

January 26, 2016

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, 2015. 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 increased 3% to \$53,309,138 from \$51,861,983 as a result of this year's operations.
- Total City revenues, including program and general revenues, were \$19,303,360 which is \$4,658,972 more than the prior year.
- Net position in governmental activities increased by \$2,854,133 to \$37,810,765, an 8% increase.
- Net position in business type activities decreased by \$1,406,978 to \$15,498,373, an 8% decrease.
- Governmental revenue increased by \$5,391,709 to \$13,194,802, a 69% increase.
- Governmental expense was decreased by \$884,177 to \$8,384,437, a 10% decrease.
- Revenues from business-type activities decreased by \$732,737 to \$6,108,558, an 11% decrease.
- Expenses from business-type activities increased by \$39,126 to \$6,592,213, a 1% increase.
- General fund revenue was decreased by \$108,651 to \$6,960,727, a 2% decrease.
- General fund expense was decreased by \$1,209,701 to 6,385,940, a 16% decrease.
- General fund balance as of June 30, 2015 is \$8,213,340; an increase of \$574,787 or 8% from the prior year.
- Governmental Accounting Standards Board Statement 68 (GASB 68) requirements are reflected in this report to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pension.

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.

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, airport and the Moto-Cross Event Center. 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 a 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. The funds categorized under major funds are: General Fund, Streets and Roads Fund, Challenger Drive Extension Capital Project Fund, and New Police Building Capital Project Fund. Data from the other 40 governmental funds are combined into two aggregate funds: Street Projects/Capital Projects Fund and Other Governmental Funds.

Proprietary Funds

The only type of proprietary funds the City of Tehachapi maintains is enterprise funds. The Refuse, Water, Sewer, Transit, Airport, and Moto-Cross Event Center 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 and Moto-Cross Event Center Funds are 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 the City 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 the Community Facilities District (CFD).

Notes to the Financial Statements

The notes give 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 an illustration of conditions and activities for all non-major funds as well as special district 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 \$53,309,138 at June 30, 2015.

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 \$44,623,329 (84% of total net position) from \$43,212,750. The increase of \$1,410,579 was contributed mainly by the Challenger Drive construction and annexed city hall reconstruction.

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 pension informations are recorded in the Statement of Net Position. The Deferred Outflows/Inflows of Resources are composed of deferred pension contributions, proportionate share differences and pension actuarial amounts. The GASB 68 was issued to improve the financial reporting by state and local governments for pensions and replaces GASB 27.

The restricted fund balance was increased from the prior year by \$2,582,272. This increase was due to internally funding new police building construction and increased grant fund receipts for capital projects. The Public Safety Facility Impact Fee Fund borrowed from the General Fund to finance the shortage for 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 \$1,361,922 from \$3,907,618. It is a result of fund shifting from non-restricted funds to restricted funds.

Summary of Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and Other Assets	9,707,068	6,979,709	3,970,210	3,922,950	13,677,278	10,902,659
Capital Assets	32,082,955	30,283,115	17,911,039	18,572,105	49,993,994	48,855,220
Total Assets	<u>41,790,023</u>	<u>37,262,824</u>	<u>21,881,249</u>	<u>22,495,055</u>	<u>63,671,272</u>	<u>59,757,879</u>
DEFERRED OUTFLOWS OF RESOURCES	602,384		202,394		804,778	
LIABILITY						
Current Liabilities	1,290,799	1,565,417	925,715	779,671	2,216,514	2,345,088
Long-term Liabilities	2,620,588	740,775	5,383,842	4,810,033	8,004,430	5,550,808
Total Liabilities	<u>3,911,387</u>	<u>2,306,192</u>	<u>6,309,557</u>	<u>5,589,704</u>	<u>10,220,944</u>	<u>7,895,896</u>
DEFERRED INFLOWS OF RESOURCES	670,255		275,713		945,968	
NET POSITION						
Net Investment in Capital Assets	31,447,535	29,619,903	13,175,794	13,592,847	44,623,329	43,212,750
Restricted	3,990,455	1,408,183	3,333,432	3,333,432	7,323,887	4,741,615
Unrestricted	2,372,775	3,928,546	(1,010,853)	(20,928)	1,361,922	3,907,618
Total Net Position	<u>37,878,636</u>	<u>34,956,632</u>	<u>15,571,692</u>	<u>16,905,351</u>	<u>53,450,328</u>	<u>51,861,983</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 rules due to the size of its revenue in fiscal year 1999/2000.

Governmental Activities

Governmental activities increased the City's net position by \$2,854,133 thereby accounting for 71% of the City's total net position. This increase is mainly due to various grant funds received for major capital projects.

Business-Type Activities

The City operates six business-type activities. These activities are captured in Refuse, Water, Sewer, Transit, Airport and Moto-Cross Event Center Funds. While the City's total net position was increased by \$1,447,155, the net position in business-type activities was decreased by \$1,406,978. The main reasons for decrease are:

1. Reduction in water service revenues due to less water usage in order to help the drought situation in California;
2. Recording of pension liability for the first time per Governmental Accounting Standard Board (GASB) 68 announcement.

Statement of Activities

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Program Revenues:						
Charges for Services	953,871	946,329	5,770,455	6,226,599	6,724,326	7,172,928
Operating contribution & Grants	864,473	606,281	362,894	440,453	1,227,367	1,046,734
Capital Grants & Contribution	5,156,087	1,311,289		33,290	5,156,087	1,344,579
General Revenues:						
Property taxes	1,184,100	1,187,822			1,184,100	1,187,822
Sales Taxes	1,957,100	1,986,771			1,957,100	1,986,771
Other Taxes	1,756,994	1,884,570			1,756,994	1,884,570
License and permits	1,237,753	1,204,395			1,237,753	1,204,395
Other sources of funds					-	-
Miscellaneous	45,508	238,008	106,104	118,296	151,612	356,304
Interest	34,077	37,005	15,426	19,514	49,503	56,519
Loss on Disposal		(189,709)	(141,482)		(141,482)	(189,709)
Transfer to Fiduciary Fund		(1,406,525)			-	(1,406,525)
Transfers	4,839	(3,143)	(4,839)	3,143	-	-
	<u>13,194,802</u>	<u>7,803,093</u>	<u>6,108,558</u>	<u>6,841,295</u>	<u>19,303,360</u>	<u>14,644,388</u>
Expenses						
Primary Government						
General Government	2,763,073	2,709,575			2,763,073	2,709,575
Public Works	2,165,018	1,834,154			2,165,018	1,834,154
Police	2,658,659	3,181,899			2,658,659	3,181,899
Community Development	776,844	1,521,265			776,844	1,521,265
Interest	20,843	21,721			20,843	21,721
Business-type Activities						
Refuse			1,248,408	1,168,082	1,248,408	1,168,082
Water			2,130,275	2,129,184	2,130,275	2,129,184
Sewer			2,090,278	2,032,645	2,090,278	2,032,645
Transit			197,247	183,382	197,247	183,382
Airport			925,376	1,039,794	925,376	1,039,794
Motocross			629		629	
Total Expense	<u>8,384,437</u>	<u>9,268,614</u>	<u>6,592,213</u>	<u>6,553,087</u>	<u>14,976,650</u>	<u>15,821,701</u>
Extraordinary Items						
Change in Net Position	4,810,365	(1,465,521)	(483,655)	288,208	4,326,710	(1,177,313)
Net Position at beginning of yr	34,956,632	37,868,663	16,905,351	16,617,143	51,861,983	54,485,806
Prior Period Adj	(1,956,232)	(1,446,510)	(923,323)		(2,879,555)	(1,446,510)
Net Position at end of year	<u>37,810,765</u>	<u>34,956,632</u>	<u>15,498,373</u>	<u>16,905,351</u>	<u>53,309,138</u>	<u>51,861,983</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, 2015, the City's governmental funds reported a combined ending fund balance of \$8,125,401. This number shows an approximate 70% (\$3,340,660) fund balance increase from the prior year. The reason for this increase was the receipt of various capital grants.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$8,213,340 which includes \$3,787,406 of non-spendable funds. The non-spendable funds consist of advances made to other funds such as the Airport Fund, special district funds and various capital project funds. As of June 30, 2015, the Airport Fund owes \$1,417,263 to the General Fund. This loan is a result of continuous deficits in airport operations. Although there is a history of write-offs to the Airport Fund (in fiscal year 2000-01 \$359,533 was forgiven), the City is hoping to recoup the loaned amount. Airport personnel costs, the major expense to the Airport Fund in previous years, have been reduced significantly starting with fiscal year 2015-16.

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

Among five major governmental funds, two governmental funds had in negative fund balances at the end of this fiscal year. These funds are Challenger Drive Extension Capital Project Fund (Challenger Project Fund) and New Police Building Capital Project Fund. The final fund balances are negative \$10,000 and \$3,923,902 respectively.

The negative fund balance in the Challenger Project Fund will be remedied by a grant from the State of California. However, the fund shortage in New Police Building Capital Project Fund was covered by a loan from the General Fund and Sewer Capacity Increase Fund. It is expected that the loan will be repaid with facility impact development fees 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 \$1,065,319.

Proprietary Fund

The balances in net position of the following major proprietary funds: Water, Sewer, Airport and Refuse are \$6,174,541, \$8,348,091, \$638,938 and \$337,432 respectively. The unrestricted net position of the Water and Sewer Funds at the end of the fiscal year are negative \$72,486 and positive \$286,286 respectively.

The balance of unrestricted net position in the Water Fund decreased by \$409,442 from the prior year. The reduction in unrestricted funds are due to a reduction in water service fee and connection fee revenue. The prior year's negative balance in net position in the Water Fund was because of

the internally funded water capacity capital projects completed in year 2008. The decision to internally fund these capital projects resulted in over a half-million dollar cost savings to the Water Fund since 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2015 is presented as Required Supplementary Information following the notes to the financial statements. The final budget amounts differ from those shown in the 2014/15 – 2018/19 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	2014/15 Actual	Variance Actual vs. Final Budget (Negative)
Revenues incl. Other Sources	6,232,073	6,384,438	6,960,727	576,289
Expenditures incl. Other Uses	6,227,040	6,544,868	6,385,940	158,928
Net changes in fund balances	5,033	(160,430)	574,787	735,217
Fund Balance Beginning (Adjusted)	7,638,553	7,638,553	7,638,553	0
Fund Balance - Ending	7,643,586	7,478,123	8,213,340	735,217

Overall, the General Fund actual ending fund balance is \$735,217 more than what was budgeted in the final budget. The major contributions to the positive revenue variance are generated from service admin charges (\$227,630), landscape, construction and miscellaneous staff labor charges (\$201,567), and transient occupancy tax (\$133,826). When compared to the budget, both General Fund revenues and General Fund expenditures yield favorable variances of \$576,289 and \$158,928, respectively.

During fiscal year 2014/15, \$225,000 in administrative costs were charged to the Successor Agency to Tehachapi Redevelopment Agency (Successor Agency). Currently, the Successor Agency does not have enough property tax increment revenue from the RDA's Property Tax Trust Fund to pay this fee. Although the administrative charges are booked as revenue in General Fund, no actual cash was received. This amount was booked as a loan.

Another substantial General Fund revenue increase was from the transient occupancy tax (TOT) which is also known as lodging tax. This was mainly due to additional payments received from

one of the hotels to settle their delinquent account. This additional TOT collection was completed in the fiscal year 2014-15. A room occupancy rate hike also contributed to the TOT increase.

All departments in the General Fund have contributed to the favorable variance when actuals are compared with budgets except for General Government. The unfavorable variance in the General Government was \$147,977. Departments with the most favorable variances are: Police (\$90,429), Community Development (\$55,350), Public Works (\$53,154) and Engineering (\$44,202).

CAPITAL & DEBT ADMINISTRATION

Capital Assets

	Governmental Activities	Business-type Activities	Totals
Non-Depreciable Assets:			
Land	800,789	728,399	1,529,188
Water Rights		1,829,036	1,829,036
Construction in Progress	1,456,406	452,607	1,909,013
Total non-depreciable assets	<u>2,257,195</u>	<u>3,010,042</u>	<u>5,267,237</u>
Depreciable Assets (net of accumulated depreciation)			
Buildings	6,974,169	7,967,373	14,941,542
Machinery and equipment	316,897	563,404	880,301
Improvements other than building	22,305,480	6,370,220	28,675,700
Parks	229,214		229,214
Total depreciable assets-net	<u>29,825,760</u>	<u>14,900,997</u>	<u>44,726,757</u>
Total Capital Assets	<u>32,082,955</u>	<u>17,911,039</u>	<u>49,993,994</u>

The City of Tehachapi's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$49,993,994 (net of accumulated depreciation) which is a \$1,138,774 increase from fiscal year 2013/14. This increase the result of various grant related capital street projects and the reconstruction of the old police building.

The 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	2,719,099	2,719,099
Loans	0	1,886,001	1,886,001
Capital Leases	635,420	130,145	765,565
Net Pension Liability	1,849,799	849,305	2,699,104
Compensated absences	231,053	94,204	325,257
Total Long-Term Liabilities	2,716,272	5,678,754	8,395,026

The City of Tehachapi's total long term debt increased by \$2,466,747 compared to the last fiscal year. No new debts were issued during the fiscal year. The increase in debt was due to the pension liability disclosure requirement under GASB 68. This the first year that Net Pension Liability is included in the long-term liability section.

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, 2015, the Council adopted the 2015/16 through 2019/20 five-year budget, with total appropriations of \$19,597,377 in fiscal year 2015/16. The following factors were taken into consideration for the next fiscal year budget:

- Cost of living increase of 1.3% is granted to employees.
- Employer paid retirement contribution is decreased for miscellaneous group employees (1.0%) and safety employees (1.5%) from 2% and 3.5% respectively.
- Medical premium contributions are capped at January, 2011 premium rates starting January, 2016.
- The 2015/16 General Fund revenue budget (\$6,164,761) is projected at \$795,966 less than the actual revenue received in 2014/15. A \$100,000 COPS grant is not included in this budget since there is no certainty that the State will continue with its funding at the time of budgeting.
- No administration fee from the Successor Agency is included in the General Fund revenue budget because no actual funds will be received since the tax increment revenues for the Successor Agency are barely sufficient to make the annual debt service payments. However, the administrative cost will be charged to the Successor Agency and recorded as a loan.
- The 2015/16 General Fund expenditure budget (\$6,158,508) is projected at \$227,432 less than the actual expenditures in 2014/15.
- An average of 15 equivalent dwelling units (EDU) are considered for new water and sewer connection fee revenue budget calculations.

- Other development related impact fees such as facilities impact, traffic mitigation, and park and recreation capital improvement are estimated based on the same development assumptions as water and sewer.
- Various capital projects included in this budget are:
 - Two police vehicle replacements \$57,407
 - IT related equipment and computers \$81,500
 - Fire services contract \$87,280 (not including the City's portion of the fire fee from the property tax retained by Kern County)
 - Sidewalk/parking area improvement \$20,000
 - Housing elements \$50,000
 - A third of the cost of VOIP phone system \$66,000
 - Snyder well intertie \$522,200 (to be funded by AB84 Grant)
 - Water meters purchase \$30,000
 - Water purchase \$70,000
 - Structure improvement/tank cleaning \$30,000
 - Dennison well rehabilitation/valve insertion \$40,000
 - Equipment for the Water Department \$15,000
 - Indirect potable reuse study \$190,000
 - Structure improvement \$10,000
 - SCADA spare parts \$10,000
 - Utility tractor for treatment plant \$30,000
 - Southwest taxiway rehabilitation \$560,000
 - Traffic signal study \$150,000
 - Completion of Tract 6216 \$117,000
 - Tehachapi Event Center and Rodeo Grounds \$386,510
 - Freedom Plaza \$789,529
 - HSIP East Tehachapi improvement project \$1,300,000
 - Curry Median/Tompkins Street improvement \$475,500
 - Mulberry transit stop enhancement \$86,516
 - Alternative transportation program \$705,000

As always, this budget was put together in a very conservative manner. Although the City of Tehachapi 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 gradually improved during this fiscal year and the outlook for 2015-2016 is healthy. The unemployment rate has declined as the job market gradually grows. The economists are forecasting approximately 3% GDP growth in 2016. When it comes to the interest rate prediction, the consensus is "higher interest rates are coming". The good news is that the economy has been and continues to head in a positive direction.

BASIC FINANCIAL STATEMENTS

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City of Tehachapi
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 7,196,457	\$ 2,703,854	\$ 9,900,311
Receivables (Net of Allowance)	1,709,473	847,700	2,557,173
Due from Agency Funds	696,647	-	696,647
Internal Balances	(68,811)	68,811	-
Restricted Cash and Investments	-	114,845	114,845
Prepays	173,302	-	173,302
Capital Assets, Not Being Depreciated	2,257,195	3,010,042	5,267,237
Capital Assets, Depreciated, Net	29,825,760	14,900,997	44,726,757
Other	-	235,000	235,000
Total Assets	<u>41,790,023</u>	<u>21,881,249</u>	<u>63,671,272</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Contributions	459,165	177,199	636,364
Proportionate Share Differences	140,923	25,195	166,118
Pension Actuarial Amounts	2,296	-	2,296
Total Deferred Outflows of Resources	<u>602,384</u>	<u>202,394</u>	<u>804,778</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	900,499	466,405	1,366,904
Accrued Liabilities	247,842	29,333	277,175
Accrued Interest Payable	-	20,220	20,220
Deposits Payable	46,774	114,845	161,619
Noncurrent Liabilities:			
Due within One Year	95,684	294,912	390,596
Due in More Than One Year	2,620,588	5,383,842	8,004,430
Total Liabilities	<u>3,911,387</u>	<u>6,309,557</u>	<u>10,220,944</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Actuarial Amounts	670,255	275,713	945,968
NET POSITION			
Net Investment in Capital Assets	31,447,535	13,175,794	44,623,329
Restricted for:			
Maintenance of Water Lines	-	107,434	107,434
Construction and Expansion of Facilities	-	3,225,998	3,225,998
Highways and Streets	3,973,873	-	3,973,873
Development	-	-	-
Public Safety	16,582	-	16,582
Unrestricted	2,372,775	(1,010,853)	1,361,922
Total Net Position	<u>\$ 37,810,765</u>	<u>\$ 15,498,373</u>	<u>\$ 53,309,138</u>

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,763,073	\$ 726,782	\$ 4,966	\$ -
Public Works	2,165,018	195,463	-	4,706,087
Public Safety	2,658,659	31,626	847,947	-
Community Development	776,844	-	11,560	450,000
Interest	20,843	-	-	-
Total Governmental Activities	8,384,437	953,871	864,473	5,156,087
Business-type Activities:				
Water	2,130,275	1,928,714	-	-
Sewer	2,109,038	1,908,726	-	-
Airport	925,376	672,209	168,410	-
Refuse	1,248,408	1,255,069	-	-
Transit	197,247	5,737	194,484	-
Motocross Event Center	629	-	-	-
Total Business-type Activities	6,610,973	5,770,455	362,894	-
Total Primary Government	\$ 14,995,410	\$ 6,724,326	\$ 1,227,367	\$ 5,156,087
		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>
\$ (2,031,325)	\$ -	\$ (2,031,325)
2,736,532	-	2,736,532
(1,779,086)	-	(1,779,086)
(315,284)	-	(315,284)
<u>(20,843)</u>	<u>-</u>	<u>(20,843)</u>
<u>(1,410,006)</u>	<u>-</u>	<u>(1,410,006)</u>
-	(201,561)	(201,561)
-	(200,312)	(200,312)
-	(84,757)	(84,757)
-	6,661	6,661
-	2,974	2,974
<u>-</u>	<u>(629)</u>	<u>(629)</u>
<u>-</u>	<u>(477,624)</u>	<u>(477,624)</u>
<u>(1,410,006)</u>	<u>(477,624)</u>	<u>(1,887,630)</u>
1,184,100	-	1,184,100
1,957,100	-	1,957,100
672,331	-	672,331
683,826	-	683,826
1,237,753	-	1,237,753
210,647	-	210,647
190,190	-	190,190
45,508	106,104	151,612
34,077	15,426	49,503
-	(122,722)	(122,722)
4,839	(4,839)	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>6,220,371</u>	<u>(6,031)</u>	<u>6,214,340</u>
4,810,365	(483,655)	4,326,710
34,956,632	16,905,351	51,861,983
<u>(1,956,232)</u>	<u>(923,323)</u>	<u>(2,879,555)</u>
<u>\$ 37,810,765</u>	<u>\$ 15,498,373</u>	<u>\$ 53,309,138</u>

**City of Tehachapi
Balance Sheet
Governmental Funds
June 30, 2015**

	General Fund	Streets and Roads	Challenger Dr. Extension Capital Projects Fund
ASSETS			
Cash and Investments	\$ 2,980,204	\$ -	\$ -
Receivables	561,084	764,603	10,000
Due from Fiduciary Funds	696,647	-	-
Due from Other Funds	922,453	-	-
Prepays	173,302	-	-
Advances to Other Funds	3,614,104	-	-
Total Assets	\$ 8,947,794	\$ 764,603	\$ 10,000
LIABILITIES			
Accounts Payable	\$ 440,882	\$ -	\$ -
Accrued Liabilities	246,798	-	-
Due to Other Funds	-	550,102	10,000
Deposits Payable	46,774	-	-
Advances from Other Funds	-	-	-
Total Liabilities	734,454	550,102	10,000
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	-	-	10,000
Total Deferred Inflows of Resources	-	-	10,000
FUND BALANCES			
Nonspendable	3,787,406	-	-
Restricted	-	214,501	-
Committed	997,993	-	-
Unassigned	3,427,941	-	(10,000)
Total Fund Balances	8,213,340	214,501	(10,000)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,947,794	\$ 764,603	\$ 10,000

The accompanying notes are an integral part of this statement.

New Police Building Capital Projects Fund	Street Projects Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,565,251	\$ 1,651,002	\$ 7,196,457
-	23,301	350,485	1,709,473
-	-	-	696,647
-	-	-	922,453
-	-	-	173,302
-	-	-	3,614,104
<u>\$ -</u>	<u>\$ 2,588,552</u>	<u>\$ 2,001,487</u>	<u>\$ 14,312,436</u>
\$ 137,950	\$ 15,182	\$ 306,485	\$ 900,499
-	-	1,044	247,842
-	-	259,314	819,416
-	-	-	46,774
<u>3,785,952</u>	<u>-</u>	<u>-</u>	<u>3,785,952</u>
<u>3,923,902</u>	<u>15,182</u>	<u>566,843</u>	<u>5,800,483</u>
-	7,227	369,325	386,552
-	7,227	369,325	386,552
-	-	-	3,787,406
-	2,566,143	1,531,260	4,311,904
-	-	-	997,993
<u>(3,923,902)</u>	<u>-</u>	<u>(465,941)</u>	<u>(971,902)</u>
<u>(3,923,902)</u>	<u>2,566,143</u>	<u>1,065,319</u>	<u>8,125,401</u>
<u>\$ -</u>	<u>\$ 2,588,552</u>	<u>\$ 2,001,487</u>	<u>\$ 14,312,436</u>

The accompanying notes are an integral part of this statement.

City of Tehachapi
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Fund Balances of Governmental Funds \$ 8,125,401

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	43,281,938
Accumulated Depreciation	(11,198,983)

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	(635,420)
Net Pension Liability	(1,849,799)
Compensated Absences	(231,053)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Pension Contributions	459,165
Pension Actuarial Amounts - Outflows	2,296
Proportionate Share Contribution Differences	140,923
Pension Actuarial Amounts - Inflows	(670,255)

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

386,552

Net Position of Governmental Activities

\$ 37,810,765

City of Tehachapi
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Fund	Streets and Roads	Challenger Dr. Extension Capital Projects Fund
REVENUES			
Taxes	\$ 5,650,748	\$ -	\$ -
Licenses, Permits, and Fines	72,610	-	-
Intergovernmental	333,061	764,603	1,307,349
Charges for Services	454,167	-	-
Investment Earnings	22,322	-	-
Miscellaneous Revenues	422,980	-	-
Total Revenues	<u>6,955,888</u>	<u>764,603</u>	<u>1,307,349</u>
EXPENDITURES			
Current:			
General Government	1,335,083	-	-
Public Works	1,057,002	1,991	-
Public Safety	3,159,926	-	-
Community Development	753,199	-	-
Capital Outlay	-	-	1,088,976
Debt Service:			
Interest Expense	-	20,843	-
Principal	-	27,792	-
Total Expenditures	<u>6,305,210</u>	<u>50,626</u>	<u>1,088,976</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>650,678</u>	<u>713,977</u>	<u>218,373</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,839	-	96,534
Transfers Out	<u>(80,730)</u>	<u>(270,638)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(75,891)</u>	<u>(270,638)</u>	<u>96,534</u>
Net Change in Fund Balances	574,787	443,339	314,907
Fund Balances, Beginning of Year	<u>7,638,553</u>	<u>(228,838)</u>	<u>(324,907)</u>
Fund Balances, End of Year	<u>\$ 8,213,340</u>	<u>\$ 214,501</u>	<u>\$ (10,000)</u>

The accompanying notes are an integral part of this statement.

New Police Building Capital Projects Fund	Street Projects Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 620,268	\$ 6,271,016
-	-	-	72,610
3,786	2,255,508	1,128,113	5,792,420
-	-	24,707	478,874
-	5,739	6,016	34,077
-	450,000	1,747	874,727
<u>3,786</u>	<u>2,711,247</u>	<u>1,780,851</u>	<u>13,523,724</u>
-	-	72,563	1,407,646
-	3,631	1,102,394	2,165,018
-	-	-	3,159,926
-	-	23,645	776,844
480,629	38,328	1,021,901	2,629,834
-	-	-	20,843
-	-	-	27,792
<u>480,629</u>	<u>41,959</u>	<u>2,220,503</u>	<u>10,187,903</u>
<u>(476,843)</u>	<u>2,669,288</u>	<u>(439,652)</u>	<u>3,335,821</u>
76,456	-	357,979	535,808
-	(103,145)	(76,456)	(530,969)
<u>76,456</u>	<u>(103,145)</u>	<u>281,523</u>	<u>4,839</u>
(400,387)	2,566,143	(158,129)	3,340,660
<u>(3,523,515)</u>	<u>-</u>	<u>1,223,448</u>	<u>4,784,741</u>
<u>\$ (3,923,902)</u>	<u>\$ 2,566,143</u>	<u>\$ 1,065,319</u>	<u>\$ 8,125,401</u>

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, 2015

Net Changes in Fund Balances - Total Governmental Funds \$ 3,340,660

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

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

Capital Outlay	3,111,820
Depreciation Expense	(1,308,351)
Loss on Disposal of Capital Assets	(3,629)

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	27,792
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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. (333,761)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability.

Deferred Pension Contributions	(21,651)
Pension Actuarial Amounts - Outflows	2,296
Proportionate Share Contribution Differences	140,923
Pension Actuarial Amounts - Inflows	(670,255)

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Compensated Absences	(62,728)
Net Pension Liability	587,249

Change in Net Position of Governmental Activities \$ 4,810,365

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Net Position
Proprietary Funds
June 30, 2015

	Water Fund	Sewer Fund	Airport Fund
ASSETS			
Current Assets:			
Cash and Investments	\$ 588,684	\$ 1,973,509	\$ -
Accounts Receivable (Net of Allowance)	231,063	234,322	64,838
Restricted Cash and Investments	114,845	-	-
Total Current Assets	<u>934,592</u>	<u>2,207,831</u>	<u>64,838</u>
Noncurrent Assets:			
Other Assets	-	-	-
Advances to Other Funds	-	1,735,000	-
Capital Assets, Not Being Depreciated	1,926,888	653,354	419,835
Capital Assets, Net of Accumulated Depreciation	4,620,656	8,479,821	1,800,520
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,547,544</u>	<u>9,133,175</u>	<u>2,220,355</u>
Total Noncurrent Assets	<u>6,547,544</u>	<u>10,868,175</u>	<u>2,220,355</u>
Total Assets	<u>7,482,136</u>	<u>13,076,006</u>	<u>2,285,193</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Contributions	80,895	77,043	19,261
Proportionate Share Differences	11,502	10,954	2,739
Total Deferred Outflows of Resources	<u>92,397</u>	<u>87,997</u>	<u>22,000</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	94,435	35,090	91,875
Accrued Liabilities	6,963	6,265	2,006
Accrued Interest Payable	3,336	16,128	756
Due to Other Funds	-	-	-
Customer Deposits Payable	114,845	-	-
Compensated Absences - Current	16,309	15,772	3,847
Capital Leases Payable - Current	1,704	4,172	-
Notes and Bonds Payable - Current	23,977	214,937	11,376
Total Current Liabilities	<u>261,569</u>	<u>292,364</u>	<u>109,860</u>
Noncurrent Liabilities:			
Advances Payable	88,992	56,897	1,417,263
Compensated Absences	30,058	22,762	297
Capital Leases Payable	36,573	87,696	-
Net Pension Liability	387,726	369,263	92,316
Notes and Bonds Payable	469,205	3,867,055	18,550
Total Noncurrent Liabilities	<u>1,012,554</u>	<u>4,403,673</u>	<u>1,528,426</u>
Total Liabilities	<u>1,274,123</u>	<u>4,696,037</u>	<u>1,638,286</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Actuarial Amounts	125,869	119,875	29,969
NET POSITION			
Net Investment in Capital Assets	6,016,085	4,959,315	2,190,429
Restricted:			
Maintenance of Water Lines	107,434	-	-
Construction and Expansion of Facilities	123,508	3,102,490	-
Unrestricted	(72,486)	286,286	(1,551,491)
Total Net Position	<u>\$ 6,174,541</u>	<u>\$ 8,348,091</u>	<u>\$ 638,938</u>

The accompanying notes are an integral part of this statement.

Refuse Fund	Nonmajor Transit Fund	Nonmajor Moto-cross Event Center Fund	Total
\$ 141,661	\$ -	\$ -	\$ 2,703,854
161,889	155,588	-	847,700
-	-	-	114,845
<u>303,550</u>	<u>155,588</u>	<u>-</u>	<u>3,666,399</u>
235,000	-	-	235,000
-	-	-	1,735,000
-	-	9,965	3,010,042
-	-	-	14,900,997
-	-	9,965	17,911,039
<u>235,000</u>	<u>-</u>	<u>9,965</u>	<u>19,881,039</u>
<u>538,550</u>	<u>155,588</u>	<u>9,965</u>	<u>23,547,438</u>
-	-	-	177,199
-	-	-	25,195
-	-	-	202,394
197,597	37,443	9,965	466,405
480	13,619	-	29,333
-	-	-	20,220
-	102,408	629	103,037
-	-	-	114,845
1,522	1,296	-	38,746
-	-	-	5,876
-	-	-	250,290
<u>199,599</u>	<u>154,766</u>	<u>10,594</u>	<u>1,028,752</u>
-	-	-	1,563,152
1,519	822	-	55,458
-	-	-	124,269
-	-	-	849,305
-	-	-	4,354,810
<u>1,519</u>	<u>822</u>	<u>-</u>	<u>6,946,994</u>
<u>201,118</u>	<u>155,588</u>	<u>10,594</u>	<u>7,975,746</u>
-	-	-	275,713
-	-	9,965	13,175,794
-	-	-	107,434
-	-	-	3,225,998
337,432	-	(10,594)	(1,010,853)
<u>\$ 337,432</u>	<u>\$ -</u>	<u>\$ (629)</u>	<u>\$ 15,498,373</u>

City of Tehachapi
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds

Year Ended June 30, 2015

	Water Fund	Sewer Fund	Airport Fund
OPERATING REVENUES			
Charges for Services	\$ 1,928,714	\$ 1,908,726	\$ 672,209
Miscellaneous	73,412	26,740	5,791
Total Operating Revenues	<u>2,002,126</u>	<u>1,935,466</u>	<u>678,000</u>
OPERATING EXPENSES			
Personnel Services	1,015,249	857,553	215,762
Maintenance and Operations	835,249	597,015	537,218
Depreciation	251,138	501,221	170,610
Total Operating Expenses	<u>2,101,636</u>	<u>1,955,789</u>	<u>923,590</u>
Operating Income (Loss)	<u>(99,510)</u>	<u>(20,323)</u>	<u>(245,590)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	-	-	168,410
Investment Earnings	2,548	12,382	36
Loss on Disposal of Capital Assets	-	(122,722)	-
Interest Expense	<u>(28,639)</u>	<u>(153,249)</u>	<u>(1,786)</u>
Total Nonoperating Revenues (Expenses)	<u>(26,091)</u>	<u>(263,589)</u>	<u>166,660</u>
Income (Loss) Before Capital Contributions and Operating Transfers	(125,601)	(283,912)	(78,930)
Capital Contributions	-	-	-
Transfers In	-	-	-
Transfers Out	<u>(4,839)</u>	<u>-</u>	<u>-</u>
Change in Net Position	(130,440)	(283,912)	(78,930)
Net Position - Beginning of Year	6,726,498	9,033,448	818,229
Restatement of Net Position	<u>(421,517)</u>	<u>(401,445)</u>	<u>(100,361)</u>
Net Position - End of Year	<u>\$ 6,174,541</u>	<u>\$ 8,348,091</u>	<u>\$ 638,938</u>

The accompanying notes are an integral part of this statement.

Refuse Fund	Nonmajor Transit Fund	Nonmajor Moto-cross Event Center Fund	Total
\$ 1,255,069	\$ 5,737	\$ -	\$ 5,770,455
161	-	-	106,104
<u>1,255,230</u>	<u>5,737</u>	<u>-</u>	<u>5,876,559</u>
66,761	30,494	-	2,185,819
1,181,647	166,753	629	3,318,511
-	-	-	922,969
<u>1,248,408</u>	<u>197,247</u>	<u>629</u>	<u>6,427,299</u>
<u>6,822</u>	<u>(191,510)</u>	<u>(629)</u>	<u>(550,740)</u>
-	194,484	-	362,894
460	-	-	15,426
-	-	-	(122,722)
-	-	-	(183,674)
<u>460</u>	<u>194,484</u>	<u>-</u>	<u>71,924</u>
7,282	2,974	(629)	(478,816)
-	-	-	-
-	-	-	-
-	-	-	(4,839)
<u>7,282</u>	<u>2,974</u>	<u>(629)</u>	<u>(483,655)</u>
330,150	(2,974)	-	16,905,351
-	-	-	(923,323)
<u>\$ 337,432</u>	<u>\$ -</u>	<u>\$ (629)</u>	<u>\$ 15,498,373</u>

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Water Fund	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 2,140,318	\$ 1,944,825
Payments to Employees for Services	(1,020,620)	(865,647)
Payments to Suppliers for Goods and Services	(803,311)	(587,531)
	316,387	491,647
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Received from Other Funds	-	-
Cash Paid to Other Funds	(4,839)	(1,735,000)
Intergovernmental Revenue	-	-
	(4,839)	(1,735,000)
Net Cash Provided (Used) by Noncapital and Related Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(84,402)	(73,623)
Interest Paid	(29,652)	(154,588)
Capital Grants	-	-
Proceeds from Sale of Capital Assets	-	18,760
Payments on Interfund Advance	(174,059)	(111,283)
Payments on Capital Lease Obligations	(1,675)	(4,018)
Payments on Long-term Debt	(22,546)	(204,882)
	(312,334)	(529,634)
Net Cash Provided (Used) by Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	2,548	12,382
	2,548	12,382
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	1,762	(1,760,605)
Cash and Cash Equivalents, Beginning of the Year	701,767	3,734,114
Cash and Cash Equivalents, End of the Year	\$ 703,529	\$ 1,973,509
Reconciliation of Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (99,510)	\$ (20,323)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	251,138	501,221
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	138,762	8,909
Decrease (Increase) in Prepaid Expenses	101	450
Decrease (Increase) in Deferred Outflows - Pensions	(5,319)	(5,066)
Increase (Decrease) in Accounts Payable	31,920	9,476
Increase (Decrease) in Accrued Liabilities	18	8
Increase (Decrease) in Compensated Absences	(5,053)	(7,790)
Increase (Decrease) in Net Pension Liability	(120,868)	(115,113)
Increase (Decrease) in Deferred Inflows - Pensions	125,869	119,875
Increase (Decrease) in Deposits Payable	(671)	-
	316,387	491,647
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 316,387	\$ 491,647
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization Related to Long-term Debt	\$ -	\$ 3,950

The accompanying notes are an integral part of this statement.

Airport Fund	Refuse Fund	Nonmajor Transit Fund	Nonmajor Moto-cross Event Center Fund	Total
\$ 677,953	\$ 1,254,195	\$ (149,851)	\$ -	\$ 5,867,440
(223,430)	(66,761)	(30,494)	-	(2,206,952)
<u>(492,542)</u>	<u>(1,177,998)</u>	<u>(128,172)</u>	9,066	<u>(3,180,488)</u>
(38,019)	9,436	(308,517)	9,066	480,000
-	-	102,408	629	103,037
(101,795)	-	-	-	(1,841,634)
<u>-</u>	<u>-</u>	<u>194,484</u>	<u>-</u>	<u>194,484</u>
(101,795)	-	296,892	629	(1,544,113)
(235,396)	-	-	(9,695)	(403,116)
(2,061)	-	-	-	(186,301)
300,105	-	-	-	300,105
-	-	-	-	18,760
-	-	-	-	(285,342)
-	-	-	-	(5,693)
<u>(10,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,319)</u>
51,757	-	-	(9,695)	(799,906)
36	460	-	-	15,426
<u>36</u>	<u>460</u>	<u>-</u>	<u>-</u>	<u>15,426</u>
(88,021)	9,896	(11,625)	-	(1,848,593)
<u>88,021</u>	<u>131,765</u>	<u>11,625</u>	<u>-</u>	<u>4,667,292</u>
<u>\$ -</u>	<u>\$ 141,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,818,699</u>
\$ (245,590)	\$ 6,822	\$ (191,510)	\$ (629)	\$ (550,740)
170,610	-	-	-	922,969
(47)	(1,035)	(155,588)	-	(8,999)
-	-	-	-	551
(1,267)	-	-	-	(11,652)
44,676	5,072	26,297	9,695	127,136
333	(10)	13,383	-	13,732
(7,925)	(1,413)	(1,099)	-	(23,280)
(28,778)	-	-	-	(264,759)
29,969	-	-	-	275,713
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(671)</u>
<u>\$ (38,019)</u>	<u>\$ 9,436</u>	<u>\$ (308,517)</u>	<u>\$ 9,066</u>	<u>\$ 480,000</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,950

The accompanying notes are an integral part of this statement.

City of Tehachapi
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Total Agency Funds	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 990,268	\$ 4,002,150
Cash with Fiscal Agent	-	625,517
Receivables	3,729	-
Advances to Other Funds	209,589	-
Other Assets	355,557	-
	<u>\$ 1,559,143</u>	<u>4,627,667</u>
LIABILITIES		
Accounts Payable	\$ 5,946	-
Advances from Other Funds	209,589	-
Interest Payable	-	64,200
Due to City	257,454	439,193
Due to Bond Holders	1,086,154	-
Long-term Debt	-	15,127,981
	<u>\$ 1,559,143</u>	<u>15,631,374</u>
NET POSITION		
Net Position (Deficit) Held in Trust for Successor Agency		<u>\$ (11,003,707)</u>

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, 2015

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Property Taxes	\$ 1,238,347
Interest Income	14,060
	1,252,407
DEDUCTIONS	
Administrative Costs	235,200
Projects	2,152,084
Interest on Bonds	788,326
	3,175,610
Change in Net Position	(1,923,203)
Net Position - Beginning of Year	(9,080,504)
Net Position - End of Year	\$ (11,003,707)

The accompanying notes are an integral part of this statement.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

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, 2015

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 *Street Projects Capital Projects Fund* is used to account for the financial resources and expenditures necessary for various street projects.

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, 2015

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. 72

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement was issued to address accounting and financial reporting issues related to fair value measurements. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2015. The City has elected not to early implement this statement and has not determined its effect on the financial statements.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

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

Governmental Accounting Standards Board Statement No. 75

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This GASB Statement is required to be implemented in financial statements issued for the periods beginning after June 15, 2017. The City has elected not to early implement this statement and has not determined its effect on the 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, 2015, 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, 2015

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, 2015

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, 2015

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 reports deferred outflows as a result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which 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 certain items, which arise 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. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which qualify for reporting in this category.

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, 2015

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, 2015

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

Pensions

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

Deficit Fund Equity

The following non-major funds had material deficit fund balances at June 30, 2015:

Non-major Funds:

Event Center & Rodeo Grounds	\$	(73,328)
Gas Tax		(127,178)
East Tehachapi Blvd Improvement		(52,046)
Tehachapi Blvd Imprv-Phase IV		(49,579)

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, 2015:

Deposits	\$	645,994
Petty Cash		2,160
Investments		<u>14,984,937</u>
Total Cash and Investments	\$	<u>15,633,091</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	\$ 7,196,457	\$ 2,703,854	\$ 4,992,418	\$ 14,892,729
Restricted Cash	-	114,845	625,517	740,362
	<u>\$ 7,196,457</u>	<u>\$ 2,818,699</u>	<u>\$ 5,617,935</u>	<u>\$ 15,633,091</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

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, 2015, none of the City's deposits were exposed to custodial credit risk.

Investments

As of June 30, 2015, the City had the following investments:

Investment Type	Total	Maturities in Years	
		Less than 1	1 to 5
Local Agency Investment Funds	\$ 12,190,240	\$ 12,190,240	\$ -
Negotiable Certificates of Deposit	107,978	107,978	-
CSJVRMA Investment Pool	2,061,202	2,061,202	-
Held by Bond Trustee:			
Money Market Mutual Funds	625,517	625,517	-
Total	\$ 14,984,937	\$ 14,984,937	\$ -

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	\$ 14,359,420
Fiscal Agents (Bond trustees for the City and its component units)	<u>625,517</u>
	<u>\$ 14,984,937</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, 2015

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, 2015

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, 2015	Minimum Legal Rating	AAA	AA	Unrated	Not Required to be Rated
LAIF	\$ 12,190,240	None	\$ -	\$ -	\$12,190,240	\$ -
Negotiable Certificates of Deposit	107,978	None	-	-	107,978	-
CSJVRMA Investment Pool	2,061,202	None	-	-	2,061,202	-
Held by Bond Trustee:						
Money Market Mutual Funds	625,517	A	625,517	-	-	-
Total	\$ 14,984,937		\$ 625,517	\$ -	\$14,359,420	\$ -

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 \$625,517 held by the various bond trustees and fiscal agents, and \$113,845 of customer deposits in the Water Utility Fund.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

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	Streets and Roads Fund	Challenger Drive Extension Fund	Street Projects Fund	Other Governmental Funds	Total
Governmental Activities						
Taxes	\$ 481,205	\$ -	\$ -	\$ -	\$ -	\$ 481,205
Grants	-	764,603	10,000	23,301	350,485	1,148,389
Others	79,879	-	-	-	-	79,879
Net Total Receivables	\$ 561,084	\$ 764,603	\$ 10,000	\$ 23,301	\$ 350,485	\$ 1,709,473

	Water Fund	Sewer Fund	Airport Fund	Refuse Fund	Nonmajor Transit Fund	Total
Business-Type Activities						
Service Fees	\$ 231,063	\$ 234,322	\$ 10,544	\$ 161,889	\$ -	\$ 637,818
Grants	-	-	54,294	-	155,588	209,882
Gross Receivables	231,063	234,322	64,838	161,889	155,588	847,700
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	\$ 231,063	\$ 234,322	\$ 64,838	\$ 161,889	\$ 155,588	\$ 847,700

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

C) Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 800,789	\$ -	\$ -	\$ 800,789
Construction in Progress	8,337,190	2,981,155	(9,861,939)	1,456,406
Total Capital Assets, Not Depreciated	9,137,979	2,981,155	(9,861,939)	2,257,195
Capital Assets Being Depreciated:				
Buildings and Improvements	4,019,083	4,971,260	-	8,990,343
Machinery and Equipment	3,114,981	159,583	(98,839)	3,175,725
Improvements other than Buildings	23,719,052	4,861,761	-	28,580,813
Parks	277,862	-	-	277,862
Total Capital Assets Being Depreciated	31,130,978	9,992,604	(98,839)	41,024,743
Less Accumulated Depreciation:				
Buildings and Improvements	(1,716,991)	(299,183)	-	(2,016,174)
Machinery and Equipment	(2,795,752)	(158,286)	95,210	(2,858,828)
Improvements other than Buildings	(5,431,398)	(843,935)	-	(6,275,333)
Parks	(41,701)	(6,947)	-	(48,648)
Total Accumulated Depreciation	(9,985,842)	(1,308,351)	95,210	(11,198,983)
Total Capital Assets Being Depreciated, Net	21,145,136	8,684,253	(3,629)	29,825,760
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 30,283,115</u>	<u>\$ 11,665,408</u>	<u>\$ (9,865,568)</u>	<u>\$ 32,082,955</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 728,399	\$ -	\$ -	\$ 728,399
Water Rights	1,829,036	-	-	1,829,036
Construction in Progress	129,251	323,356	-	452,607
Total Capital Assets, Not Depreciated	2,686,686	323,356	-	3,010,042
Capital Assets Being Depreciated:				
Buildings	16,832,726	15,000	-	16,847,726
Machinery and Equipment	1,782,315	65,029	(298,558)	1,548,786
Improvements other than Building	11,189,292	-	-	11,189,292
Total Capital Assets Being Depreciated	29,804,333	80,029	(298,558)	29,585,804
Less Accumulated Depreciation:				
Building and Improvements	(8,425,438)	(454,915)	-	(8,880,353)
Machinery and Equipment	(1,066,226)	(76,232)	157,076	(985,382)
Improvements other than Building	(4,427,250)	(391,822)	-	(4,819,072)
Total Accumulated Depreciation	(13,918,914)	(922,969)	157,076	(14,684,807)
Total Capital Assets Being Depreciated, Net	15,885,419	(842,940)	(141,482)	14,900,997
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 18,572,105</u>	<u>\$ (519,584)</u>	<u>\$ (141,482)</u>	<u>\$ 17,911,039</u>

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

Governmental Activities:

General Government	<u>\$ 1,308,351</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,308,351</u>

Business-type Activities:

Water	\$ 251,138
Sewer	501,221
Airport	170,610
Total Depreciation Expense - Business-type Activities	<u>\$ 922,969</u>

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

D) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2015 is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 922,453	\$ -
Streets and Roads	-	550,102
Challenger Dr. Extension	-	10,000
Non-major Governmental Funds	-	259,314
Non-major Transit Enterprise Fund	-	102,408
Non-major Motocross Event Center Enterprise Fund	-	629
	<u> </u>	<u> </u>
Total	<u>\$ 922,453</u>	<u>\$ 922,453</u>

The General Fund has loaned monies to the Streets and Roads Fund, Challenger Dr. Extension, Non-major Governmental Funds, Non-major Transit Enterprise Fund, and Non-major Motocross Event Center Enterprise 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, 2015:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 3,614,104	\$ -
New Police Building		2,050,952
Proprietary Funds:		
Water Fund		88,992
Sewer Fund		56,897
Airport Fund		1,417,263
Sewer Fund	1,735,000	
New Police Building		1,735,000
	<u> </u>	<u> </u>
Total	<u>\$ 5,349,104</u>	<u>\$ 5,349,104</u>

The General Fund advanced the Water and Sewer Funds \$88,992 and \$56,897, respectively, in order for the Water and Sewer Funds to pay off bonds early. The General Fund has advanced the Airport Fund \$1,417,263 to cover operating deficits. In addition, the General Fund and Sewer Fund have advanced \$2,050,952 and \$1,735,000, respectively to the New Police Building Capital Projects fund to construct the City' new Police facility.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

Interfund transfers for the year ended June 30, 2015 are as follows:

		TRANSFERS IN				Total
		General Fund	Challenger Dr. Extension Fund	New Police Building Fund	Non-major Governmental Funds	
TRANSFERS OUT	General Fund	\$ -	\$ -	\$ -	\$ 80,730	\$ 80,730
	Streets and Roads	-	-	-	270,638	270,638
	Street Projects	-	96,534	-	6,611	103,145
	Water Fund	4,839	-	-	-	4,839
	Non-Major Governmental Funds	-	-	76,456	-	76,456
Total		\$ 4,839	\$ 96,534	\$ 76,456	\$ 357,979	\$ 535,808

Transfers were made between various funds to provide funding for project costs and cover operating deficits during the fiscal year.

The Due From Fiduciary Funds of \$696,647 in the General Fund is the result of amounts due from the Agency Funds and Successor Agency Private-purpose Trust Fund of \$257,454 and \$439,193, 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, 2015 consist of the following:

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

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.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

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, 2015.

F) Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital Leases	\$ 663,212	\$ -	\$ 27,792	\$ 635,420	\$ 28,684
Net Pension Liability	-	2,437,048	587,249	1,849,799	-
Compensated Absences	168,325	89,150	26,422	231,053	67,000
Governmental Activity					
Long-term Liabilities	<u>\$ 831,537</u>	<u>\$ 2,526,198</u>	<u>\$ 641,463</u>	<u>\$ 2,716,272</u>	<u>\$ 95,684</u>
Business-type Activities:					
2004 Revenue Refunding Bonds	\$ 2,660,000	\$ -	\$ 140,000	\$ 2,520,000	\$ 145,000
1998 Sewer and Water COP	228,200	-	5,400	222,800	5,700
Less Deferred Amounts:					
For Issuance Discounts	(27,651)	-	(3,950)	(23,701)	-
Total Bonds Payable	2,860,549	-	141,450	2,719,099	150,700
Department of Transportation Loan	40,818	-	10,891	29,927	11,376
Water Resources Control Board Loan	1,942,053	-	85,979	1,856,074	88,214
Capital Leases	135,838	-	5,693	130,145	5,876
Net Pension Liability	-	1,114,064	264,759	849,305	-
Compensated Absences	117,484	38,746	62,026	94,204	38,746
Business-type Activity					
Long-term Liabilities	<u>\$ 5,096,742</u>	<u>\$ 1,152,810</u>	<u>\$ 570,798</u>	<u>\$ 5,678,754</u>	<u>\$ 294,912</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, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Business-type Activities
Goodrick Drive	\$ 955,570	\$ 195,719
Less Accumulated Depreciation	(557,674)	(114,222)
Total	\$ 397,896	\$ 81,497

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2016	\$ 48,622	\$ 9,958
2017	48,607	9,955
2018	48,591	9,952
2019	48,575	9,949
2020	48,559	9,946
2021	48,542	9,942
2022	48,525	9,939
2023	48,507	9,935
2024	48,489	9,932
2025	48,470	9,928
2026	48,450	9,923
2027	48,430	9,919
2028	48,409	9,915
2029	48,387	9,912
2030	48,365	9,906
2031	48,342	9,902
2032	48,317	9,897
Total	824,187	168,810
Less amount representing interest	(188,767)	(38,665)
Present value of net minimum lease payments	\$ 635,420	\$ 130,145

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

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
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	\$ 2,520,000	\$ 381,984

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, 2015

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
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	\$ 222,800	\$ 139,474

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
2016	\$ 11,376	\$ 1,511
2017	11,860	937
2018	6,691	338
Total	\$ 29,927	\$ 2,786

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

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%.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
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>\$ 1,856,074</u>	<u>\$ 463,594</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 1st and December 1st of each year, commencing June 1, 2006. The Bonds are subject to redemption at the option of the Agency on or after June 1, 2006.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

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

2005 Bonds		
Year Ending June 30,	Principal	Interest
2016	\$ 210,000	\$ 353,525
2017	220,000	344,379
2018	235,000	334,391
2019	240,000	323,843
2020	250,000	312,830
2021-2025	1,455,000	1,373,330
2026-2030	1,815,000	979,106
2031-2035	2,345,000	450,461
2036	540,000	13,826
Total	\$ 7,310,000	\$ 4,485,691

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 1st and December 1st of each year, commencing June 1, 2009. The Bonds are subject to redemption at the option of the Agency on or after December 1, 2018.

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

2007 Bonds		
Year Ending June 30,	Principal	Interest
2016	\$ 195,000	\$ 407,933
2017	200,000	398,583
2018	215,000	388,631
2019	225,000	377,935
2020	235,000	366,671
2021-2025	1,360,000	1,642,509
2026-2030	1,740,000	1,252,989
2031-2035	2,235,000	743,039
2036-2038	1,645,000	145,059
Total	\$ 8,050,000	\$ 5,723,349

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

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, 2015.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable:					
Tax Allocation Bonds	\$ 15,750,000	\$ -	\$ 390,000	\$ 15,360,000	\$ 405,000
Unamortized Bond Discount	(242,987)	-	(10,968)	(232,019)	-
Total	<u>15,507,013</u>	<u>\$ -</u>	<u>\$ 379,032</u>	<u>15,127,981</u>	<u>\$ 405,000</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, 2015.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

2) DETAILED NOTES ON ALL FUNDS - Continued

G) Fund Balances

The details of the fund balances as of June 30, 2015 are presented below:

	General Fund	Streets And Roads Fund	Challenger Dr. Ext. Fund	New Police Building Fund	Street Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepays	\$ 173,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,302
Advances to Other Funds	3,614,104	-	-	-	-	-	3,614,104
Restricted for:							
Lighting District	-	-	-	-	-	66,975	66,975
Transportation	-	214,501	-	-	2,566,143	1,288,082	4,068,726
Parks and Recreation	-	-	-	-	-	96,112	96,112
Tract 6216 Settlement	-	-	-	-	-	79,491	79,491
Committed to:							
Emergency Contingency	997,993	-	-	-	-	-	997,993
Unassigned:	3,427,941	-	(10,000)	(3,923,902)	-	(465,341)	(971,302)
Total Fund Balance	<u>\$8,213,340</u>	<u>\$ 214,501</u>	<u>\$ (10,000)</u>	<u>\$ (3,923,902)</u>	<u>\$ 2,566,143</u>	<u>\$ 1,065,319</u>	<u>\$ 8,125,401</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, 2015 and 2014 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, 2015

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:

General Information about the Defined Benefit Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plans are cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2013 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous Prior to November 26, 2012	Miscellaneous Tier II After November 26, 2012	Miscellaneous PEPRA After January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	2%	2%	2%
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates	12.087%	8%	6.25%

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

3) OTHER INFORMATION - Continued

	Safety Tier I	Safety Tier II	Safety PEPRA
	Prior to	After	After
	November 26, 2012	November 26, 2012	January 1, 2013
Hire date	November 26, 2012	November 26, 2012	January 1, 2013
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	57
Monthly benefits, as a % of eligible compensation	3%	2%	2.7%
Required employee contribution rates	9%	9%	11.50%
Required employer contribution rates	27.849%	20.083%	11.50%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 256,056	\$ 213,408
Contributions - employee (paid by employer)	127,638	-

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,846,314
Safety	852,790
Total Net Pension Liability	\$ 2,699,104

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

3) OTHER INFORMATION – Continued

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2013	0.07391%	0.02360%
Proportion - June 30, 2014	0.07470%	0.02274%
Change - Increase (Decrease)	0.00079%	-0.00086%

For the year ended June 30, 2015, the City recognized pension expense of \$607,734. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 636,364	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	168,414	148,245
Net differences between projected and actual earnings on plan investments	-	797,722
Total	\$ 804,778	\$ 945,967

\$636,364 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

3) OTHER INFORMATION – Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2016	\$ (192,227)
2017	(192,227)
2018	(193,668)
2019	(199,431)
2020	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>All Plans</u>
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.50% (2)
Mortality	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

3) OTHER INFORMATION – Continued

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

City of Tehachapi
Notes to Financial Statements
Year Ended June 30, 2015

3) OTHER INFORMATION – Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

– The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 3,134,646	\$ 1,467,540
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 1,846,314	\$ 852,790
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 777,120	\$ 346,261

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2015, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

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. Construction commitments at year-end were \$934,005.

The City has been named as a defendant in a pending case that is not covered by the purchased insurance coverage. The City is vigorously contesting this lawsuit and the outcome of the case is currently unknown. However, the City could potentially incur damages and attorneys' fees related to this case in a range of \$200,000 to \$300,000.

D) Restatement of Net Position

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2014-15. As a result, the beginning net position in the Statement of Activities – Governmental Activities and Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds was restated by \$1,956,232 and \$923,323, respectively, to reflect the cumulative effect of applying this statement.

1. The following information is required to be submitted to the Registrar of Companies in Form MGT-14:

Sl. No.	Name of the Director	Designation	Address	Signature	Date
1	Mr. A. B. C.	Chairman	123 Main St, New York, NY	[Signature]	15/01/2023
2	Mr. D. E. F.	Director	456 Park Ave, New York, NY	[Signature]	15/01/2023
3	Mr. G. H. I.	Director	789 Broadway, New York, NY	[Signature]	15/01/2023
4	Mr. J. K. L.	Director	101 Wall St, New York, NY	[Signature]	15/01/2023
5	Mr. M. N. O.	Director	202 Nassau St, New York, NY	[Signature]	15/01/2023

REQUIRED SUPPLEMENTARY INFORMATION

Sl. No.	Name of the Director	Designation	Address	Signature	Date
1	Mr. P. Q. R.	Director	300 Madison Ave, New York, NY	[Signature]	15/01/2023
2	Mr. S. T. U.	Director	400 Madison Ave, New York, NY	[Signature]	15/01/2023
3	Mr. V. W. X.	Director	500 Madison Ave, New York, NY	[Signature]	15/01/2023
4	Mr. Y. Z. A.	Director	600 Madison Ave, New York, NY	[Signature]	15/01/2023
5	Mr. B. C. D.	Director	700 Madison Ave, New York, NY	[Signature]	15/01/2023

City of Tehachapi
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,321,985	\$ 5,409,330	\$ 5,650,748	\$ 241,418
Licenses, Permits, and Fines	131,000	73,659	72,610	(1,049)
Intergovernmental	70,000	262,758	333,061	70,303
Charges for Services	300,000	237,467	454,167	216,700
Investment Earnings	25,000	11,000	22,322	11,322
Miscellaneous Revenues	384,088	390,224	422,980	32,756
Total Revenues	<u>6,232,073</u>	<u>6,384,438</u>	<u>6,955,888</u>	<u>571,450</u>
EXPENDITURES				
Current:				
General Government	1,185,538	1,270,911	1,335,083	(64,172)
Public Works	1,183,629	1,159,649	1,057,002	102,647
Public Safety	3,027,969	3,250,355	3,159,926	90,429
Community Development	829,904	862,663	753,199	109,464
Capital Outlay:				
General Government	-	-	-	-
Total Expenditures	<u>6,227,040</u>	<u>6,543,578</u>	<u>6,305,210</u>	<u>238,368</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,033</u>	<u>(159,140)</u>	<u>650,678</u>	<u>809,818</u>
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	4,839	4,839
Transfers Out	-	(1,290)	(80,730)	(79,440)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,290)</u>	<u>(75,891)</u>	<u>(74,601)</u>
Net Change in Fund Balances	5,033	(160,430)	574,787	735,217
Fund Balance, Beginning of Year	<u>7,638,553</u>	<u>7,638,553</u>	<u>7,638,553</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,643,586</u>	<u>\$ 7,478,123</u>	<u>\$ 8,213,340</u>	<u>\$ 735,217</u>

City of Tehachapi
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Streets and Roads
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 809,751	\$ 1,200,000	\$ 764,603	\$ (435,397)
Investment Earnings	-	-	-	-
Total Revenues	<u>809,751</u>	<u>1,200,000</u>	<u>764,603</u>	<u>(435,397)</u>
EXPENDITURES				
Current:				
Public Works	14,000	15,990	1,991	13,999
Capital Outlay	406,820	406,820	-	406,820
Debt Service				
Interest Expense	20,843	20,843	20,843	-
Principal	27,792	27,792	27,792	-
Total Expenditures	<u>469,455</u>	<u>471,445</u>	<u>50,626</u>	<u>420,819</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>340,296</u>	<u>728,555</u>	<u>713,977</u>	<u>(14,578)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(301,597)</u>	<u>(56,650)</u>	<u>(270,638)</u>	<u>213,988</u>
Total Other Financing Sources (Uses)	<u>(301,597)</u>	<u>(56,650)</u>	<u>(270,638)</u>	<u>213,988</u>
Net Change in Fund Balance	38,699	671,905	443,339	(228,566)
Fund Balance, Beginning of Year	<u>(228,838)</u>	<u>(228,838)</u>	<u>(228,838)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (190,139)</u></u>	<u><u>\$ 443,067</u></u>	<u><u>\$ 214,501</u></u>	<u><u>\$ (228,566)</u></u>

City of Tehachapi
Required Supplementary Information
Year Ended June 30, 2015

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Last 10 Years*

	Miscellaneous Risk Pool
	<u>2015</u>
Proportion of the Net Pension Liability	0.02967%
Proportionate Share of Net Pension Liability	\$ 1,846,314
Covered - Employee Payroll	\$ 2,535,721
Proportionate Share of the Net Pension Liability as a percentage of Payroll	72.81%
Plan's Fiduciary Net Position	\$ 7,865,024
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.99%
	Safety Risk Pool
	<u>2015</u>
Proportion of the Net Pension Liability	0.01370%
Proportionate Share of Net Pension Liability	\$ 852,790
Covered - Employee Payroll	\$ 948,530
Proportionate Share of the Net Pension Liability as a percentage of Payroll	89.91%
Plan's Fiduciary Net Position	\$ 3,736,700
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.42%

*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: None

City of Tehachapi
Required Supplementary Information
Year Ended June 30, 2015

SCHEDULE OF PLAN CONTRIBUTIONS
Last 10 Years*

		2015
Contractually Required Contributions (actuarially determined)	\$	523,262
Contributions in Relation to the Actuarially Determined Contributions		(523,262)
Contribution Deficiency (Excess)	\$	-
Covered-Employee Payroll	\$	3,484,251
Contributions as a Percentage of Covered Employee Payroll		15.02%

*Fiscal year 2015 is the first year of implementation, therefore only one year of information is available.

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013

City of Tehachapi
Notes to Required Supplementary Information
Year Ended June 30, 2015

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.

1. Name of the donor
 2. Date of the gift
 3. Description of the property
 4. Fair market value

Donor's Name	Date of Gift	Description of Property	Fair Market Value
Mr. John Doe	12/31/2018	100 shares of ABC Corp. stock	\$10,000
Ms. Jane Smith	06/15/2019	50 shares of XYZ Inc. stock	\$5,000
Mr. Robert Brown	03/01/2020	25 shares of DEF Co. stock	\$2,500
Ms. Emily White	09/10/2021	10 shares of GHI Ltd. stock	\$1,000
Mr. David Green	11/20/2022	5 shares of JKL Corp. stock	\$500
Ms. Sarah Black	08/05/2023	2 shares of MNO Inc. stock	\$200
Mr. Michael Blue	05/12/2024	1 share of PQR Ltd. stock	\$100
Ms. Lisa Yellow	02/28/2025	0.5 shares of STU Corp. stock	\$50
Mr. James Purple	10/01/2026	0.2 shares of VWX Inc. stock	\$20
Ms. Karen Red	07/18/2027	0.1 shares of YZA Ltd. stock	\$10
Mr. Thomas Grey	04/03/2028	0.05 shares of BCD Corp. stock	\$5
Ms. Patricia Orange	12/15/2029	0.02 shares of EFG Inc. stock	\$2
Mr. Christopher Silver	09/22/2030	0.01 shares of HIJ Ltd. stock	\$1
Ms. Michelle Gold	06/08/2031	0.005 shares of KLM Corp. stock	\$0.50
Mr. Daniel Bronze	03/25/2032	0.002 shares of NOP Inc. stock	\$0.20
Ms. Ashley Iron	11/10/2033	0.001 shares of QRS Ltd. stock	\$0.10
Mr. Benjamin Steel	08/27/2034	0.0005 shares of TUV Corp. stock	\$0.05
Ms. Victoria Nickel	05/14/2035	0.0002 shares of WXY Inc. stock	\$0.02
Mr. Alexander Copper	02/01/2036	0.0001 shares of ZAB Ltd. stock	\$0.01
Ms. Isabella Zinc	10/18/2037	0.00005 shares of CDE Corp. stock	\$0.005
Mr. Sebastian Tin	07/05/2038	0.00002 shares of FGH Inc. stock	\$0.002
Ms. Sophia Lead	04/22/2039	0.00001 shares of IJK Ltd. stock	\$0.001
Mr. Lucas Silver	12/09/2040	0.000005 shares of LMN Corp. stock	\$0.0005
Ms. Olivia Gold	09/26/2041	0.000002 shares of OPQ Inc. stock	\$0.0002
Mr. Noah Platinum	06/13/2042	0.000001 shares of RST Ltd. stock	\$0.0001
Ms. Ava Palladium	03/30/2043	0.0000005 shares of UVW Corp. stock	\$0.00005
Mr. Ethan Rhodium	11/17/2044	0.0000002 shares of XYZ Inc. stock	\$0.00002
Ms. Madison Iridium	08/04/2045	0.0000001 shares of ABC Ltd. stock	\$0.00001
Mr. Logan Osmium	05/21/2046	0.00000005 shares of DEF Corp. stock	\$0.000005
Ms. Chloe Rhenium	02/08/2047	0.00000002 shares of GHI Inc. stock	\$0.000002
Mr. Liam Ruthenium	10/25/2048	0.00000001 shares of JKL Ltd. stock	\$0.000001
Ms. Zoe Rhodium	07/12/2049	0.000000005 shares of MNO Corp. stock	\$0.0000005
Mr. Noah Silver	04/29/2050	0.000000002 shares of PQR Inc. stock	\$0.0000002
Ms. Isabella Gold	12/16/2051	0.000000001 shares of STU Ltd. stock	\$0.0000001
Mr. Sebastian Platinum	09/03/2052	0.0000000005 shares of VWX Corp. stock	\$0.00000005
Ms. Sophia Rhodium	06/20/2053	0.0000000002 shares of YZA Inc. stock	\$0.00000002
Mr. Lucas Iridium	03/07/2054	0.0000000001 shares of ABC Ltd. stock	\$0.00000001
Ms. Olivia Osmium	10/24/2055	0.00000000005 shares of DEF Corp. stock	\$0.000000005
Mr. Noah Rhenium	07/11/2056	0.00000000002 shares of GHI Inc. stock	\$0.000000002
Ms. Ava Ruthenium	04/28/2057	0.00000000001 shares of JKL Ltd. stock	\$0.000000001
Mr. Ethan Rhodium	12/15/2058	0.000000000005 shares of MNO Corp. stock	\$0.0000000005
Ms. Madison Silver	09/02/2059	0.000000000002 shares of PQR Inc. stock	\$0.0000000002
Mr. Logan Gold	06/19/2060	0.000000000001 shares of STU Ltd. stock	\$0.0000000001
Ms. Chloe Platinum	03/06/2061	0.0000000000005 shares of VWX Corp. stock	\$0.00000000005
Mr. Liam Rhodium	10/23/2062	0.0000000000002 shares of YZA Inc. stock	\$0.00000000002
Ms. Zoe Iridium	07/10/2063	0.0000000000001 shares of ABC Ltd. stock	\$0.00000000001
Mr. Noah Osmium	04/27/2064	0.00000000000005 shares of DEF Corp. stock	\$0.000000000005
Ms. Isabella Rhenium	12/14/2065	0.00000000000002 shares of GHI Inc. stock	\$0.000000000002
Mr. Sebastian Ruthenium	09/01/2066	0.00000000000001 shares of JKL Ltd. stock	\$0.000000000001
Ms. Sophia Rhodium	06/18/2067	0.000000000000005 shares of MNO Corp. stock	\$0.0000000000005
Mr. Lucas Silver	03/05/2068	0.000000000000002 shares of PQR Inc. stock	\$0.0000000000002
Ms. Olivia Gold	10/22/2069	0.000000000000001 shares of STU Ltd. stock	\$0.0000000000001
Mr. Noah Platinum	07/09/2070	0.0000000000000005 shares of VWX Corp. stock	\$0.00000000000005
Ms. Ava Rhodium	04/26/2071	0.0000000000000002 shares of YZA Inc. stock	\$0.00000000000002
Mr. Ethan Iridium	12/13/2072	0.0000000000000001 shares of ABC Ltd. stock	\$0.00000000000001
Ms. Madison Osmium	09/01/2073	0.00000000000000005 shares of DEF Corp. stock	\$0.000000000000005
Mr. Logan Rhenium	06/18/2074	0.00000000000000002 shares of GHI Inc. stock	\$0.000000000000002
Ms. Chloe Ruthenium	03/05/2075	0.00000000000000001 shares of JKL Ltd. stock	\$0.000000000000001
Mr. Liam Rhodium	10/22/2076	0.000000000000000005 shares of MNO Corp. stock	\$0.0000000000000005
Ms. Zoe Silver	07/09/2077	0.000000000000000002 shares of PQR Inc. stock	\$0.0000000000000002
Mr. Noah Gold	04/26/2078	0.000000000000000001 shares of STU Ltd. stock	\$0.0000000000000001
Ms. Isabella Platinum	12/13/2079	0.0000000000000000005 shares of VWX Corp. stock	\$0.00000000000000005
Mr. Sebastian Rhodium	09/01/2080	0.0000000000000000002 shares of YZA Inc. stock	\$0.00000000000000002
Ms. Sophia Iridium	06/18/2081	0.0000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000001
Mr. Lucas Osmium	03/05/2082	0.00000000000000000005 shares of DEF Corp. stock	\$0.000000000000000005
Ms. Olivia Rhenium	10/22/2083	0.00000000000000000002 shares of GHI Inc. stock	\$0.000000000000000002
Mr. Noah Ruthenium	07/09/2084	0.00000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000001
Ms. Ava Rhodium	04/26/2085	0.000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000005
Mr. Ethan Silver	12/13/2086	0.000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000002
Ms. Madison Gold	09/01/2087	0.000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000001
Mr. Logan Platinum	06/18/2088	0.0000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000005
Ms. Chloe Rhodium	03/05/2089	0.0000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000002
Mr. Liam Iridium	10/22/2090	0.0000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000001
Ms. Zoe Osmium	07/09/2091	0.00000000000000000000005 shares of DEF Corp. stock	\$0.000000000000000000005
Mr. Noah Rhenium	04/26/2092	0.00000000000000000000002 shares of GHI Inc. stock	\$0.000000000000000000002
Ms. Isabella Ruthenium	12/13/2093	0.00000000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000000001
Mr. Sebastian Rhodium	09/01/2094	0.000000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000000005
Ms. Sophia Silver	06/18/2095	0.000000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000000002
Mr. Lucas Gold	03/05/2096	0.000000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000000001
Ms. Olivia Platinum	10/22/2097	0.0000000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000000005
Mr. Noah Rhodium	07/09/2098	0.0000000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000000002
Ms. Ava Iridium	04/26/2099	0.0000000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000000001
Mr. Ethan Osmium	12/13/2100	0.00000000000000000000000005 shares of DEF Corp. stock	\$0.000000000000000000000005
Ms. Madison Rhenium	09/01/2101	0.00000000000000000000000002 shares of GHI Inc. stock	\$0.000000000000000000000002
Mr. Logan Ruthenium	06/18/2102	0.00000000000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000000000001
Ms. Chloe Rhodium	03/05/2103	0.000000000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000000000005
Mr. Liam Silver	10/22/2104	0.000000000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000000000002
Ms. Zoe Gold	07/09/2105	0.000000000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000000000001
Mr. Noah Platinum	04/26/2106	0.0000000000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000000000005
Ms. Isabella Rhodium	12/13/2107	0.0000000000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000000000002
Mr. Sebastian Iridium	09/01/2108	0.0000000000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000000000001
Ms. Sophia Osmium	06/18/2109	0.00000000000000000000000000005 shares of DEF Corp. stock	\$0.000000000000000000000000005
Mr. Lucas Rhenium	03/05/2110	0.00000000000000000000000000002 shares of GHI Inc. stock	\$0.000000000000000000000000002
Ms. Olivia Ruthenium	10/22/2111	0.00000000000000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000000000000001
Mr. Noah Rhodium	07/09/2112	0.000000000000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000000000000005
Ms. Ava Silver	04/26/2113	0.000000000000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000000000000002
Mr. Ethan Gold	12/13/2114	0.000000000000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000000000000001
Ms. Madison Platinum	09/01/2115	0.0000000000000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000000000000005
Mr. Logan Rhodium	06/18/2116	0.0000000000000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000000000000002
Ms. Chloe Iridium	03/05/2117	0.0000000000000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000000000000001
Mr. Liam Osmium	10/22/2118	0.00000000000000000000000000000005 shares of DEF Corp. stock	\$0.000000000000000000000000000005
Ms. Zoe Rhenium	07/09/2119	0.00000000000000000000000000000002 shares of GHI Inc. stock	\$0.000000000000000000000000000002
Mr. Noah Ruthenium	04/26/2120	0.00000000000000000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000000000000000001
Ms. Isabella Rhodium	12/13/2121	0.000000000000000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000000000000000005
Mr. Sebastian Silver	09/01/2122	0.000000000000000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000000000000000002
Ms. Sophia Gold	06/18/2123	0.000000000000000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000000000000000001
Mr. Lucas Platinum	03/05/2124	0.0000000000000000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000000000000000005
Ms. Olivia Rhodium	10/22/2125	0.0000000000000000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000000000000000002
Mr. Noah Iridium	07/09/2126	0.0000000000000000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000000000000000001
Ms. Ava Osmium	04/26/2127	0.00000000000000000000000000000000005 shares of DEF Corp. stock	\$0.000000000000000000000000000000005
Mr. Ethan Rhenium	12/13/2128	0.00000000000000000000000000000000002 shares of GHI Inc. stock	\$0.000000000000000000000000000000002
Ms. Madison Ruthenium	09/01/2129	0.00000000000000000000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000000000000000000001
Mr. Logan Rhodium	06/18/2130	0.000000000000000000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000000000000000000005
Ms. Chloe Silver	03/05/2131	0.000000000000000000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000000000000000000002
Mr. Liam Gold	10/22/2132	0.000000000000000000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000000000000000000001
Ms. Zoe Platinum	07/09/2133	0.0000000000000000000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000000000000000000005
Mr. Noah Rhodium	04/26/2134	0.0000000000000000000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000000000000000000002
Ms. Isabella Iridium	12/13/2135	0.0000000000000000000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000000000000000000001
Mr. Sebastian Osmium	09/01/2136	0.00000000000000000000000000000000000005 shares of DEF Corp. stock	\$0.000000000000000000000000000000000005
Ms. Sophia Rhenium	06/18/2137	0.00000000000000000000000000000000000002 shares of GHI Inc. stock	\$0.000000000000000000000000000000000002
Mr. Lucas Ruthenium	03/05/2138	0.00000000000000000000000000000000000001 shares of JKL Ltd. stock	\$0.000000000000000000000000000000000001
Ms. Olivia Rhodium	10/22/2139	0.000000000000000000000000000000000000005 shares of MNO Corp. stock	\$0.0000000000000000000000000000000000005
Mr. Noah Silver	07/09/2140	0.000000000000000000000000000000000000002 shares of PQR Inc. stock	\$0.0000000000000000000000000000000000002
Ms. Ava Gold	04/26/2141	0.000000000000000000000000000000000000001 shares of STU Ltd. stock	\$0.0000000000000000000000000000000000001
Mr. Ethan Platinum	12/13/2142	0.0000000000000000000000000000000000000005 shares of VWX Corp. stock	\$0.00000000000000000000000000000000000005
Ms. Madison Rhodium	09/01/2143	0.0000000000000000000000000000000000000002 shares of YZA Inc. stock	\$0.00000000000000000000000000000000000002
Mr. Logan Iridium	06/18/2144	0.0000000000000000000000000000000000000001 shares of ABC Ltd. stock	\$0.00000000000000000000000000000000000001
Ms. Chloe Osmium	03/05/2145	0.005 shares of DEF Corp. stock	\$0.000000000000000000000000000000000000005
Mr. Liam Rhenium	10/22/2146	0.002 shares of GHI Inc. stock	\$0.000000000000000000000000000000000000002
Ms. Zoe Ruthenium	07/09		

City of Tehachapi
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and Investments	\$ 1,464,671	\$ 186,331	\$ 1,651,002
Receivables	263,766	86,719	350,485
	<u>\$ 1,728,437</u>	<u>\$ 273,050</u>	<u>\$ 2,001,487</u>
LIABILITIES			
Accounts Payable	\$ 268,212	\$ 38,273	\$ 306,485
Accrued Liabilities	1,044	-	1,044
Due to Other Funds	177,377	81,937	259,314
	<u>446,633</u>	<u>120,210</u>	<u>566,843</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	300,463	68,862	369,325
	<u>300,463</u>	<u>68,862</u>	<u>369,325</u>
FUND BALANCES			
Restricted	1,345,657	185,603	1,531,260
Assigned	-	-	-
Unassigned	(364,316)	(101,625)	(465,941)
	<u>981,341</u>	<u>83,978</u>	<u>1,065,319</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,728,437</u>	<u>\$ 273,050</u>	<u>\$ 2,001,487</u>

City of Tehachapi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2015

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes	\$ 620,268	\$ -	\$ 620,268
Intergovernmental	958,653	169,460	1,128,113
Charges for Services	24,707	-	24,707
Investment Earnings	5,291	725	6,016
Miscellaneous Revenue	1,747	-	1,747
	<u>1,610,666</u>	<u>170,185</u>	<u>1,780,851</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	72,563	-	72,563
Public Works	919,746	182,648	1,102,394
Community Development	21,473	2,172	23,645
Capital Outlay	906,322	115,579	1,021,901
	<u>1,920,104</u>	<u>300,399</u>	<u>2,220,503</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>(309,438)</u>	<u>(130,214)</u>	<u>(439,652)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	172,897	185,082	357,979
Transfers Out	(76,456)	-	(76,456)
	<u>96,441</u>	<u>185,082</u>	<u>281,523</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(212,997)	54,868	(158,129)
Fund Balances, Beginning of Year	<u>1,194,338</u>	<u>29,110</u>	<u>1,223,448</u>
Fund Balances, End of Year	<u>\$ 981,341</u>	<u>\$ 83,978</u>	<u>\$ 1,065,319</u>

City of Tehachapi
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2015

	Traffic Signals	TDA 3 Bike Safety	Oil Recycling Grant Fund	Beverage Container Recycling
ASSETS				
Cash and Investments	\$ 1,261,833	\$ -	\$ 267	\$ 16,582
Receivables	-	165,736	-	-
Total Assets	\$ 1,261,833	\$ 165,736	\$ 267	\$ 16,582
LIABILITIES				
Accounts Payable	\$ -	\$ 128,349	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	34,961	-	-
Total Liabilities	-	163,310	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	165,736	-	-
Total Deferred Inflows of Resources	-	165,736	-	-
FUND BALANCES				
Restricted	1,261,833	-	267	16,582
Assigned	-	-	-	-
Unassigned	-	(163,310)	-	-
Total Fund Balances	1,261,833	(163,310)	267	16,582
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,261,833	\$ 165,736	\$ 267	\$ 16,582

Lighting District	Event Center & Rodeo Grounds	Gas Tax	Facility Impact Fee Fund	Safe Route to School Fund	Total Non-Major Funds
\$ 140,992	\$ -	\$ 44,997	\$ -	\$ -	\$ 1,464,671
-	73,828	24,202	-	-	263,766
<u>\$ 140,992</u>	<u>\$ 73,828</u>	<u>\$ 69,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,728,437</u>
\$ 5,429	\$ -	\$ 134,434	\$ -	\$ -	\$ 268,212
-	-	1,044	-	-	1,044
68,588	73,828	-	-	-	177,377
<u>74,017</u>	<u>73,828</u>	<u>135,478</u>	<u>-</u>	<u>-</u>	<u>446,633</u>
-	73,828	60,899	-	-	300,463
-	73,828	60,899	-	-	300,463
66,975	-	-	-	-	1,345,657
-	-	-	-	-	-
-	(73,828)	(127,178)	-	-	(364,316)
<u>66,975</u>	<u>(73,828)</u>	<u>(127,178)</u>	<u>-</u>	<u>-</u>	<u>981,341</u>
<u>\$ 140,992</u>	<u>\$ 73,828</u>	<u>\$ 69,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,728,437</u>

City of Tehachapi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended June 30, 2015

	Traffic Signals	TDA 3 Bike Safety	Oil Recycling Grant Fund	Beverage Container Recycling
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25,794	166,983	-	-
Charges for Services	-	-	-	-
Investment Earnings	4,018	-	1	53
Miscellaneous Revenues	-	-	-	-
Total Revenues	<u>29,812</u>	<u>166,983</u>	<u>1</u>	<u>53</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	-	-
Community Development	-	-	-	-
Capital Outlay	537	323,716	-	-
Total Expenditures	<u>537</u>	<u>323,716</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>29,275</u>	<u>(156,733)</u>	<u>1</u>	<u>53</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	29,275	(156,733)	1	53
Fund Balances, Beginning of Year	<u>1,232,558</u>	<u>(6,577)</u>	<u>266</u>	<u>16,529</u>
Fund Balances, End of Year	<u>\$ 1,261,833</u>	<u>\$ (163,310)</u>	<u>\$ 267</u>	<u>\$ 16,582</u>

<u>Lighting District</u>	<u>Event Center & Rodeo Grounds</u>	<u>Gas Tax</u>	<u>Facility Impact Fee Fund</u>	<u>Safe Route to School Fund</u>	<u>Total Non-Major Funds</u>
\$ 310,529	\$ -	\$ 309,739	\$ -	\$ -	\$ 620,268
-	-	406,116	-	359,760	958,653
-	-	-	24,707	-	24,707
973	-	19	227	-	5,291
<u>1,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,747</u>
<u>313,249</u>	<u>-</u>	<u>715,874</u>	<u>24,934</u>	<u>359,760</u>	<u>1,610,666</u>
72,563	-	-	-	-	72,563
229,250	-	690,496	-	-	919,746
21,473	-	-	-	-	21,473
<u>-</u>	<u>74,017</u>	<u>196,408</u>	<u>-</u>	<u>311,644</u>	<u>906,322</u>
<u>323,286</u>	<u>74,017</u>	<u>886,904</u>	<u>-</u>	<u>311,644</u>	<u>1,920,104</u>
<u>(10,037)</u>	<u>(74,017)</u>	<u>(171,030)</u>	<u>24,934</u>	<u>48,116</u>	<u>(309,438)</u>
-	-	121,665	-	51,232	172,897
<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,456)</u>	<u>-</u>	<u>(76,456)</u>
<u>-</u>	<u>-</u>	<u>121,665</u>	<u>(76,456)</u>	<u>51,232</u>	<u>96,441</u>
<u>(10,037)</u>	<u>(74,017)</u>	<u>(49,365)</u>	<u>(51,522)</u>	<u>99,348</u>	<u>(212,997)</u>
<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>\$ 66,975</u>	<u>\$ (73,828)</u>	<u>\$ (127,178)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 981,341</u>

City of Tehachapi
Combining Balance Sheet
Non-major Capital Project Funds
June 30, 2015

	Tucker Road / Valley Blvd. Exchange	East Tehachapi Blvd Improvement Project	General Plan Update	Valley Shoulder Ext - HSIP
ASSETS				
Cash and Investments	\$ 7,730	\$ -	\$ -	\$ 2,270
Receivables	-	47,756	-	-
Total Assets	\$ 7,730	\$ 47,756	\$ -	\$ 2,270
LIABILITIES				
Liabilities:				
Accounts Payable	\$ -	\$ 37,545	\$ -	\$ -
Due to Other Funds	-	32,358	-	-
Total Liabilities	-	69,903	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	29,899	-	-
Total Deferred Inflows of Resources	-	29,899	-	-
FUND BALANCES				
Restricted	7,730	-	-	2,270
Unassigned	-	(52,046)	-	-
Total Fund Balances	7,730	(52,046)	-	2,270
Total Liabilities and Fund Balances	\$ 7,730	\$ 47,756	\$ -	\$ 2,270

<u>Parks & Rec. Capital Project</u>	<u>Tract 6216 Settlement Fund</u>	<u>Tehachapi Blvd Imprv - Phase IV</u>	<u>Freedom Plaza</u>	<u>Total Non-Major Funds</u>
\$ 96,112	\$ 79,491	\$ -	\$ 728	\$ 186,331
-	38,963	-	-	86,719
<u>\$ 96,112</u>	<u>\$ 118,454</u>	<u>\$ -</u>	<u>\$ 728</u>	<u>\$ 273,050</u>
\$ -	\$ -	\$ -	\$ 728	\$ 38,273
-	-	49,579	-	81,937
-	-	49,579	728	120,210
-	38,963	-	-	68,862
-	38,963	-	-	68,862
96,112	79,491	-	-	185,603
-	-	(49,579)	-	(101,625)
<u>96,112</u>	<u>79,491</u>	<u>(49,579)</u>	<u>-</u>	<u>83,978</u>
<u>\$ 96,112</u>	<u>\$ 118,454</u>	<u>\$ -</u>	<u>\$ 728</u>	<u>\$ 273,050</u>

City of Tehachapi
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended June 30, 2015

	Tucker Road / Valley Blvd. Exchange	East Tehachapi Blvd Improvement Project	General Plan Update	Valley Shoulder Ext - HSIP
REVENUES				
Licenses, Permits, and Fines	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	119,046	-	50,414
Miscellaneous Revenue	-	-	-	-
Investment Earnings	25	-	-	-
Total Revenues	<u>25</u>	<u>119,046</u>	<u>-</u>	<u>50,414</u>
EXPENDITURES				
Current:				
Public Works	-	166,320	-	-
Community Development	-	-	848	-
Capital Outlay	-	-	-	655
Total Expenditures	<u>-</u>	<u>166,320</u>	<u>848</u>	<u>655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>25</u>	<u>(47,274)</u>	<u>(848)</u>	<u>49,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,207	80,730	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,207</u>	<u>80,730</u>	<u>-</u>
Net Change in Fund Balances	25	(46,067)	79,882	49,759
Fund Balances, Beginning of Year	<u>7,705</u>	<u>(5,979)</u>	<u>(79,882)</u>	<u>(47,489)</u>
Fund Balances, End of Year	<u>\$ 7,730</u>	<u>\$ (52,046)</u>	<u>\$ -</u>	<u>\$ 2,270</u>

<u>Parks & Rec. Capital Project</u>	<u>Tract 6216 Settlement Fund</u>	<u>Tehachapi Blvd Imprv - Phase IV</u>	<u>Freedom Plaza</u>	<u>Total Non-Major Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	169,460
-	-	-	-	-
<u>322</u>	<u>378</u>	<u>-</u>	<u>-</u>	<u>725</u>
<u>322</u>	<u>378</u>	<u>-</u>	<u>-</u>	<u>170,185</u>
-	-	-	16,328	182,648
-	1,324	-	-	2,172
<u>30,192</u>	<u>20,233</u>	<u>21</u>	<u>64,478</u>	<u>115,579</u>
<u>30,192</u>	<u>21,557</u>	<u>21</u>	<u>80,806</u>	<u>300,399</u>
<u>(29,870)</u>	<u>(21,179)</u>	<u>(21)</u>	<u>(80,806)</u>	<u>(130,214)</u>
-	-	-	103,145	185,082
-	-	-	-	-
-	-	-	103,145	185,082
<u>(29,870)</u>	<u>(21,179)</u>	<u>(21)</u>	<u>22,339</u>	<u>54,868</u>
<u>125,982</u>	<u>100,670</u>	<u>(49,558)</u>	<u>(22,339)</u>	<u>29,110</u>
<u>\$ 96,112</u>	<u>\$ 79,491</u>	<u>\$ (49,579)</u>	<u>\$ -</u>	<u>\$ 83,978</u>

City of Tehachapi
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	Capital Hills 89-1	Tucker Road 87-1	East Tehachapi Blvd. Project 89-3	Summit 89-2
ASSETS				
Cash and Investments	\$ 760,082	\$ 59,044	\$ 125,814	\$ 7,081
Receivables	-	-	3,729	-
Advances to Other Funds	-	-	-	-
Other Assets	-	-	26,077	329,480
Total Assets	\$ 760,082	\$ 59,044	\$ 155,620	\$ 336,561
LIABILITIES				
Accounts Payable	\$ 721	\$ 2,802	\$ 2,199	\$ 224
Advances From Other Funds	-	-	-	-
Due to City	-	-	26,827	230,627
Due to Bond Holders	759,361	56,242	126,594	105,710
Total Liabilities	\$ 760,082	\$ 59,044	\$ 155,620	\$ 336,561

Tehachapi Meadows 90-1	Special Districts Revolving Fund	Total Agency Funds
\$ 38,247	\$ -	\$ 990,268
-	-	3,729
-	209,589	209,589
-	-	355,557
<u>\$ 38,247</u>	<u>\$ 209,589</u>	<u>\$ 1,559,143</u>
\$ -	\$ -	\$ 5,946
-	209,589	209,589
-	-	257,454
38,247	-	1,086,154
<u>\$ 38,247</u>	<u>\$ 209,589</u>	<u>\$ 1,559,143</u>



January 26, 2016

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, 2015. 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 May 18, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 3 B, the City changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions*. 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.

Management's estimate of the net pension liability is based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office. We evaluated the key factors and assumptions to develop the net pension liability in determining that it is 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 disclosures 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.

The disclosure of the net pension liability in Note 3 B to the financial statements is based on the City's proportionate share of the total pension liability of the pool and includes assumptions for discount rates, which could differ from actual discount rates. Note 3 B discloses the differences in the net pension liability assuming different discount rates.

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 various funds.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 26, 2016.

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 to the financial statements, in February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 will be required to be implemented for the fiscal year ending June 30, 2016.

Restriction on Use

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

Very truly yours,

Van Lant & Fankhanel, LLP



City of Tehachapi

Single Audit Report on Federal Award Programs

Year Ended June 30, 2015

CITY OF TEHACHAPI

**Single Audit Report on
Federal Award Programs**

June 30, 2015

CITY OF TEHACHAPI
SINGLE AUDIT REPORT ON FEDERAL AWARD PROGRAMS
Year Ended June 30, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated January 26, 2016.

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 2015-1 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

January 26, 2016



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, 2015. 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, 2015.

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 26, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the

CITY OF TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(SUPPLEMENTARY INFORMATION)
Year Ended June 30, 2016

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

January 26, 2016

CITY OF TEHACHAPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(SUPPLEMENTARY INFORMATION)
Year Ended June 30, 2015

Federal Grantor/ Pass-through Grantor/Program Title	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures
<u>U.S. Department of Transportation</u>			
<i>Direct Assistance:</i>			
Airport Improvement Program	20.106	3-06-0253-013-2012	\$ 78,132
Airport Improvement Program	20.106	3-06-0253-013-2014	70,536
Subtotal			<u>148,668</u>
<i>Passed through the California Department of Transportation:</i>			
Highway Planning and Construction	20.205	RSTPL-5184(017)	825
Highway Planning and Construction	20.205	HSIPL-5184(018)	1,000,115
Highway Planning and Construction	20.205	HSIPL-5184(020)	65,922
Highway Planning and Construction	20.205	HSIPL-5184(021)	50,687
Highway Planning and Construction	20.205	HSIPL-5184(022)	15,935
Highway Planning and Construction	20.205	HSIPL-5184(023)	148,868
Highway Planning and Construction	20.205	STPL-5184(024)	23,005
Highway Planning and Construction	20.205	ATPL-5184(025)	23,301
Subtotal			<u>1,328,658*</u>
Total Federal Financial Assistance			<u>\$ 1,477,326</u>

*Major Program

CITY OF TEHACHAPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

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, 2015, consisting of the Highway Planning and Construction grant which had total disbursements of \$1,328,658. This amount calculates to 89.9% of the total disbursements from federal awards.

CITY OF TEHACHAPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

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:

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

Dollar Threshold used to Distinguish Between Type A
And Type B Programs: \$ 300,000

Auditee Qualified as Low-Risk Auditee? Yes

CITY OF TEHACHAPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

2015-1 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, in a prior year 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. In addition, we are aware the City is currently in the process of reviewing current procedures and establishing a committee to determine the necessary purchasing practices and policies to implement. We encourage City staff to continue this process and develop a comprehensive policy as soon as possible.

Management's Response

The City of Tehachapi will follow the recommendation of the Auditor and will continue to work diligently to develop a comprehensive purchasing policy.

**CITY OF TEHACHAPI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS

2014-1 *Formal Policies and Procedures*

Current Status: This finding has not been resolved: See finding 2015-1.

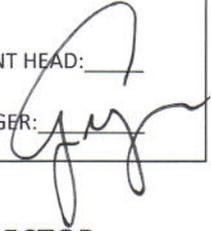
SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no 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: _____

A handwritten signature in black ink is written over the signature lines of the approval box.

MEETING DATE: FEBRUARY 16TH, 2016 **AGENDA SECTION:** PUBLIC WORKS DIRECTOR

TO: HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

FROM: JON CURRY, PUBLIC WORKS DIRECTOR

DATE: FEBRUARY 10TH, 2016

SUBJECT: 2016 AMENDMENT TO ALPHA SCAPES AGREEMENT

BACKGROUND

In 2002, the City entered into an agreement with Alpha Scapes Inc. for the maintenance of certain City-owned landscape areas. In 2005, certain newly developed landscape areas were added to the agreement through an amendment to the 2005 agreement. Due to changes in water conservation and maintenance practices, the time has come again to re-define the landscape areas and the service for those areas. Exhibit "A" defines the maintenance areas (both City-owned and Landscape Maintenance Districts) and associated monthly pricing. Staff circulated a Request for Proposals to multiple landscape contractors; Alpha Scapes Inc. was the best qualified submittal. Pricing included with the Alpha Scapes submittal reflects a 1.9% increase. This is the first increase since the 2005 amended agreement.

RECOMMENDATION

Approve the 2016 Amendment to the Alpha Scapes agreement and authorize the Mayor to sign.

SECOND AMENDMENT TO AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT (the "Second Amendment") made this ____ day of _____, 2016, by and between the CITY OF TEHACHAPI, hereinafter "City", and ALPHA SCAPES, INC., a California Corporation, hereinafter "Contractor,"

WITNESSETH:

WHEREAS, City and Contractor entered into that certain Landscape Maintenance Agreement dated August 5, 2002 (the "Original Agreement") and an amendment thereto (the "First Amendment") dated May 16, 2005 (collectively the "Agreement"); and

WHEREAS, the parties wish to amend the Agreement as hereinafter described.

NOW, THEREFORE, the parties amend the Agreement as follows:

1. The parties incorporate the foregoing recitals as if fully set forth herein verbatim.
2. The capitalized terms used herein shall have the same meaning as in the Agreement unless otherwise specifically described herein.
3. The parties hereby delete paragraph 2 of the Original Agreement and replace Exhibit "A" to the Original Agreement with Exhibit "A" attached hereto and by this reference made a part hereof. For clarification, the parties retain paragraph 2(a) of the Original Agreement. The parties hereby delete paragraph 4 of the First Amendment.
4. Except as amended herein, the Agreement and each of its terms and conditions are hereby reaffirmed and shall remain in full force and effect. Any inconsistency or ambiguity between the Agreement and this Second Amendment shall be resolved in favor of this Second Amendment.
5. The Parties may execute this Second Amendment in counterpart. A facsimile or electronic version of this fully executed Second Amendment shall be as effective as the original for all purposes.

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

SUSAN WIGGINS,
Mayor, City of Tehachapi, California

ALPHA SCAPES, INC.
A California Corporation, "Contractor"

RONALD G. LANG, President

EXHIBIT "A"

Facility	Price per month
City Offices, 115 So. Robinson St.	\$ 50.00
Market Place, 125 W. Tehachapi Blvd.	\$ 25.00
Union Pacific, 116 E "H" St.	\$ 85.00
Mill St. Islands	\$ 425.00
Capital Hills (South Island)	\$ 270.00
South Curry	\$ 227.00
Street Trees	\$ 11.00
Dennison St.	\$ 720.00
Pioneer Park	\$ 553.00
Downtown Planters	\$ 82.00
Railroad Park	\$ 505.00
Parking Lot & Wall, 211 E. Tehachapi Blvd.	\$ 28.00
Senior Center, 500 E. "F" St.	\$ 105.00
Railroad Depot, 101 W. Tehachapi Blvd.	\$ 128.00
Tehachapi Blvd. Phase 4	\$ 35.00
Robinson St. Parking Lot	\$ 25.00
Police Dept., 220 W. "C" St.	\$ 35.00
Voyager St. Trees	\$ 10.00
Centennial Plaza	\$ 40.00
Total Monthly Cost	\$3,359.00



APPROVED
DEPARTMENT HEAD: <i>Jks</i>
CITY MANAGER: _____

COUNCIL REPORTS

MEETING DATE: FEBRUARY 16, 2016 AGENDA SECTION: DEVELOPMENT SERVICES

TO: HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

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

DATE: FEBRUARY 10, 2016

SUBJECT: CURRY AND VALLEY INTERSECTION IMPROVEMENT PROJECT – NOTICE OF COMPLETION

BACKGROUND

As the Council will recall, the City of Tehachapi entered into a contract with Cen-Cal Construction for the construction of the Curry and Valley Intersection Improvement Project. Following a walk-through by City Staff, 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 CURRY AND VALLEY INTERSECTION IMPROVEMENT 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 21st day of April 2015, by and between the City of Tehachapi, the Owner, and Cen-Cal Construction, the Contractor, for all work necessary to complete the Curry & Valley Intersection Improvement 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 15th day of February 2016, 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

"A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THE DOCUMENT."

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: FEBRUARY 16, 2016 AGENDA SECTION: POLICE DEPARTMENT

TO: HONORABLE MAYOR SMITH AND COUNCIL MEMBERS
FROM: KENT KROEGER, POLICE CHIEF
DATE: JANUARY 20, 2016
SUBJECT: AMENDMENT TO EMPLOYEE PERSONNEL MANUAL

BACKGROUND

As the Council is aware, the Tehachapi Police Department previously provided all uniforms and safety equipment for all of its employees. This practice proved to be problematic for calculating pensionable income for California Public Employees' Retirement System (CalPERS) members. Additionally, the Tehachapi Police Officers Association ratified a Memorandum of Understanding (MOU) which established an annual uniform allowance for its represented members. With this in mind, it has become necessary for our Department to establish an annual uniform allowance for uniformed Police Department personnel who are not represented by the Tehachapi Police Officers Association.

The city shall pay a total sum of one thousand dollars (\$1,000.00) per year uniform allowance in two (2) equal payments. 50% of the total sum (\$500.00) shall be paid on the first full pay period following July 1 and the remaining 50% (\$500.00) of the sum shall be paid on the first full pay period following January 1.

Police Department personnel that will receive the annual uniform allowance include:

- Police Chief
- Police Lieutenant
- Police Sergeant
- Code Enforcement Officer
- Lead Dispatcher
- Police Technician
- Records Clerk

The annual uniform allowance for Senior Police Officer and Police Officer is established through the Memorandum of Understanding (MOU) between the City of Tehachapi and the Tehachapi Police Officers Association.

New uniformed personnel hired by the Department will receive three (3) complete uniforms as required by the agency.

RECOMMENDATION

Adopt a Resolution adding Section 3B, Item 6d (Uniform Allowance) to the Rules and Regulations for the administration of the personnel system to pay a total sum of one thousand dollars (\$1,000.00) per year uniform allowance in two (2) equal payments to the identified job titles.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEHACHAPI AMENDING SECTION 3B, OF THE RULES AND
REGULATIONS FOR THE ADMINISTRATION OF THE
PERSONNEL SYSTEM**

WHEREAS, the City Council of the City of Tehachapi (the "City Council") adopted resolution No. 11-14 which established rules and regulations for the administration of the personnel system (the "Personnel Policies"); and

WHEREAS, City Council wishes to amend the Personnel Policies hereinafter set forth;
and

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

1. That the recitals and findings are true and correct and are hereby incorporated by reference herein.

2. Section 3B, is hereby amended as follows:

"6. Special Compensation

d. Uniform Allowance

The city shall pay a total sum of one thousand dollars (\$1,000.00) per year uniform allowance in two (2) equal payments. 50% of the total sum (\$500.00) shall be paid on the first full pay period following July 1 and the remaining 50% (\$500.00) of the sum shall be paid on the first full pay period following January 1.

Police Department personnel that will receive the annual uniform allowance include:

- Police Chief
- Police Lieutenant

- Police Sergeant
- Code Enforcement Officer
- Lead Dispatcher
- Police Technician
- Records Clerk

The annual uniform allowance for Senior Police Officer and Police Officer is established through the Memorandum of Understanding (MOU) between the City of Tehachapi and the Tehachapi Police Officers Association.

New uniformed personnel hired by the Department will receive three (3) complete uniforms as required by the agency.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Tehachapi held on the 16th day of February 2016, by the following vote:

AYES: COUNCIL MEMBERS: _____

NOES: COUNCIL MEMBERS _____

ABSTAIN: COUNCIL MEMBERS: _____

ABSENT: COUNCIL MEMBERS: _____

 SUSAN WIGGINS, Mayor, City of
 Tehachapi, California

ATTEST:

 TORI MARSH, 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 16th of February, 2016.

TORI MARSH, City Clerk
City of Tehachapi, California



APPROVED	
DEPARTMENT HEAD:	
CITY MANAGER:	

COUNCIL REPORTS

MEETING DATE: FEBRUARY 15, 2016 AGENDA SECTION: ASST. CITY MANAGER

TO: HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS

FROM: CHRIS KIRK, ASSISTANT CITY MANAGER

DATE: FEBRUARY 8, 2016

SUBJECT: SOCIAL MEDIA POLICY

BACKGROUND

As the Council is aware, since April 2013, the City has maintained a social media page on Facebook. This page has been a great place to share information about current projects, recognize City and private successes, and to alert interested members of the public to issues affecting Tehachapi. Since starting the City's page in 2013, its reach has grown to over 3,500 followers.

Since the inception of the Facebook page, only three City employees have been granted administrator rights to the page, thereby having the ability to control the content of the page. Those three employees are myself, the City Manager, and the City's Economic Development Coordinator.

As is common place on social media, there have been minor controversies arising from the use of social media and as such, we believe it's appropriate to have a written policy in place so that both City staff and the public understand the intent and the rules under which social media may be utilized by the City. As such, a social media policy (attached to this report) has been drafted utilizing policies from several other cities.

RECOMMENDATION

APPROVE THE CITY OF TEHACHAPI SOCIAL MEDIA POLICY

CITY OF TEHACHAPI SOCIAL MEDIA POLICY

I. Purpose

This Social Media Policy ("Policy") establishes guidelines for the establishment and use by the City of Tehachapi ("City") of social media sites as a means of conveying information to members of the public.

The intended purpose of City social media sites is to disseminate information from the City about the City's mission, meetings, activities, and current issues, to members of the public.

The City has an overriding interest and expectation in protecting the integrity of the information posted on its social media sites and the content that is attributed to the City and its officials.

II. Definitions

"Social media sites" means content created by individuals, using accessible, expandable, and upgradable publishing technologies, through and on the internet. Examples of social media include, but are not limited to, Facebook, Twitter, Blogs, RSS, YouTube, LinkedIn, Delicious, and Flickr.

"City social media sites" means social media sites which the City establishes and maintains, and over which it has control over all postings, except for advertisements or hyperlinks by the social media site's owners, vendors, or partners. City social media sites shall supplement, and not replace, the City's required notices and standard methods of communication.

"Posts" or "postings" means information, articles, pictures, videos or any other form of communication posted on a City social media site.

III. General Policy

- a. No employee may establish, use, or terminate a social media site, without the authorization of the City Manager or his/her designee. Upon authorization, City social media sites shall bear the name and/or official logo of the City.
- b. Social media sites and accounts, established for the City are to be used for City business related purposes only.
- c. The City's official website at www.tehachapicityhall.com (or any domain owned by the City) will remain the City's primary means of internet communication.
- d. Content on City social media sites is subject to oversight by the City Manager's Office.
- e. City social media sites shall clearly state that such sites are maintained by the City and that the sites comply with the City's Social Media Policy.
- f. City social media sites shall be managed consistent with the Brown Act. Members of the City Council, Commissions, and/or Boards, should not respond to, "like", "share", or otherwise participate in any published postings, or use the site or any form of City electronic communication to engage in serial meetings, or otherwise discuss, deliberate, or express opinions on any issue within the subject matter jurisdiction of the body.

- g. The City reserves the right to terminate any City social media site at any time without notice.
- h. The City's Social Media Policy shall be displayed to users or made available by hyperlink on all City social media sites.
- i. City social media sites are subject to the California Public Records Act.
- j. The City Manager shall designate an administrator for each City Social Media site and said administrator shall approve all content prior to being published.
- k. Employees representing the City on City social media sites shall conduct themselves at all times as a professional representative of the City and in accordance with City policies.
- l. The City social media sites may contain content, including but not limited to, advertisements or hyperlinks over which the City has no control. The City does not endorse any hyperlink or advertisement placed on City social media sites.
- m. The City reserves the right to change, modify, or amend all or part of this policy at any time.

IV. Content Guidelines

- a. The content of City social media sites should only pertain to City-sponsored or City-endorsed programs, services, and events, as determined by the City Manager or his/her designee. Content includes, but is not limited to, information, photographs, videos, and hyperlinks.
- b. The City shall have full permission or rights to any content posted by the City, including photographs and videos.
- c. Postings shall be made during normal business hours. After hours or weekend postings shall only be made with the approval of the City Manager or his/her designee.
- d. Any employee authorized to post items on any of the City's social media sites should not express his or her own personal views or concerns through such postings. Instead, postings on any of the City's social media sites by an authorized City employee should only reflect the facts about a program, service, or issue.
- e. Postings must contain information that is freely available to the public and not be confidential as defined by any City policy or state or federal law.
- f. Postings may NOT contain any personal information, except for the names of employees.

g. If comments or interactive communication is permitted on a City social media site, a statement shall be prominently displayed informing users that statements that are substantially similar to the following may be removed by the authorized administrator of the City social media site.

- i. Comments that are not topically related to the particular posting being commented upon;
- ii. Comments in support of, or opposition to, political campaigns, candidates or ballot measures;
- iii. Profane language or content;
- iv. Content that promotes discrimination against any category protected by federal or state laws, including but not limited to, race, age, religion, gender, marital status, or physical or mental disability;
- v. Sexual content or links to sexual content;
- vi. Solicitations of commerce;
- vii. Conduct or encouragement of illegal activity;
- viii. Information that may tend to compromise the safety or security of the public or public systems; or
- ix. Content that violates a legal ownership interest of any other party.

These guidelines shall be displayed to users or made available by hyperlink on all City social media sites. Any content removed based upon these guidelines must be retained for 30 calendar days from the date on which the content is removed. Any content removed should include the time, date and identity of the poster when available.

h. The City may select links to other social media sites and outside websites that offer helpful resources for users. The City is not responsible for the content that appears on these outside links and provides these links as a convenience only.

Users should be aware that these external pages and sites and the information found on those pages and sites are not controlled by or endorsed by the City. The City reserves the right to delete links posted by outside individuals that violate the City's Posts Policy at any time without notice.

- i. The City reserves the right to implement or remove any functionality of its social media sites, when deemed appropriate by the City Manager or his/her designee. This includes but is not limited to information, articles, pictures, videos, or any other form of communication that is posted on the City's site.
- j. All of the content on City social media sites is subject to oversight by the City Manager's Office.