

The City of Hanford
CALIFORNIA



City Council Meeting Agenda

August 17, 2021
7:00 PM – Regular Meeting
Council Chambers
400 N. Douty St.

Council Members will meet in-person in the Council Chambers. The meeting will also be lived streamed on the City's website: <http://livestream.hanford.city/>

4:00 PM CALL TO ORDER STUDY AND CLOSED SESSION:

ROLL CALL BY THE CITY CLERK :

PUBLIC COMMENT:

*Comments from the public are limited to items on the agenda (GC 54954.3a). A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

STUDY SESSION:

- A. Presentation of the Fiscal Year 2020 Audited Financial Statements for the City of Hanford from the City's independent external auditors Hudson, Henderson & Company, Inc. Certified Public Accountants.
- B. Discussion regarding Hidden Valley Park, the vacant City property located immediately West of the Park, and proposed uses and traffic options.

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATIONS (GC 54956.8):

Property: 113 Court St.

APN: 010-265-001

Agency Negotiators: Mario Cifuentez, Ty Mizote, and Brad Albert

Property: 266 Gilkey Ln.
APN: 012-232-077-000
Negotiating Party: Kings Rehabilitation Center
Agency Negotiators: Mario Cifuentez, Ty Mizote, and Brad Albert

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

INVOCATION:

FLAG SALUTE:

RECOGNITIONS/PROCLAMATIONS:

Proclamation Naming Penelope 'Penny' Saltray as an Honorary Firefighter for the City of Hanford Fire Department

CLOSED SESSION ACTION REPORT:

STAFF COMMUNICATIONS:

COUNCIL REPORTS/COMMENTS:

PUBLIC COMMENT:

*This is the time for citizens to comment on subject matters not on the agenda and that are within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. Comments related to Public Hearing items will be heard at the time the item is discussed. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

- A. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title the only.
- B. Council: Designation of Mayor Ramirez as the voting delegate and Council Member Morrow and Council Member Saltray as the alternate(s) for the League of California Cities Annual Conference.
- C. Administration: Approval of the full-time salary schedule for Fiscal Year 2021-22
- D. Administration: Approval of a Letter of Support to Senators Feinstein and Padilla requesting that the definition of agricultural labor or services in the Farm Workforce Modernization Act of 2021 be modified to include employees who work in packing houses and processing plants and that legislation for Dreamers be passed concurrently.

- E. Community Development: Waive the second reading and adopt Ordinance 21-02, an ordinance of the City of Hanford City Council approving Prezone No. 2020-02, a request to prezone the Annexation 157 area as R-H High-Density Residential, R-M Medium-Density Residential, and R-L-5 Low-Density Residential, in accordance with the General Plan designation for the area. The project is located at the northwest corner of 12th Avenue and Fargo Avenue (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047) and the southwest corner of 12th and Fargo Avenues (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047).
- F. Community Development: Second Reading of Ordinance 21-03, approving Municipal Code Amendment No. 2020-03, a request to: a) Amend Title 5 by adding Chapter 5.68 to Title 5 of the Hanford Municipal Code, to establish standards and regulations for Commercial Hemp Activity and approving Zone Text Amendment No. 2020-03, a request to: b) Amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial; and c) Amend Title 17 by adding Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford.
- G. Finance: Acceptance of the City of Hanford's Quarterly Investment Portfolio and Transactions Reports
- H. Public Works: Authorization for the Director of Public Works to send a letter to the Local Agency Formation Commission (LAFCO), requesting the Extension of Services to the existing dwelling unit in the County without annexation by the City of Hanford. (7138 11th Ave south of Flint Avenue)
- I. Public Works: Approval of a Notice of Completion for the FY 20/21 Pavement Resurfacing Project at a total construction cost of \$161,946.20 and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.
- J. Public Works: Authorization to award contracts to 4Creeks of Visalia CA, in the amount of \$119,293.00 and Peters Engineering Group of Clovis CA, in the amount of \$35,035.00 for the design phase of FY 20/21 Traffic Signal at 12th Ave. & Hume Project and approve an additional appropriation of \$104,328.00 from the Transportation Impact Fee fund to fully fund the design portion of this project.
- K. Public Works: Approval of a Notice of Completion for the FY 20/21 Sanitary Sewer Manhole Repair and Coating Project at a total construction cost of \$85,932.00 and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.

PUBLIC HEARING:

Parks and Community Services: Public Hearing to receive public testimony and input regarding the imposition of the proposed annual assessment for the City of Hanford's Landscape Assessment Districts, per the Annual Engineer's Report for the Fiscal Year 2021-2022, and adopt Resolution 21-35 confirming levy and collection of the annual assessments pursuant to Chapter 3 of the Landscape and Lighting Act of 1972.

GENERAL BUSINESS:

- A. Community Development: Consideration of Historic Resources Permit 2021-03: a request to change the existing façade at 104 N. Douty Street and add window signage, in excess of the typically allowed amount. The property is designated as a contributing building within the Historic Overlay Zone. The project is located at 104 N. Douty St. (APN 012-054-011)
- B. Parks and Community Services: Council consideration of the Parks and Recreation Commission's recommendation to remove the arbor and benches at Lacey park in an effort to address the growing homeless concerns for the neighborhood.

COUNCIL FUTURE AGENDA ITEMS:

Council Future Agenda Items

Upcoming Important dates:

September 4: Food Truck Takeover Civic Park 5:30 pm – 9:00 pm.

September 6: National Holiday – City offices closed

September 7: Regular City Council Meeting

September 21: Regular City Council Meeting

September 22-24 League of California Cities Annual Conference and Expo – Sacramento

ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available to public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. Such agendas are also available at the city's website, www.cityofhanfordca.com subject to staff's ability to post the agenda before the meeting.

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: A
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SUBJECT:

Presentation of the Fiscal Year 2020 Audited Financial Statements for the City of Hanford from the City's independent external auditors Hudson, Henderson & Company, Inc. Certified Public Accountants.

RECOMMENDATION:

Staff recommends that City Council receive a report by Hudson, Henderson & Company, Inc. of the City's Fiscal Year 2020 (ending June 30, 2020) Audited Financial Statements.

BACKGROUND:

State law requires The City of Hanford to prepare audited financial statements for each fiscal year. The City received an Unqualified Opinion (clean) in relation to the 2019/2020 financial statements audit for the fiscal year ending June 30, 2020 by its' independent auditors Hudson, Henderson & Company, Inc. A summary of the audit and issues found are listed below:

- Auditors have issued an unqualified (clean) opinion
- Five (5) Material Weaknesses and Significant Deficiencies were identified
- Financial condition of the City had mixed outcomes across funds

Over the last year the City Council has established some financial policies to improve the financial condition of the City. The policies as outlined in Resolution 2020-29-R are to:

- Adoption of a balanced budget
- Goal of maintaining 15% Reserve of General Fund Revenues

For the fiscal year 2019/2020 the City did adhere to these financial policies and maintains a General Fund Reserve of over 15% (16.8% or \$5.4 million for fiscal year 2019/2020). However, due to revenues that were significantly lower than budget totals, the City did see a decrease in unrestricted fund balance/reserve of approximately \$1.2 million. Some of the main reasons for the decrease appear to be from unrealized budgeted revenues, from Federal and State reimbursements and transfers, that were never documented and were not entered or approved by

departmental budget managers.

Table A - "Governmental Fund Financial Results" below, summarizes how these funds performed and a snapshot as of June 30, 2020 at their condition. Although the General Fund shows just over \$10 million in fund balance, of that approximately \$5.4 million is unrestricted which means available for Council's use but currently sustains Council's goal of a 15% reserve.

TABLE A:				
Governmental Fund Financial Results, 2019/2020				
(In Thousands)				
Governmental:				
Fund	Net Income (Loss)	Available Fund Balance	Growing	Comment
General Fund	(2,521)	10,368	No	Revenues received were substantially below budget, this includes capital expenditures and Fund Balance from the Accumulated Capital Outlay (ACO) Fund. The GF Reserve is at 16%.
Housing	535	20,269	Yes	Restricted Funds: Revenues from new grants, loan payoffs and loan payments
Transportation and Other Funds	189	14,145	Yes	Restricted Funds: Non-Major Funds includes Transportation, Gas Tax, Transportation Impact Fee and Other Funds

The City has four major enterprise funds summarized in Table B for Business Type (Proprietary) Funds that the City has to provide critical services for its residents and businesses.

TABLE B:				
Business Type (Proprietary) Funds Financial Results, 2019/2020				
(In Thousands)				
Business Type:				
Fund	Net Income (Loss)	Available Fund Balance	Growing	Comment
Water	4,126	11,716	Yes	There are significant capital needs, staff will continue to monitor and review rates for sustainability.
Wastewater	2,101	11,035	Yes	There are significant capital needs, staff will continue to monitor and review rates for sustainability.
Storm Drain	1,033	6,147	Yes	There are significant capital needs, staff will continue to monitor and review rates for sustainability.
Refuse	(82)	73	No	There are significant capital needs, staff will continue to monitor and review rates for sustainability.
Airport/Intermodal/ Courthouse	(63)	(1,604)	No	There are significant operational and capital needs, staff will continue to monitor and review rates for sustainability and payment of past debts.
Enterprise Sub Total	7,115	28,971		
Internal Service	3,274	18,853	Yes	These funds will not typically grow, however, there is a need for adequate reserves in this funds to pay for insurances and internal services.
* Note: Business activity fund equity includes fixed assets which are not expendable resources. As a result, net available cash is shown. Governmental funds do not include debt nor fixed assets. As a result Fund Balance is shown.				

The City should continue to pursue cost reductions, new revenues, cost recovery, minimizing staffing, and keep up on long term planning related to all funds in order to be able to adequately measure financial sustainability.

The fiscal year 2019/2020 audited financial statements have been finalized significantly behind a normal timeline (due in March of each year, at the latest). The auditors identified five issues in finalizing the audit that are defined below:

Material Weakness - 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.

- Bank Reconciliations
- Financial Close
- Intergovernmental Balances

Significant Deficiency - 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.

- Preparation of Schedule of Expenditures of Federal Awards
- Capital Assets

Staff has provided a response to these findings and is working towards making sure they do not recur and the issuance of audited financial statements is timely. A significant contribution to the findings were vacancies in the Finance Department. Since this time a new Finance Director has come, two financial analyst positions filled and a new Accounting Technician added. City Council has also authorized an external Certified Public Accountant to assist the City in getting more timely financial entries made which will address the findings in this audit. The complete detailed findings and responses are shown in the attached 2019/2020 Audited Financial Statements under the Auditors Report on Internal Control.

It is important to keep in mind, costs to operate the City continue to increase and generally match or sometimes outpace the growth of revenues especially in the General Fund which limits efforts of the City to take care of deferred needs or increase services.

FISCAL IMPACT:

This is for informational. There is no fiscal impact.

ATTACHMENTS:

COH FS Final 2020

COH SAS114 Final 2020

CITY OF HANFORD

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2020**

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**CITY OF HANFORD
PRINCIPAL CITY OFFICIALS
JUNE 30, 2020**

CITY COUNCIL

NAME

POSITION

John Draxler
Francisco Ramirez
Martin Devine
Sue Sorensen
Art Brieno

Mayor
Vice Mayor
Council Member
Council Member
Council Member

ADMINISTRATION

Mario Cifuentez
Griswold, LaSalle, Cobb, Dowd & Ginn, LLP
Sarah Martinez
Christopher Tavarez
Steve Pendergrass
Darlene Mata
Parker Sever
John Doyel
Craig Miller
Lou Camara
Sarah Cardoza

City Manager
City Attorneys
City Clerk
Treasurer/Finance Director
Fire Chief
Community Development Director
Police Chief
Utility & Engineering Director
Parks & Recreation Director
Public Works Director
Human Resources Manager



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council
City of Hanford
Hanford, 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 Hanford, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of as of June 30, 2020, the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, schedule of the City's proportionate share of the net pension liability, schedule of plan contributions, schedule of changes in net OPEB liability and related ratios, schedule of contributions - OPEB, and budgetary comparison schedules for the General Fund, CDBG Home/Housing Fund, Capital Projects Fund, Transportation Impact Fees Fund, and the Transportation Development Act Fund, 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's basic financial statements. The principal city officials and combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole. The principal city officials have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2021, 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 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.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
August 9, 2021

**CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

This discussion and analysis of the City of Hanford's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Assets of the City exceed its liabilities at the close of the most recent fiscal year 2020 by \$300.6 million. Of this amount, about \$24.0 million in unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$44.8 million.
- Approximately 11.4% of the combined governmental fund balances is considered available for spending at the City's discretion.
- As of June 30, 2020, unassigned fund balance in the General Fund was \$5.4 million, or 16.8% of total General Fund Expenditures.
- The City's total debt decreased by \$2.4 million during fiscal year 2020, which is due to the normal maturity of debt in the water system, the wastewater system, and the citywide solar energy system.
- The following pension liabilities totaling \$46,142,897 are included in the financial statements as required by GASB 68: General Government \$37,321,838; Water System Enterprise \$2,251,007; Sewer Enterprise \$1,574,417; Storm Drainage \$217,303; Refuse Enterprise \$3,068,043; Computer Maintenance \$245,468; Building \$648,992; and Fleet Management \$815,829.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Hanford, California (the City) and its component units, using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

These **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the GASB statements regarding interfund activity, payables and receivables.

The **Fund Financial Statements** include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

**CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements included all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and sales tax base.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental Activities – Most of the City's basic services are reported in this category, including General Government, Police, Fire, Public Works, Parks and Recreation, and Community Development. Property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants generally finance these activities.

Business-Type Activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water, Sewer, Storm Drain, Refuse, Airport, Intermodal, and Courthouse Square Funds are reported in this category.

FUND FINANCIAL STATEMENTS

The City, like other state and local governments, uses fund accounting to account for a number of funding sources and activities. In general, fund accounting provides a mechanism for separately accounting for a variety of different funding sources, and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and their purpose: Governmental, Proprietary or Fiduciary Funds. Note that the fund financial statements only present the most significant (or "major") funds. In addition, the fund financial statements include a schedule that reconciles the fund financial statements to the Government-Wide Financial Statements. This is designed to explain the difference created by the integrated approach.

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results shown in the governmental fund financial statements and those shown in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

**CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

Proprietary Funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's self-insurance, fleet maintenance, and computer maintenance funds. The internal service funds are reported with governmental activities in the government-wide financial statements.

Fiduciary Funds – The City is the trustee, or fiduciary, for certain funds held on behalf of various third parties. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain "required supplementary information" concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the general fund and other major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. The City is presenting prior fiscal years' data for the purpose of providing comparative information for the Management Discussion and Analysis (MD&A).

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$310,613,305 at the close of the 2019-2020 fiscal year.

By far, the largest portion of the City's net position, 82.1%, reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure and equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, their value is not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the sources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

Of the total current assets totaling \$87,856,744, approximately 88.6% or \$77,797,612, consists of unrestricted cash and investments. These funds are invested in accordance with State law and the City's investment policy and include funds legally and/or contractually restricted as to their use.

STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current assets	\$ 42,290,355	\$ 43,940,253	\$ 45,566,389	\$ 41,597,487	\$ 87,856,744	\$ 85,537,740
Capital and non-current assets (net of depreciation)	179,691,768	173,913,582	130,994,736	129,402,127	310,686,504	303,315,709
Total Assets	<u>221,982,123</u>	<u>217,853,835</u>	<u>176,561,125</u>	<u>170,999,614</u>	<u>398,543,248</u>	<u>388,853,449</u>
Deferred outflows of resources	11,296,454	11,791,403	2,014,171	2,247,058	13,310,625	14,038,461
LIABILITIES						
Current and other liabilities	6,276,526	6,600,467	1,660,644	4,786,601	7,937,170	11,387,068
Long-term liabilities	47,671,632	40,059,548	42,201,977	41,823,255	89,873,609	81,882,803
Total Liabilities	<u>53,948,158</u>	<u>46,660,015</u>	<u>43,862,621</u>	<u>46,609,856</u>	<u>97,810,779</u>	<u>93,269,871</u>
Deferred inflows of resources	2,417,713	3,690,641	1,012,076	1,828,768	3,429,789	5,519,409
NET POSITION						
Net investment in capital assets	158,401,312	152,623,126	96,648,645	92,471,031	255,049,957	245,094,157
Restricted	31,543,209	36,912,718	2,379	2,419	31,545,588	36,915,137
Unrestricted	(13,031,815)	(10,241,262)	37,049,575	32,334,598	24,017,760	22,093,336
Total Net Position	<u>\$176,912,706</u>	<u>\$ 179,294,582</u>	<u>\$ 133,700,599</u>	<u>\$ 124,808,048</u>	<u>\$ 310,613,305</u>	<u>\$ 304,102,630</u>

An additional portion of the City's net position of \$31,545,588 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$24,017,760, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report an overall positive balance in net position. This means the City has sufficient current assets to satisfy both its current and long-term liabilities and fulfill its obligations pursuant to external restriction imposed on City assets. In short, the City is in sound financial condition.

CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time. The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net assets increased or decreased. From June 30, 2019 to June 30, 2020, the net position of the City as a whole increased, largely due to the increase in other revenues.

STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for services	\$ 7,235,394	\$ 8,160,049	\$ 25,726,945	\$ 24,277,814	\$ 32,962,339	\$ 32,437,863
Operating grants and contributions	1,606,323	1,402,082	-	-	1,606,323	1,402,082
Capital grants and contributions	416,429	710,585	-	-	416,429	710,585
General Revenues:						
Taxes	28,637,619	27,991,806	-	-	28,637,619	27,991,806
Investment earnings	917,907	1,685,494	714,727	863,991	1,632,634	2,549,485
Other revenues	7,293,723	5,268,071	4,171,430	3,148,209	11,465,153	8,416,280
Total Revenues	<u>46,107,395</u>	<u>45,218,087</u>	<u>30,613,102</u>	<u>28,290,014</u>	<u>76,720,497</u>	<u>73,508,101</u>
EXPENSES						
Governmental Activities:						
General government	7,424,876	1,818,009	-	-	7,424,876	1,818,009
Public safety	22,348,294	20,415,070	-	-	22,348,294	20,415,070
Public works	5,328,310	8,608,632	-	-	5,328,310	8,608,632
Parks and recreation	3,628,645	2,681,282	-	-	3,628,645	2,681,282
Community development	2,780,857	4,140,104	-	-	2,780,857	4,140,104
Business-type Activities:						
Water system	-	-	7,430,096	6,097,140	7,430,096	6,097,140
Wastewater system	-	-	5,375,459	4,738,256	5,375,459	4,738,256
Storm drain	-	-	747,116	(112,831)	747,116	(112,831)
Refuse	-	-	8,478,104	8,281,902	8,478,104	8,281,902
Airport	-	-	505,212	429,455	505,212	429,455
Intermodal	-	-	57,761	50,808	57,761	50,808
Courthouse square	-	-	79,642	177,774	79,642	177,774
Total Expenses	<u>41,510,982</u>	<u>37,663,097</u>	<u>22,673,390</u>	<u>19,662,504</u>	<u>64,184,372</u>	<u>57,325,601</u>
Increase in Net Position						
Before Transfers	4,596,413	7,554,990	7,939,712	8,627,510	12,536,125	16,182,500
Transfers	(1,004,179)	(1,039,937)	1,004,179	1,039,937	-	-
Change in Net Position	<u>3,592,234</u>	<u>6,515,053</u>	<u>8,943,891</u>	<u>9,667,447</u>	<u>12,536,125</u>	<u>16,182,500</u>
Net Position, Beginning of Year, as Previously Reported	179,294,582	172,779,529	124,808,048	115,087,782	304,102,630	287,867,311
Prior Period Adjustment	(5,974,110)	-	(51,340)	52,819	(6,025,450)	52,819
Net Position, Beginning of Year, Restated	<u>173,320,472</u>	<u>172,779,529</u>	<u>124,756,708</u>	<u>115,140,601</u>	<u>298,077,180</u>	<u>287,920,130</u>
Net Position, End of Year	<u>\$ 176,912,706</u>	<u>\$ 179,294,582</u>	<u>\$ 133,700,599</u>	<u>\$ 124,808,048</u>	<u>\$ 310,613,305</u>	<u>\$ 304,102,630</u>

**CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

The City's revenue totaled \$76,720,497 with 43.0% generated from charges for services and 37.3% generated from taxes. The largest source of revenues in governmental activities comes from taxes at 62.1%. This is typical in that traditional services provided by a city, such as public safety, parks, recreation, and public works, are primarily funded from property, sales, transient occupancy, and other local taxes. The largest source of revenues in Business-Type Activities comes from charges for services at 84.0%. The Business-Type Activities include enterprise fund operations, such as Water, Sewer, Refuse, Airport, Courthouse Square and Intermodal Funds, all of which recover their costs through fees and charges just like a normal business.

Expenses of the City totaled \$64,184,372. The two largest categories of expenses are public safety, which represents 34.8% of total costs, and general government, which represents 11.6% of total costs. However, in relation to Governmental Activity expenses only, public safety makes up 53.8% of the total and general government makes up 17.9% of the total.

As shown in the Statement of Activities, net position increased from the prior year. In the funds included within the Governmental Activities category, net position decreased, after prior period adjustment, by \$2,381,876, a decrease of 1.3%. The net position increased, after prior period adjustment, in the funds included within the Business-Type Activities category by \$8,892,551 or 7.1%.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As previously noted, the City of Hanford uses fund accounting to demonstrate compliance with legal and contractual requirements. This section provides an analysis and discussion of individual funds and fund types presented in the financial statements.

Governmental Funds – The Focus of the City of Hanford's governmental funds is on short-term inflows and outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed to a specific future use.

The General Fund is the primary operating fund of the City of Hanford. At the end of the fiscal year, unassigned fund balance of the General Fund was \$5,383,628 while total fund balance was \$5,580,872. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. The unassigned fund balance of the general fund represents approximately 16.8% of general fund expenditures.

Capital Improvement Funds, which are categorized as governmental funds, show fluctuations in their ending fund balances because they are primarily used to account for capital improvement projects that span more than one year. Therefore, the change in fund balance is generally due to the timing of funding, which generally occurs in one year, in relation to the timing of expenditures, which occur over more than one year. Any remaining fund balances are either reserved or earmarked specifically for the continuing cost of the related projects.

Proprietary Funds – The City proprietary funds include the Water, Wastewater, Storm Drain, Refuse, Airport, Intermodal, and Courthouse Square Funds. All of the proprietary funds are highly capital intensive, requiring a significant investment in capital equipment and facilities to conduct their operations, whether it be in water and sewer lines, water and wastewater treatment facilities or runways.

CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

The Water System Fund has a total net position of \$50,778,258 at the end of the fiscal year. Total net position includes \$38,574,826 invested in capital assets and \$21 restricted for debt service, which are not available to pay for current expenses. The remaining net position of \$12,203,411 is unrestricted and available to cover current operating and capital needs of the fund.

The Refuse Fund has a total net position of \$1,604,230 at the end of the fiscal year. Total net position includes \$3,628,431 invested in capital assets, which are not available to cover current expenses.

The Wastewater Fund has a total net position of \$38,801,852 at the end of the fiscal year. Total net position includes \$26,765,428 invested in capital assets and \$2,358 restricted for debt service, which are not available to cover current expenses. The fund has \$12,034,066 available to cover current operating and capital needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City of Hanford's investment in capital assets for its governmental and business type activities as of June 30, 2020 amounts to \$289,393,669 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads. The net increase in the City's investment in capital assets for the current fiscal year was \$7,370,835. This increase is a net result of annual depreciation, land acquisition, normal equipment replacement, and construction of typical capital assets. Significant capital asset events during the fiscal year included the following:

- Storm Drain Improvements Grangeville and 13th Avenue \$209,000;
- Traffic Signal and Street Improvements at Grangeville and 13th Avenue \$2,580,000;
- Wastewater Hanford Armona Main Extension – Airport \$330,000;
- Refuse Trash and Recycle Containers \$147,000;
- Financial System Implementation \$252,000;
- COE Park Playground Project \$247,000;
- General City Facility Improvements and Maintenance \$347,000;
- Airport Hangar Taxi Lane Rehabilitation \$364,000;
- Corporation Yard Wash Bay Renovation \$512,000;
- Purchase of Fleet Vehicles and Equipment \$2,337,000;
- Water Main Replacement \$929,000;
- 12th Avenue Widening and Harris through Springcrest \$1,106,000; and
- Various Street Construction Projects, Pavement Resurfacing, Rehabilitation and Betterments for \$1,109,000.

CAPITAL ASSETS
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 60,418,778	\$ 60,418,778	\$ 10,845,543	\$ 10,845,543	\$ 71,264,321	\$ 71,264,321
Buildings	28,093,720	15,760,267	103,072,517	8,208,259	131,166,237	23,968,526
Infrastructure	58,773,302	65,597,178	-	91,855,087	58,773,302	157,452,265
Equipment	10,374,011	10,154,174	16,667,457	17,603,547	27,041,468	27,757,721
Construction in progress	741,501	692,729	406,840	887,272	1,148,341	1,580,001
Total Capital Assets	<u>\$ 158,401,312</u>	<u>\$ 152,623,126</u>	<u>\$ 130,992,357</u>	<u>\$ 129,399,708</u>	<u>\$ 289,393,669</u>	<u>\$ 282,022,834</u>

**CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

Long-Term Debt - At the end of the current fiscal year, the City, had a total debt outstanding of \$35,979,291.

OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$1,377,747	\$1,222,244	\$ 257,832	\$ 224,915	\$ 1,635,579	\$ 1,447,159
Revenue bonds payable	-	-	19,560,000	21,110,000	19,560,000	21,110,000
Unamortized bond premium	-	-	703,039	776,346	703,039	776,346
Notes payable	-	-	5,469,703	5,831,622	5,469,703	5,831,622
Lease purchase	-	-	8,610,970	9,210,709	8,610,970	9,210,709
Total Outstanding Debt	<u>\$1,377,747</u>	<u>\$1,222,244</u>	<u>\$34,601,544</u>	<u>\$37,153,592</u>	<u>\$35,979,291</u>	<u>\$38,375,836</u>

In the Business-Type Activities, the revenue bonds payable consists of three bond issues. In 2013, for the water system, the city received \$12,725,000 from the issuance of Water Revenue Bonds for the purpose of refinancing a 2003 Revenue Bond and 2007 note payable, of which \$7,585,000 remains. For the sewer system there remains a 2015 \$3,010,000 Refunding Revenue Bond, and a 2012 \$8,965,000 Refunding Revenue Bond.

The notes payable portion of the outstanding debt totaling \$5,469,703 consists of one loan. In 2002, the City obtained a \$10,000,000 loan for the purpose of expanding the wastewater treatment plant.

The outstanding lease purchase amount, \$8,610,970, is comprised of two different capital leases. The first lease was for an energy efficient solar tracker system at the wastewater treatment plant for \$4,325,556. The second lease was for a second energy efficient solar tracking system in the amount of \$8,495,138. This system is located at the wastewater treatment plant but is serving the whole city.

For detail information regarding each of these bonds or notes, please refer to Note 5 – Long-Term Debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year budget did not have any significant changes made from the beginning of the fiscal year. Actual revenues, however, were \$1,489,324 under estimated budget amounts. This was partially due to overestimated or delayed federal and state grant reimbursements, reduced court and vehicle code fines received, elimination of Recreation Programs at the end of the fiscal year, and other negative revenue impacts mostly due to the COVID-19 pandemic. Expenditures for the fiscal year, as an offset to reduced revenues, were under budget by \$479,291. This was a result of unfilled positions in various departments, savings in some operational costs, and reduced maintenance expenses, to name a few.

**CITY OF HANFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2020-2021 budget process were:

- Conservative revenue projections due to potential negative COVID-19 pandemic impacts.
- Contracted services in lieu of increasing or filling in vacant positions.
- Reduced or removed contributions to external programs and organizations.
- Decreased contributions to building, equipment, and vehicle reserves.
- Defer equipment and capital project expenses.
- State budget actions will not negatively affect General Fund revenues.

Items addressed in the budget were:

Wastewater – Sewer main oversizing, extension and replacement, sewer video inspection, manhole repair/coating and lift station pump monitoring projects.

Airport – No capital projects this fiscal year.

Water – The completion of various water main replacements and additions, and the continuation of meter replacement and AMR replacement.

Storm Drain – Continued curb and gutter installation, increased flow capacity in Peoples Ditch, storm drain oversizing, pump station upgrades, basin tree removal, and installation of a new lift station.

Building – Several ADA building modifications, energy conservation projects, installing GPS on City vehicles, and a bathroom upgrade at City Hall.

Streets – Resurfacing, sealing, and maintenance on several streets, replacing curb, gutters, and sidewalks, lane widening, signage replacement and installing/replacing traffic signals at various locations.

General Fund Operations – Maintain current services and increase efficiency in operations, decrease expenses where possible, and anticipate minimal revenue growth with no draw from reserves. Also addressed are various ADA modifications, energy conservation projects, projects to increase security and safety of buildings, and continued technology system upgrades.

Parks and Recreation – Continue with a variety of recreation programs and activities and look for more opportunities to involve the community. Also ensure ADA compliance in all Parks, new playground equipment at Lakewood Park and Centennial Park, and modification and upgrade in parks and recreational facilities.

REQUESTS FOR INFORMATION

This Financial Report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in the report or requests for additional financial information can be sent via e-mail to finance@cityofhanfordca.com. Formal written requests should be addressed to: City of Hanford, Attn: Finance Department, 315 N. Douty Street, Hanford, California 93230.

FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HANFORD
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and investments	\$ 44,385,320	\$ 33,412,292	\$ 77,797,612
Receivables	5,533,229	2,818,552	8,351,781
Internal balances	(8,597,700)	8,597,700	-
Inventory	540,649	368,198	908,847
Deposits	329,500	14,000	343,500
Prepaid expenses and other assets	99,357	355,647	455,004
Long-term notes receivable	21,290,456	-	21,290,456
Restricted cash and investments	-	2,379	2,379
Capital Assets:			
Nondepreciable assets	61,160,279	11,252,383	72,412,662
Depreciable assets, net of depreciation	97,241,033	119,739,974	216,981,007
Total Assets	<u>221,982,123</u>	<u>176,561,125</u>	<u>398,543,248</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	10,506,333	1,791,316	12,297,649
Deferred outflows related to OPEB	790,121	222,855	1,012,976
Total Deferred Outflows of Resources	<u>11,296,454</u>	<u>2,014,171</u>	<u>13,310,625</u>
LIABILITIES			
Accounts payable	1,541,393	772,304	2,313,697
Salary and benefits payable	1,072,899	154,191	1,227,090
Accrued interest payable	-	381,706	381,706
Deposits and unearned revenue	3,583,819	334,956	3,918,775
Compensated absences - current portion	78,415	17,487	95,902
Compensated absences - noncurrent portion	1,299,332	240,345	1,539,677
Long-term debt - current	-	2,664,179	2,664,179
Long-term debt - noncurrent	-	30,976,494	30,976,494
Unamortized bond premium	-	703,039	703,039
Claims payable	5,320,225	-	5,320,225
Net OPEB liability	2,019,948	507,150	2,527,098
Net pension liability	39,032,127	7,110,770	46,142,897
Total Liabilities	<u>53,948,158</u>	<u>43,862,621</u>	<u>97,810,779</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,417,713	1,012,076	3,429,789
Total Deferred Inflows of Resources	<u>2,417,713</u>	<u>1,012,076</u>	<u>3,429,789</u>
NET POSITION			
Net investment in capital assets	158,401,312	96,648,645	255,049,957
Restricted for:			
Streets	6,326,613	-	6,326,613
Debt service	-	2,379	2,379
Community Development	20,434,276	-	20,434,276
Public safety	578,015	-	578,015
Parks and recreation	4,204,305	-	4,204,305
Unrestricted	(13,031,815)	37,049,575	24,017,760
Total Net Position	<u>\$ 176,912,706</u>	<u>\$ 133,700,599</u>	<u>\$ 310,613,305</u>

The notes to the basic financial statements are an integral part of these statements.

**CITY OF HANFORD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 7,424,876	\$ 9,457	\$ 217,047	\$ -
Public safety	22,348,294	1,919,366	359,224	-
Public works	5,328,310	2,787,489	-	416,429
Recreation	3,628,645	195,064	-	-
Community development	2,780,857	2,324,018	1,030,052	-
Total Governmental Activities	41,510,982	7,235,394	1,606,323	416,429
Business-type Activities:				
Water system	7,430,096	10,195,400	-	-
Wastewater system	5,375,459	5,676,861	-	-
Storm drain	747,116	1,441,304	-	-
Refuse	8,478,104	8,223,347	-	-
Airport	505,212	130,717	-	-
Intermodal	57,761	2,808	-	-
Courthouse square	79,642	56,508	-	-
Total Business-type Activities	22,673,390	25,726,945	-	-
Total Primary Government	\$ 64,184,372	\$ 32,962,339	\$ 1,606,323	\$ 416,429

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

CITY OF HANFORD
STATEMENT OF ACTIVITIES (continued)
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Net (Expense) Revenue	Net (Expense) Revenue and Changes in Net Position		
		Governmental Activities	Business-type Activities	Total
Primary Government:				
Governmental Activities:				
General government	\$ (7,198,372)	\$ (7,198,372)	\$ -	\$ (7,198,372)
Public safety	(20,069,704)	(20,069,704)	-	(20,069,704)
Public works	(2,124,392)	(2,124,392)	-	(2,124,392)
Recreation	(3,433,581)	(3,433,581)	-	(3,433,581)
Community development	573,213	573,213	-	573,213
Total Governmental Activities	<u>(32,252,836)</u>	<u>(32,252,836)</u>	<u>-</u>	<u>(32,252,836)</u>
Business-type Activities:				
Water system	2,765,304	-	2,765,304	2,765,304
Wastewater system	301,402	-	301,402	301,402
Storm drain	694,188	-	694,188	694,188
Refuse	(254,757)	-	(254,757)	(254,757)
Airport	(374,495)	-	(374,495)	(374,495)
Intermodal	(54,953)	-	(54,953)	(54,953)
Courthouse square	(23,134)	-	(23,134)	(23,134)
Total Business-type Activities	<u>3,053,555</u>	<u>-</u>	<u>3,053,555</u>	<u>3,053,555</u>
Total Primary Government	<u>\$ (29,199,281)</u>	<u>(32,252,836)</u>	<u>3,053,555</u>	<u>(29,199,281)</u>
General Revenues:				
Taxes:				
Property taxes		12,295,760	-	12,295,760
Sales and use tax		14,103,551	-	14,103,551
Franchise taxes		998,402	-	998,402
Other taxes		1,239,906	-	1,239,906
Revenue from use of money and property		917,907	714,727	1,632,634
Impact fees		1,720,516	1,369,100	3,089,616
Contributed capital		6,196,908	3,424,285	9,621,193
Impairment loss		-	(974,950)	(974,950)
Loss on disposal of assets		(993,957)	-	(993,957)
Miscellaneous/other		370,256	352,995	723,251
Transfers - interfund		(1,004,179)	1,004,179	-
Total General Revenues and Transfers		<u>35,845,070</u>	<u>5,890,336</u>	<u>41,735,406</u>
Change in Net Position		<u>3,592,234</u>	<u>8,943,891</u>	<u>12,536,125</u>
Net Position, Beginning of Year, as Previously Reported		179,294,582	124,808,048	304,102,630
Prior Period Adjustments		<u>(5,974,110)</u>	<u>(51,340)</u>	<u>(6,025,450)</u>
Net Position, Beginning of Year, Restated		<u>173,320,472</u>	<u>124,756,708</u>	<u>298,077,180</u>
Net Position, End of Year		<u>\$ 176,912,706</u>	<u>\$ 133,700,599</u>	<u>\$ 310,613,305</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

GOVERNMENTAL FUNDS
FINANCIAL STATEMENTS

CITY OF HANFORD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	CDBG Home/Housing Fund	Capital Projects Fund	Transportation Impact Fees	Transportation Development Act Fund	All Other Governmental Funds	Total
ASSETS							
Cash and investments	\$ 6,552,156	\$ 969,223	\$ 1,604,973	\$ 4,541,009	\$ 2,959,653	\$ 8,252,556	\$ 24,879,570
Receivables	206,580	652,090	16,505	13,204	1,102,252	3,474,024	5,464,655
Loan receivable	-	19,006,444	-	-	-	2,284,012	21,290,456
Due from other funds	-	-	1,639,386	-	-	-	1,639,386
Deposits	104,500	-	-	-	-	-	104,500
Prepaid expenses and other assets	92,744	-	1,100	-	-	622	94,466
Advances to other funds	-	-	1,659,026	-	-	-	1,659,026
Total Assets	<u>\$ 6,955,980</u>	<u>\$ 20,627,757</u>	<u>\$ 4,920,990</u>	<u>\$ 4,554,213</u>	<u>\$ 4,061,905</u>	<u>\$ 14,011,214</u>	<u>\$ 55,132,059</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272,680	\$ 272,680
Accounts payable	428,046	254,479	134,248	-	-	232,808	1,049,581
Accrued wages payable	633,927	-	-	-	-	5,359	639,286
Unearned revenue	-	-	-	-	3,580,684	-	3,580,684
Consumer deposits	3,135	-	-	-	-	-	3,135
Due to other funds	310,000	103,933	-	2,918,446	-	1,472,196	4,804,575
Total Liabilities	<u>1,375,108</u>	<u>358,412</u>	<u>134,248</u>	<u>2,918,446</u>	<u>3,580,684</u>	<u>1,983,043</u>	<u>10,349,941</u>
Fund Balances:							
Nonspendable:							
Long-term receivables	-	-	-	-	-	2,252,415	2,252,415
Prepaid expenses	92,744	-	1,100	-	-	622	94,466
Insurance deposits	104,500	-	-	-	-	-	104,500
Restricted for:							
Community development	-	20,269,345	-	-	-	164,936	20,434,281
Streets and roads	-	-	-	1,635,767	481,221	3,627,807	5,744,795
Recreation	-	-	-	-	-	4,204,305	4,204,305
Landscape maintenance	-	-	-	-	-	581,818	581,818
Public safety	-	-	-	-	-	636,174	636,174
Committed for:							
Parking and business improvement	-	-	4,785,642	-	-	369,187	5,154,829
Community development	-	-	-	-	-	460,475	460,475
Unassigned	5,383,628	-	-	-	-	(269,568)	5,114,060
Total Fund Balances	<u>5,580,872</u>	<u>20,269,345</u>	<u>4,786,742</u>	<u>1,635,767</u>	<u>481,221</u>	<u>12,028,171</u>	<u>44,782,118</u>
Total Liabilities and Fund Balances	<u>\$ 6,955,980</u>	<u>\$ 20,627,757</u>	<u>\$ 4,920,990</u>	<u>\$ 4,554,213</u>	<u>\$ 4,061,905</u>	<u>\$ 14,011,214</u>	<u>\$ 55,132,059</u>

The notes to the basic financial statements are an integral part of these statements.

CITY OF HANFORD
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

Total Fund Balances Governmental Funds \$ 44,782,118

Amounts Reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets: In governmental funds, only current assets are reported. In the Statement of Net Position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets at historical cost	\$ 259,435,071	
Accumulated depreciation	<u>(109,835,789)</u>	149,599,282

Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, risk management, building usage, and computer maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

14,494,916

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Compensated absences	\$ (1,317,227)	
Net OPEB liability	(2,019,948)	
Net pension liability	<u>(37,321,838)</u>	(40,659,013)

Deferred outflows related to pensions and OPEB 10,881,878

Deferred inflows related to pensions (2,186,475)

Total Net Position - Governmental Activities \$ 176,912,706

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

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

	General Fund	CDBG Home/Housing Fund	Capital Projects Fund	Transportation Impact Fees	Transportation Development Act Fund	All Other Governmental Funds	Total
REVENUES							
Taxes and special assessments	\$ 26,130,971	\$ -	\$ -	\$ 1,005,009	\$ 671,908	\$ 4,173,843	\$ 31,981,731
Aid from other government agencies	1,049,433	542,001	1,235	-	-	1,924,259	3,516,928
Licenses and permits	1,105,993	-	-	-	-	-	1,105,993
Fines and forfeitures	122,222	-	-	-	-	49,654	171,876
Charges for services	1,784,936	-	2,068	-	-	-	1,787,004
Revenue from use of money and property	138,227	1,033,769	59,425	60,387	73,359	194,256	1,559,423
Miscellaneous	281,983	412	17,682	-	-	134,083	434,160
Total Revenues	<u>30,613,765</u>	<u>1,576,182</u>	<u>80,410</u>	<u>1,065,396</u>	<u>745,267</u>	<u>6,476,095</u>	<u>40,557,115</u>
EXPENDITURES							
General government	2,632,258	-	-	-	-	34,065	2,666,323
Public safety	20,484,238	-	-	-	-	-	20,484,238
Public works	2,377,018	-	1,369	-	11,743	2,363,518	4,753,648
Recreation	3,510,358	-	-	-	-	-	3,510,358
Community development	1,751,528	436,713	105,925	-	-	496,273	2,790,439
Capital outlay	1,269,619	604,695	686,940	965,476	660,166	3,456,685	7,643,581
Total Expenditures	<u>32,025,019</u>	<u>1,041,408</u>	<u>794,234</u>	<u>965,476</u>	<u>671,909</u>	<u>6,350,541</u>	<u>41,848,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,411,254)</u>	<u>534,774</u>	<u>(713,824)</u>	<u>99,920</u>	<u>73,358</u>	<u>125,554</u>	<u>(1,291,472)</u>
Other Financing Sources (Uses)							
Operating transfers in	50,162	-	-	270,000	-	117	320,279
Operating transfers out	(433,856)	-	(12,051)	-	-	(379,850)	(825,757)
Total Other Financing Sources (Uses)	<u>(383,694)</u>	<u>-</u>	<u>(12,051)</u>	<u>270,000</u>	<u>-</u>	<u>(379,733)</u>	<u>(505,478)</u>
Net Change in Fund Balance	<u>(1,794,948)</u>	<u>534,774</u>	<u>(725,875)</u>	<u>369,920</u>	<u>73,358</u>	<u>(254,179)</u>	<u>(1,796,950)</u>
Fund Balance, Beginning of Year	7,449,225	19,734,571	5,512,617	1,265,847	1,167,241	12,282,350	47,411,851
Prior Period Adjustment	(73,405)	-	-	-	(759,378)	-	(832,783)
Fund Balance, Beginning of Year (Restated)	<u>7,375,820</u>	<u>19,734,571</u>	<u>5,512,617</u>	<u>1,265,847</u>	<u>407,863</u>	<u>12,282,350</u>	<u>46,579,068</u>
Fund Balance, End of Year	<u>\$ 5,580,872</u>	<u>\$ 20,269,345</u>	<u>\$ 4,786,742</u>	<u>\$ 1,635,767</u>	<u>\$ 481,221</u>	<u>\$ 12,028,171</u>	<u>\$ 44,782,118</u>

The notes to the basic financial statements are an integral part of these statements.

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

Total Net Change in Fund Balances - Governmental Funds \$ (1,796,950)

Amounts Reported for Governmental Activities in the Statement of Activities
are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the Statement of Activities, the cost of those assets is allocated
over their estimated useful lives as depreciation expense. This is the amount
by which capital outlay and contributed capital exceeded depreciation in the
current period:

Expenditures for capital outlay	\$ 7,643,581	
Contributed capital and sale of assets	6,196,908	
Disposal of capital assets	(668,822)	
Depreciation expense	<u>(7,666,674)</u>	5,504,993

Compensated absences: In governmental funds, compensated absences are
measured by the amounts paid during the period. In the Statement of
Activities, compensated absences are measured by the amounts earned.
The difference between compensated absences paid and those earned was: (145,395)

Internal service funds are used by management to charge the costs of fleet
maintenance, purchasing, employee welfare, workers' compensation,
general and unemployment insurance to individual funds. The net revenue
of certain activities of internal service funds is reported with governmental
activities: 837,904

Net Pension and OPEB liabilities: The expenses reported in the Statement of Activities do
not require the use of current financial resources and therefore are not
reported as expenditures in governmental funds. (1,437,359)

Pension and OPEB contributions are reported as expenditures in the governmental
funds, but contributions are reported as deferred outflows in the Statement
of Net Position. 629,041

Change in Net Position of Governmental Activities \$ 3,592,234

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

PROPRIETARY FUNDS
FINANCIAL STATEMENTS

**CITY OF HANFORD
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
JUNE 30, 2020**

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund
ASSETS				
Current Assets:				
Cash and investments	\$ 13,889,693	\$ 12,826,834	\$ 6,175,096	\$ 395,105
Restricted cash and investments	21	2,358	-	-
Receivables, net	1,020,841	796,197	166,611	810,151
Deposits	10,000	4,000	-	-
Prepaid expenses	21,120	327,153	1,074	6,300
Inventory	368,198	-	-	-
Due from other funds	-	-	-	-
Total current assets	<u>15,309,873</u>	<u>13,956,542</u>	<u>6,342,781</u>	<u>1,211,556</u>
Noncurrent Assets:				
Capital Assets:				
Land	211,614	4,135,650	3,622,772	-
Buildings and improvements	59,066,904	76,726,103	20,912,175	1,351,845
Machinery and equipment	17,969,044	2,338,551	851,250	7,294,998
Construction in progress	-	406,840	-	-
Less accumulated depreciation	(24,168,044)	(37,002,696)	(5,933,658)	(5,018,412)
Capital assets, net	<u>53,079,518</u>	<u>46,604,448</u>	<u>19,452,539</u>	<u>3,628,431</u>
Total noncurrent assets	<u>53,079,518</u>	<u>46,604,448</u>	<u>19,452,539</u>	<u>3,628,431</u>
Total Assets	<u>68,389,391</u>	<u>60,560,990</u>	<u>25,795,320</u>	<u>4,839,987</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	551,186	391,741	27,998	820,391
Deferred outflows related to OPEB	70,908	60,779	-	91,168
Total Deferred Outflows of Resources	<u>622,094</u>	<u>452,520</u>	<u>27,998</u>	<u>911,559</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	377,815	114,808	14,565	261,654
Salaries and benefits payable	52,939	34,166	11,865	54,111
Deposits and unearned revenue	329,244	1,286	710	1,235
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Interest payable	127,506	254,200	-	-
Compensated absences - current portion	6,324	3,183	1,100	4,862
Current portion of long-term debt	1,279,517	1,384,662	-	-
Total current liabilities	<u>2,173,345</u>	<u>1,792,305</u>	<u>28,240</u>	<u>321,862</u>
Noncurrent Liabilities:				
Compensated absences payable	99,075	49,867	17,245	76,176
Net OPEB liability	166,490	126,029	-	214,631
Claims payable	-	-	-	-
Unamortized bond premium	254,335	448,704	-	-
Bonds and notes payable	12,970,840	18,005,654	-	-
Net pension liability	2,251,007	1,574,417	217,303	3,068,043
Total noncurrent liabilities	<u>15,741,747</u>	<u>20,204,671</u>	<u>234,548</u>	<u>3,358,850</u>
Total Liabilities	<u>17,915,092</u>	<u>21,996,976</u>	<u>262,788</u>	<u>3,680,712</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	318,135	214,682	12,655	466,604
Total Deferred Inflows of Resources	<u>318,135</u>	<u>214,682</u>	<u>12,655</u>	<u>466,604</u>
NET POSITION				
Net investment in capital assets	38,574,826	26,765,428	19,452,539	3,628,431
Restricted for debt service	21	2,358	-	-
Unrestricted	<u>12,203,411</u>	<u>12,034,066</u>	<u>6,095,336</u>	<u>(2,024,201)</u>
Total Net Position	<u>\$ 50,778,258</u>	<u>\$ 38,801,852</u>	<u>\$ 25,547,875</u>	<u>\$ 1,604,230</u>

The notes to the basic financial statements are an integral part of these statements.

CITY OF HANFORD
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS (continued)
JUNE 30, 2020

	Airport Fund	Intermodal Fund	Courthouse Square	Total	Governmental Activities Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 124,576	\$ 41	\$ 947	\$ 33,412,292	\$ 19,778,430
Restricted cash and investments	-	-	-	2,379	-
Receivables, net	11,776	5,592	7,384	2,818,552	68,574
Deposits	-	-	-	14,000	225,000
Prepaid expenses	-	-	-	355,647	4,891
Inventory	-	-	-	368,198	540,649
Due from other funds	-	-	-	-	3,228,446
Total current assets	<u>136,352</u>	<u>5,633</u>	<u>8,331</u>	<u>36,971,068</u>	<u>23,845,990</u>
Noncurrent Assets:					
Capital Assets:					
Land	2,596,623	278,884	-	10,845,543	-
Buildings and improvements	10,088,865	1,305,817	-	169,451,709	-
Machinery and equipment	54,971	-	-	28,508,814	17,429,915
Construction in progress	-	-	-	406,840	-
Less accumulated depreciation	(5,459,006)	(638,733)	-	(78,220,549)	(8,627,885)
Capital assets, net	<u>7,281,453</u>	<u>945,968</u>	<u>-</u>	<u>130,992,357</u>	<u>8,802,030</u>
Total other noncurrent assets	<u>7,281,453</u>	<u>945,968</u>	<u>-</u>	<u>130,992,357</u>	<u>8,802,030</u>
Total Assets	<u>7,417,805</u>	<u>951,601</u>	<u>8,331</u>	<u>167,963,425</u>	<u>32,648,020</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	-	-	-	1,791,316	414,576
Deferred outflows related to OPEB	-	-	-	222,855	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,014,171</u>	<u>414,576</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	2,319	101	1,042	772,304	491,812
Salaries and benefits payable	1,110	-	-	154,191	433,613
Deposits and unearned revenue	2,481	-	-	334,956	-
Due to other funds	-	7,227	56,030	63,257	-
Advances from other funds	375,468	261,224	1,022,334	1,659,026	-
Interest payable	-	-	-	381,706	-
Compensated absences - current portion	-	-	-	15,469	227
Current portion of long-term debt	-	-	-	2,664,179	-
Total current liabilities	<u>381,378</u>	<u>268,552</u>	<u>1,079,406</u>	<u>6,045,088</u>	<u>925,652</u>
Noncurrent Liabilities:					
Compensated absences payable	-	-	-	242,363	60,293
Net OPEB liability	-	-	-	507,150	-
Claims Payable	-	-	-	-	5,320,225
Unamortized bond premium	-	-	-	703,039	-
Bonds and notes payable	-	-	-	30,976,494	-
Net pension liability	-	-	-	7,110,770	1,710,289
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,539,816</u>	<u>7,090,807</u>
Total Liabilities	<u>381,378</u>	<u>268,552</u>	<u>1,079,406</u>	<u>45,584,904</u>	<u>8,016,459</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	-	-	-	1,012,076	231,238
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,076</u>	<u>231,238</u>
NET POSITION					
Net investment in capital assets	7,281,453	945,968	-	96,648,645	8,802,030
Restricted for debt service	-	-	-	2,379	-
Unrestricted	<u>(245,026)</u>	<u>(262,919)</u>	<u>(1,071,075)</u>	<u>26,729,592</u>	<u>16,012,869</u>
Total Net Position	<u>\$ 7,036,427</u>	<u>\$ 683,049</u>	<u>\$ (1,071,075)</u>	<u>123,380,616</u>	<u>\$ 24,814,899</u>
Adjustment to reflect the consolidation of internal service fund activities				<u>10,319,983</u>	
Net Position of Business-type Activities				<u>\$ 133,700,599</u>	

The notes to the basic financial statements are an integral part of these statements.

CITY OF HANFORD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund
OPERATING REVENUES				
Charges for services	\$ 10,195,400	\$ 5,676,861	\$ 1,441,304	\$ 8,223,347
Other revenues	714,353	648,197	113,024	161,563
Total Operating Revenues	<u>10,909,753</u>	<u>6,325,058</u>	<u>1,554,328</u>	<u>8,384,910</u>
OPERATING EXPENSES				
Personnel services	2,266,186	1,283,156	488,529	2,527,306
Services and supplies	2,683,130	2,054,445	760,348	5,697,807
Depreciation	2,228,901	1,641,530	292,872	631,297
Total Operating Expenses	<u>7,178,217</u>	<u>4,979,131</u>	<u>1,541,749</u>	<u>8,856,410</u>
Operating Income (Loss)	<u>3,731,536</u>	<u>1,345,927</u>	<u>12,579</u>	<u>(471,500)</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	-	-	-	14,518
Interest income	269,509	267,155	132,522	13,901
Interest expense	(565,014)	(677,696)	-	-
Unrealized gain (loss) on investments	11,330	12,519	6,883	1,300
Impairment loss	(974,950)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(1,259,125)</u>	<u>(398,022)</u>	<u>139,405</u>	<u>29,719</u>
Income (Loss) Before Capital Contributions and Transfers	2,472,411	947,905	151,984	(441,781)
Capital contributions	1,385,298	1,161,458	877,529	-
Transfers in (out)	<u>268,548</u>	<u>(8,348)</u>	<u>3,924</u>	<u>359,712</u>
Change in Net Position	<u>4,126,257</u>	<u>2,101,015</u>	<u>1,033,437</u>	<u>(82,069)</u>
Net Position (Deficit), Beginning of Year	46,703,341	36,700,837	24,514,438	1,686,299
Prior Period Adjustment	<u>(51,340)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position (Deficit), Beginning of Year (Restated)	<u>46,652,001</u>	<u>36,700,837</u>	<u>24,514,438</u>	<u>1,686,299</u>
Net Position (Deficit), End of Year	<u>\$ 50,778,258</u>	<u>\$ 38,801,852</u>	<u>\$ 25,547,875</u>	<u>\$ 1,604,230</u>

The notes to the basic financial statements are an integral part of these statements.

CITY OF HANFORD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Airport Fund	Intermodal Fund	Courthouse Square	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 130,717	\$ 2,808	\$ 56,508	\$ 25,726,945	\$ 12,505,602
Other revenues	68,911	1,529	-	1,707,577	442,889
Total Operating Revenues	199,628	4,337	56,508	27,434,522	12,948,491
OPERATING EXPENSES					
Personnel services	40,675	-	-	6,605,852	1,622,061
Services and supplies	125,452	31,644	100,643	11,453,469	6,511,370
Depreciation	381,087	26,117	-	5,201,804	1,064,983
Total Operating Expenses	547,214	57,761	100,643	23,261,125	9,198,414
Operating Income (Loss)	(347,586)	(53,424)	(44,135)	4,173,397	3,750,077
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	-	-	-	14,518	(301,228)
Interest income	(85)	(63)	(70)	682,869	304,561
Interest expense	-	-	-	(1,242,710)	-
Unrealized gain (loss) on investments	(76)	(28)	(70)	31,858	18,861
Impairment loss	-	-	-	(974,950)	-
Total Nonoperating Revenues (Expenses)	(161)	(91)	(140)	(1,488,415)	22,194
Income (Loss) Before Capital Contributions and Transfers	(347,747)	(53,515)	(44,275)	2,684,982	3,772,271
Capital contributions	-	-	-	3,424,285	-
Transfers in (out)	380,343	-	-	1,004,179	(498,701)
Change in Net Position	32,596	(53,515)	(44,275)	7,113,446	3,273,570
Net Position (Deficit), Beginning of Year	7,003,831	736,564	(1,026,800)		26,682,656
Prior Period Adjustment	-	-	-		(5,141,327)
Net Position (Deficit), Beginning of Year (Restated)	7,003,831	736,564	(1,026,800)		21,541,329
Net Position (Deficit), End of Year	\$ 7,036,427	\$ 683,049	\$ (1,071,075)		\$ 24,814,899
Adjustment to reflect the consolidation of internal service funds				1,830,445	
Change in Net Position of Business-type Activities				\$ 8,943,891	

The notes to the basic financial statements are an integral part of these statements.

**CITY OF HANFORD
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund
Cash Flows from Operating Activities:				
Cash received for current services	\$ 10,133,288	\$ 5,675,300	\$ 1,429,296	\$ 8,166,387
Cash received for other operating revenues	708,714	648,197	112,958	161,174
Cash paid to suppliers for goods and services	(2,937,588)	(2,325,453)	(935,813)	(5,836,940)
Cash paid for salaries and benefits	(2,337,498)	(1,314,700)	(510,727)	(2,585,872)
Net Cash Provided (Used) by Operating Activities	<u>5,566,916</u>	<u>2,683,344</u>	<u>95,714</u>	<u>(95,251)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers (to) from other funds	268,548	(8,348)	3,924	359,712
Loans from/(to) other funds	(23,910)	-	-	-
Intergovernmental revenue	-	-	-	14,518
Net Cash Provided (Used) by Non-capital Financing Activities	<u>244,638</u>	<u>(8,348)</u>	<u>3,924</u>	<u>374,230</u>
Cash Flows from Capital and Related Financing Activities:				
Principal payments on long-term debt	(1,196,474)	(1,315,184)	-	-
Interest payments on long-term debt	(595,539)	(668,144)	-	-
Capital expenditures	(2,487,860)	(474,042)	(348,400)	(1,019,570)
Proceeds from the sale of capital assets	347,302	-	-	1,849
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,932,571)</u>	<u>(2,457,370)</u>	<u>(348,400)</u>	<u>(1,017,721)</u>
Cash Flows from Investing Activities:				
Unrealized gain (loss) on investments	11,330	12,519	6,883	1,300
Interest received on investments	269,509	267,155	132,522	13,901
Net Cash Provided (Used) by Investing Activities	<u>280,839</u>	<u>279,674</u>	<u>139,405</u>	<u>15,201</u>
Net Increase (Decrease) in Cash and Investments	2,159,822	497,300	(109,357)	(723,541)
Cash and Investments, Beginning of Year	<u>11,729,892</u>	<u>12,331,892</u>	<u>6,284,453</u>	<u>1,118,646</u>
Cash and Investments, End of Year	<u><u>\$ 13,889,714</u></u>	<u><u>\$ 12,829,192</u></u>	<u><u>\$ 6,175,096</u></u>	<u><u>\$ 395,105</u></u>
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 13,889,693	\$ 12,826,834	\$ 6,175,096	\$ 395,105
Restricted cash and investments	21	2,358	-	-
Total Cash and Investments	<u><u>\$ 13,889,714</u></u>	<u><u>\$ 12,829,192</u></u>	<u><u>\$ 6,175,096</u></u>	<u><u>\$ 395,105</u></u>

The notes to the basic financial statements are an integral part of these statements.

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

	Water System Fund	Sewer Improvement Funds Wastewater Fund	Storm Drain Fund	Refuse Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 3,731,536	\$ 1,345,927	\$ 12,579	\$ (471,500)
Adjustments to reconcile net income (loss) from operating to net cash provided (used) by operating activities:				
Depreciation	2,228,901	1,641,530	292,872	631,297
(Increase) decrease in:				
Accounts receivables, net	(55,259)	2,664	(11,933)	(56,653)
Deposits	(10,000)	(4,000)	-	-
Prepaid expenses	(5,639)	(319,504)	(66)	(389)
Inventory	(13,743)	-	-	-
Deferred outflows of resources	82,413	48,895	20,769	80,810
Due to/from other funds	-	-	-	-
Advances from other funds	-	-	-	-
Accounts payable	(240,715)	34,057	(175,465)	(139,133)
Salaries and benefits payable	(15,750)	499	(3,951)	(22,195)
Compensated absences	2,270	14,439	(1,503)	17,711
Deposits and unearned revenue	3,147	(225)	(75)	(307)
Net OPEB liability	12,915	11,069	-	16,603
Net pension liability	134,937	81,060	33,050	133,470
Deferred inflows of resources	(288,097)	(173,067)	(70,563)	(284,965)
Claims payable	-	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 5,566,916	\$ 2,683,344	\$ 95,714	\$ (95,251)
Noncash investing, capital, and financing activities:				
Contribution of capital assets	\$ 1,385,298	\$ 1,161,458	\$ 877,529	\$ -

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

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

	Airport Fund	Intermodal Fund	Courthouse Square	Total Enterprise Funds	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:					
Cash received for current services	\$ 126,732	\$ 31,582	\$ 55,268	\$ 25,617,853	\$ 17,821,402
Cash received for other operating revenues	68,911	1,529	-	1,701,483	543,088
Cash paid to suppliers for goods and services	(127,530)	(32,293)	(105,935)	(12,301,552)	(11,997,850)
Cash paid for salaries and benefits	(40,292)	(3,273)	90,440	(6,701,922)	(2,619,353)
Net Cash Provided (Used) by Operating Activities	27,821	(2,455)	39,773	8,315,862	3,747,287
Cash Flows from Non-Capital Financing Activities:					
Transfers (to) from other funds	380,343	-	-	1,004,179	(498,701)
Loans from/(to) other funds	-	-	-	(23,910)	-
Intergovernmental revenue	-	-	-	14,518	-
Net Cash Provided (Used) by Non-capital Financing Activities	380,343	-	-	994,787	(498,701)
Cash Flows from Capital and Related Financing Activities:					
Principal payments on long-term debt	-	-	-	(2,511,658)	-
Interest payments on long-term debt	-	-	-	(1,263,683)	-
Capital expenditures	(364,397)	-	-	(4,694,269)	(1,696,638)
Proceeds from the sale of capital assets	-	-	-	349,151	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(364,397)	-	-	(8,120,459)	(1,696,638)
Cash Flows from Investing Activities:					
Unrealized gain (loss) on investments	(76)	(28)	(70)	31,858	18,861
Interest received on investments	(85)	(63)	(70)	682,869	204,561
Net Cash Provided (Used) by Investing Activities	(161)	(91)	(140)	714,727	223,422
Net Increase (Decrease) in Cash and Investments	43,606	(2,546)	39,633	1,904,917	1,775,370
Cash and Investments, Beginning of Year	80,970	2,587	(38,686)	31,509,754	18,003,060
Cash and Investments, End of Year	\$ 124,576	\$ 41	\$ 947	\$ 33,414,671	\$ 19,778,430
Reconciliation to Statement of Net Position:					
Cash and investments	\$ 124,576	\$ 41	\$ 947	\$ 33,412,292	\$ 19,778,430
Restricted cash and investments	-	-	-	2,379	-
Total Cash and Investments	\$ 124,576	\$ 41	\$ 947	\$ 33,414,671	\$ 19,778,430

The notes to the basic financial statements are an integral part of these statements.

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

	Airport Fund	Intermodal Fund	Courthouse Square	Total Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (347,586)	\$ (53,424)	\$ (44,135)	\$ 4,173,397	\$ 3,750,077
Adjustments to reconcile net income (loss) from operating to net cash provided (used) by operating activities:					
Depreciation	381,087	26,117	-	5,201,804	1,064,983
(Increase) decrease in:					
Accounts receivables, net	(4,537)	28,774	(1,240)	(98,184)	(4,425)
Deposits	-	-	-	(14,000)	-
Prepaid expenses	-	-	-	(325,598)	12,120
Inventory	-	-	-	(13,743)	(298,684)
Deferred outflows of resources	-	-	-	232,887	62,124
Due to/from other funds	(375,468)	(264,497)	(931,894)	(1,571,859)	-
Advances from other funds	375,468	261,224	1,022,334	1,659,026	-
Accounts payable	(2,078)	(649)	(5,292)	(529,275)	8,283
Salaries and benefits payable	383	-	-	(41,014)	(957,319)
Compensated absences	-	-	-	32,917	10,108
Deposits and unearned revenue	552	-	-	3,092	-
Net OPEB liability	-	-	-	40,587	-
Net pension liability	-	-	-	382,517	98,857
Deferred inflows of resources	-	-	-	(816,692)	(211,062)
Claims payable	-	-	-	-	212,225
Net Cash Provided (Used) by Operating Activities	\$ 27,821	\$ (2,455)	\$ 39,773	\$ 8,315,862	\$ 3,747,287
Noncash investing, capital, and financing activities:					
Contribution of capital assets	\$ -	\$ -	\$ -	\$ 3,424,285	\$ -

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

FIDUCIARY FUNDS
FINANCIAL STATEMENTS

**CITY OF HANFORD
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
JUNE 30, 2020**

	Redevelopment Successor Agency Private-Purpose Trust Fund	Trust and Agency Funds
ASSETS		
Cash and investments	\$ 244,106	\$ 911,675
Accounts receivable	-	7,339
Assets held for resale	135,265	-
Total Assets	<u>379,371</u>	<u>919,014</u>
LIABILITIES		
Accounts payable	-	201,083
Deposits held for others	-	421,804
Bonds/notes payable	48,384	-
Total Liabilities	<u>48,384</u>	<u>622,887</u>
NET POSITION		
Held in trust for the retirement of obligations of the former Hanford Redevelopment Agency and other purposes	330,987	-
Restricted	-	296,127
Total Net Position	<u>\$ 330,987</u>	<u>\$ 296,127</u>

The notes to the basic financial statements are an integral part of these statements.

**CITY OF HANFORD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Redevelopment Successor Agency Private-Purpose Trust Fund	Trust and Agency Funds
ADDITIONS		
Investment earnings (loss)	\$ (671)	\$ -
Other additions	-	265,456
Total Additions	<u>(671)</u>	<u>265,456</u>
DEDUCTIONS		
General government	2,000	-
Unrealized (gain) loss on investments	<u>(487)</u>	<u>(17,475)</u>
Total Deductions	<u>1,513</u>	<u>(17,475)</u>
Change in Fiduciary Net Position	(2,184)	282,931
Net Position - Beginning of Year	<u>333,171</u>	<u>13,196</u>
Net Position - End of Year	<u><u>\$ 330,987</u></u>	<u><u>\$ 296,127</u></u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

The notes to the basic financial statements are an integral part of these statements.

**CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Hanford (the City) have been prepared in conformity with U.S. Generally Accepted Accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2020 and for the year then ended.

Description of the Reporting Entity: The City was incorporated as a General Law city in 1891. The City operates under a Council-Administrator form of government and provides the following services: Public safety (police and fire), community development, community services, public works, cultural, general administrative services, and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units. The component units discussed below is included in the City's reporting entity because of the significance of their operational or financial relationship with the City. However, elected officials of the City of have a continuing accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City (2) organizations for which the City is financially accountable and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. A component unit is presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City; otherwise the component unit is presented discretely.

Blended Component Unit: The financial statements of the City of include the financial activities of the City as well as of the Hanford Improvement Corporation. Although the Hanford Improvement Corporation is a legally distinct unit from the City, their financial operations are overseen by the City and the City Council is the board of directors of the Corporation.

Basis of Presentation

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

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

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

General Fund - The General Fund is the principle operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. For the City, the general fund includes basic governmental activities such as general government, public safety, public works, recreation and community development.

CDBG Home/Housing Fund – This fund is used to receive and disburse funds in accordance with grants received from the Department of Housing and Urban Development for the repair and improvement of targeted housing areas.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Transportation Impact Fees – This fund is used to hold and account for transportation development impact fees levied by city ordinance on development activities and collected for the purpose of financing construction of transportation facilities necessary to reduce impacts caused by growth or new development.

Transportation Development Act Fund – This fund is used to account for financial resources to be used for transit and non-transit related purposes that comply with regional transportation plans.

The City reports the following major enterprise funds:

Water System Fund – The Water System Fund is used to account for the financial activities of water utility of the City.

Wastewater Fund – The Wastewater Fund is used to account for financial activities of sewage collection and wastewater treatment utility of the City.

Storm Drain Fund – The Storm Drain Fund is used to account for the financial activities of the City's storm drains.

Refuse Fund – The Refuse Fund is used to account for the financial activities of the collection of solid waste and disposal utility of the City.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following major enterprise funds (continued):

Airport Fund – To account for all activities necessary to provide an airport to the residents of the City and surroundings areas.

Intermodal Fund – The Intermodal Fund is used to account for the financial activities of a building used to support state regional and local transportation.

Courthouse Square Fund – The Courthouse Square Fund is used to account for the financial activities of the maintenance and improvement of the property known as the Courthouse Square in downtown Hanford.

The City reports the following fund types in aggregate as part of other non-major governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Additionally, the City reports the following fund types:

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of the City to another on a cost-reimbursement basis.

Private-Purpose Trust Fund – The Private Purpose Trust Fund is used to account for the activities of the former Hanford Redevelopment Agency during the wind down period.

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governments.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: In accordance with GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – This amount represents outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources – This amount represents inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

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

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued): Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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

Assets, Liabilities, Net Assets or Equity, and Other Financial Statement Items

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, the City considers all short term and highly liquid investments (including restricted assets) to be cash and cash equivalents, as reported on the Statement of Net Position and Balance Sheet as cash and investments.

Investments: Investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale).

Further cash and investment disclosures are presented in Note 2.

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

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

Receivables: In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include intergovernmental and tax revenue receivable. Business-type activities report trade and intergovernmental revenue as their major receivables.

Inventory: Inventories of materials and supplies in the proprietary and internal services funds are valued at the lower of cost or market, carried on a first-in, first-out (FIFO) basis.

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

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued): In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

The City's capitalization threshold is \$5,000. In other words, fixed assets are capitalized only if they have a cost in excess of \$5,000 and have an expected useful life of three years or more. Fixed assets that have a cost below \$5,000 are expended during the fiscal year they are acquired.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized.

Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

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

Infrastructure	20 to 50 years
Buildings	20 to 50 years
Improvements other than buildings	20 to 50 years
Machinery and equipment	4 to 20 years

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.

Fund Financial Statements: In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences: It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. All vacation and compensatory 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 or retirements. For additional information regarding compensated absences, see Note 6.

Long-Term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit items. Investments are reported at fair value.

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	June 30, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Net Position: In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constructional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the City, not restricted for any project or other purpose.

Fund Balance: In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance (continued):

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established by either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the committed, assigned and unassigned resources as they are needed.

Property Taxes: In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County Collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt. In the fund financial statements, property tax is recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

The property tax calendar for the City and the Discretely Presented Component Unit is as follows:

Lien date	January 1
Levy dates	September 1
Due dates	November 1 – 1st installment
	February 1 – 2nd installment
Collection dates	December 10 – 1st installment
	April 12 – 2nd installment

Unearned Revenue: The City reports unearned revenue in its financial statements. Unearned revenue arises when resources are recovered by the government before it has legal claim to them.

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

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting: The procedures established by the City Council in adopting the budgetary data reflected in the financial statements are as follows:

On or before the second meeting in May, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing the following July 1. Following publication and public hearings, the budget is legally enacted by resolution.

The City Manager is authorized to transfer funds appropriated with respect to all classifications within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to existing capital outlay and capital projects classifications within the same department only; however, any revisions that alter the total expenditures of any department or create additional projects must be approved by the City Council.

Supplemental budgetary appropriations were negligible for the fiscal year ended June 30, 2020. All unencumbered appropriations lapse at year-end.

For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeted on a line item basis. A comparison of budgeted and actual revenues by line item would be too voluminous for this report.

Budgets for the General and major Special Revenue Funds are presented in the accompanying general purpose financial statements on a basis consistent with accounting principles generally accepted in the United States of America. Budgets for Capital Projects Funds are not presented because they are budgeted on a project basis rather than on an annual basis. No budgets are adopted for the Proprietary and Fiduciary Fund types.

Deficit Fund Equity/Net Position: At June 30, 2020, the Courthouse Square proprietary fund had a net position deficit of \$1,071,075. The Cannabis Operations special revenue fund had a fund balance deficit of \$5,274.

Reclassification and Eliminations: Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated.

Governmental Accounting Standards Update: During the year ending June 30, 2020, the City implemented the following standards:

GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance. The requirements of this statement are effective as of May 2020.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 84 – Fiduciary Activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2019.

GASB Statement No. 87 – Leases. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after June 15, 2021.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Accounting Standards Update (continued):

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2020.

GASB Statement No. 90 – Majority Equity Interests- an amendment of GASB Statements No. 14 and No 61. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2019.

GASB Statement No. 91 – Conduit Debt Obligations. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – Omnibus 2020. The requirements of this statement are effective for reporting periods beginning after June 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to June 15, 2021.

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Subsequent to issuance, GASB Statement No. 95 postponed the certain requirements of this statement to reporting periods beginning after June 15, 2022.

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through August 9, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 77,797,612
Restricted cash and investments	2,379
Fiduciary funds:	
Cash and investments	<u>1,155,781</u>
Total Cash and Investments	<u>\$ 78,955,772</u>

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	\$ 1,205
Deposits with financial institutions	16,592,128
Investments	<u>62,362,439</u>
Total Cash and Investments	<u><u>\$ 78,955,772</u></u>

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Corporate Investments	N/A	None	None

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosure Relating to Interest Rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of short term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing and coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Federal Agency Securities	\$ 8,563,533	\$ -	\$ -	\$ 8,563,533	\$ -
State and County Investment Pools	39,585,799	39,585,799	-	-	-
Negotiable Certificates of Deposits	11,325,128	1,506,436	848,757	5,385,900	3,584,035
Corporate Investments	2,878,153	-	-	-	2,878,153
Held by bond trustee:					
Money Market Funds	9,826	9,826	-	-	-
	<u>\$ 62,362,439</u>	<u>\$ 41,102,061</u>	<u>\$ 848,757</u>	<u>\$ 13,949,433</u>	<u>\$ 6,462,188</u>

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

Investment Type	Amount	Minimum Legal Rating	Standards & Poor's Ratings as of Year End		
			AAA	AA	Unrated
Federal Agency Securities	\$ 8,563,533	AA	\$ -	\$ 8,563,533	\$ -
State and County Investment Pools	39,585,799	N/A	-	-	39,585,799
Negotiable Certificates of Deposits	11,325,128	N/A	-	-	11,325,128
Corporate Investments	2,878,153	N/A	-	-	2,878,153
Held by bond trustee:					
Money Market Funds	9,826	N/A	-	-	9,826
	<u>\$ 62,362,439</u>		<u>\$ -</u>	<u>\$ 8,563,533</u>	<u>\$ 53,798,906</u>

Concentration of Credit Risk: The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. 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** are as follows:

Issuer	Investment Type	Reported Amount	% of Total Investments
FFCB	Federal Agency Securities	3,661,222	5.9%
FHLMC	Federal Agency Securities	3,200,700	5.1%

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: \$17,478,144 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. 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. None of the City's investments were subject to custodial credit risk.

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

The City is also a voluntary participant in the County of Tulare Investment Pool. Assumptions made in determining the fair value of the investment portfolio are available from the County Treasurer.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2020:

Debt Securities	Level 1	Level 2	Level 3	Total
Federal Agency Securities	\$ -	\$ 8,563,533	\$ -	\$ 8,563,533
Certificates of Deposit	-	11,325,128	-	11,325,128
Corporate Investments	-	2,878,153	-	2,878,153
		<u>\$ 22,766,814</u>	<u>\$ -</u>	<u>\$ 22,766,814</u>
Investments not subject to fair value hierarchy				
State and County Investment Pools	39,585,799			
	<u>\$ 39,585,799</u>			

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. There have been no changes in fair value measurement classifications from the prior year.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2020 for the City's individual major funds, nonmajor funds and internal service funds in the aggregate are as follows:

	Accounts	Taxes	Grants	Interest	Loans	Total
Governmental Funds						
General	\$ 180,171	\$ -	\$ -	\$ 26,409	\$ -	\$ 206,580
CDBG Home/Housing	652,090	-	-	-	19,006,444	19,658,534
Capital Projects Fund	-	-	-	16,505	-	16,505
Transportation Impact Fees	-	-	-	13,204	-	13,204
Transportation Development Act	-	1,089,048	-	13,204	-	1,102,252
Nonmajor and Other	1,816,667	-	1,621,046	36,311	2,283,707	5,757,731
	<u>2,648,928</u>	<u>1,089,048</u>	<u>1,621,046</u>	<u>105,633</u>	<u>21,290,151</u>	<u>26,754,806</u>
Enterprise Funds						
Water System	959,321	-	-	61,520	-	1,020,841
Wastewater	736,778	-	-	59,419	-	796,197
Storm Drain	136,901	-	-	29,710	-	166,611
Refuse	806,850	-	-	3,301	-	810,151
Airport Fund	11,776	-	-	-	-	11,776
Intermodal	5,592	-	-	-	-	5,592
Courthouse Square	7,384	-	-	-	-	7,384
	<u>2,664,602</u>	<u>-</u>	<u>-</u>	<u>153,950</u>	<u>-</u>	<u>2,818,552</u>
Internal Service Funds						
City Payroll Fund	696	-	-	-	-	696
Risk Management Fund	-	-	-	13,204	-	13,204
Computer Maintenance Fund	-	-	-	3,301	-	3,301
Building Fund	-	-	-	3,224	-	3,224
Fleet Maintenance Fund	-	-	-	48,149	-	48,149
	<u>696</u>	<u>-</u>	<u>-</u>	<u>67,878</u>	<u>-</u>	<u>68,574</u>
Total	<u>\$ 5,314,226</u>	<u>\$ 1,089,048</u>	<u>\$ 1,621,046</u>	<u>\$ 327,461</u>	<u>\$ 21,290,151</u>	<u>\$ 29,641,932</u>

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4 – CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions/ Completions	Retirements/ Adjustments	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 60,418,778	\$ -	\$ -	\$ 60,418,778
Construction in progress	692,729	741,501	(692,729)	741,501
Total capital assets not being depreciated	61,111,507	741,501	(692,729)	61,160,279
Capital assets being depreciated:				
Buildings	24,108,284	12,807,020	-	36,915,304
Infrastructure	156,850,541	-	-	156,850,541
Equipment	20,940,450	1,988,604	(990,192)	21,938,862
Total capital assets being depreciated	201,899,275	14,795,624	(990,192)	215,704,707
Less accumulated depreciation:				
Buildings	(8,348,017)	(473,567)	-	(8,821,584)
Infrastructure	(91,253,363)	(6,823,876)	-	(98,077,239)
Equipment	(10,786,276)	(1,434,214)	655,639	(11,564,851)
Total accumulated depreciation	(110,387,656)	(8,731,657)	655,639	(118,463,674)
Total capital assets being depreciated, net	91,511,619	6,063,967	(334,553)	97,241,033
Governmental Activities capital assets, net	<u>\$ 152,623,126</u>	<u>\$ 6,805,468</u>	<u>\$ (1,027,282)</u>	<u>\$ 158,401,312</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 10,845,543	\$ -	\$ -	\$ 10,845,543
Construction in progress	887,272	96,360	(576,792)	406,840
Total capital assets not being depreciated	11,732,815	96,360	(576,792)	11,252,383
Capital assets being depreciated:				
Buildings and improvements	163,386,227	7,276,169	(1,210,687)	169,451,709
Machinery and equipment	27,713,061	949,322	(153,569)	28,508,814
Total capital assets being depreciated	191,099,288	8,225,491	(1,364,256)	197,960,523
Less accumulated depreciation:				
Buildings and improvements	(63,377,809)	(3,263,313)	261,930	(66,379,192)
Machinery and equipment	(10,054,586)	(1,938,491)	151,720	(11,841,357)
Total accumulated depreciation	(73,432,395)	(5,201,804)	413,650	(78,220,549)
Total capital assets being depreciated, net	117,666,893	3,023,687	(950,606)	119,739,974
Business-type Activities capital assets, net	<u>\$ 129,399,708</u>	<u>\$ 3,120,047</u>	<u>\$ (1,527,398)</u>	<u>\$ 130,992,357</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation expense for the fiscal year ending June 30, 2020 was charged to the following activities:

Governmental Activities:

General governmental	\$ 6,563,086
Public safety	225,863
Culture and recreation	179,860
Public works	663,362
Community development	34,503
Capital assets held by the internal service funds that were charged to the various functions based on their usage	1,064,983
Total	<u>\$ 8,731,657</u>

Business-type Activities:

Water system	\$ 2,228,901
Wastewater	1,641,530
Storm drain	292,872
Refuse	631,297
Airport	381,087
Intermodal	26,117
Total	<u>\$ 5,201,804</u>

NOTE 5 – LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Business-type Activities					
Bonds payable	\$ 21,110,000	\$ -	\$ (1,550,000)	\$ 19,560,000	\$ 1,615,000
Bond premiums	776,346	-	(73,307)	703,039	-
Note payable	5,831,622	-	(361,919)	5,469,703	374,587
Capital leases	9,210,709	-	(599,739)	8,610,970	674,592
Total Business-type Activities	<u>36,928,677</u>	<u>-</u>	<u>(2,584,965)</u>	<u>34,343,712</u>	<u>2,664,179</u>
Total Primary Government	<u>\$ 36,928,677</u>	<u>\$ -</u>	<u>\$ (2,584,965)</u>	<u>\$ 34,343,712</u>	<u>\$ 2,664,179</u>

Business Type Activities –

Bonds Payable: On July 1, 2012, the City of Hanford issued \$13,165,000 Wastewater Revenue Refunding Bonds Series 2012 bearing interest of 3.0% to 5.0% payable semi-annually on April 1 and October 1 commencing October 1, 2012. The bonds mature annually at various amounts through October 1, 2032. The bonds are payable from net revenues of the City's Wastewater System and from amounts on deposit in certain funds and accounts created under the Indenture.

The Bonds were issued to refinance the City's previously issued \$5,000,000 CSCDA Water and Wastewater Revenue Bonds, dated October 1, 1999 and the \$10,555,000 CSCDA Water and Wastewater Revenue Bonds dated April 16, 2002. As a result the 1999 and 2002 Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term liabilities of the Business Activities Debt.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5 – LONG-TERM DEBT (continued)

Bonds Payable (continued):

The aggregate debt service payments of the new debt is \$2,121,034 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt payments) of approximately \$1,537,677.

Significant terms that pertain to the Wastewater Revenue Refunding Bonds Series 2012 are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bonds immediately due and payable. The revenues pledged for the bond are the revenues payable from the City's Wastewater fund.

Wastewater revenue bonds outstanding at June 30, 2020 are \$8,965,000.

The future maturities of the wastewater revenue bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 620,000	\$ 313,456	\$ 933,456
2022	640,000	293,456	933,456
2023	655,000	277,260	932,260
2024	670,000	255,264	925,264
2025	695,000	227,963	922,963
2026-2030	3,900,000	732,633	4,632,633
2031-2033	1,785,000	109,105	1,894,105
	<u>\$ 8,965,000</u>	<u>\$ 2,209,137</u>	<u>\$ 11,174,137</u>

On July 1, 2013, the City of Hanford issued \$12,725,000 Water Revenue Refunding Bonds Series 2013 bearing interest of 2.0% to 5.0% payable semi-annually on April 1 and October 1, commencing October 1, 2013. The bonds mature annually at various amounts through October 1, 2028. The bonds are payable from net revenues of the City's Water System and from amounts on deposit in certain funds and accounts created under the Indenture.

The Bonds are being issued to refinance the City's previously issued to refinance the City's previously issued \$8,925,000 CSDA Water and Wastewater Revenue Bonds, dated December 9, 2003 and the \$8,150,000 Installment Sale Agreement – Water System dated December 20, 2007. As a result the 2003 Revenue Bond and 2007 Installment Sale Agreement are considered defeased and the liability for those issues has been removed from the long-term liabilities of the Business Activities Debt.

The aggregate debt service payments of the new debt are \$1,430,167 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt payments) of approximately \$567,774.

Significant terms that pertain to the Water Revenue Refunding Bonds Series 2013 are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bonds immediately due and payable. The revenues pledged for the bond are the revenues payable from the City's Water fund.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5 – LONG-TERM DEBT (continued)

Bonds Payable (continued):

Water revenue bonds outstanding at June 30, 2020 are \$7,585,000.

The future maturities of the water revenue bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 805,000	\$ 323,250	\$ 1,128,250
2022	840,000	286,150	1,126,150
2023	885,000	243,025	1,128,025
2024	930,000	197,650	1,127,650
2025	970,000	157,425	1,127,425
2025-2029	3,155,000	232,399	3,387,399
	<u>\$ 7,585,000</u>	<u>\$ 1,439,899</u>	<u>\$ 9,024,899</u>

On January 28, 2015, the City of Hanford issued \$3,885,000 Wastewater Revenue Refunding Bonds Series 2015, bearing interest of 2.0% to 4.0% payable semi-annually on April 1 and October 1, commencing April 1, 2015. The bonds mature annually at various amounts through October 1, 2032. The bonds are payable from net revenues of derived from charges and revenues received by the City from the operation of the Wastewater System.

The Bonds are being issued to provide funds to refund the City's outstanding City of Hanford, Variable Rate Demand Sewer System Refunding Revenue Bonds, 1996 Series A, to purchase a reserve fund municipal bond insurance policy in lieu of cash funding a bond reserve fund for the Bonds, and to pay the cost of issuing the Bonds. As a result the 1996 Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term liabilities of the Business Activities Debt.

The aggregate debt service payments of the new debt are \$644,540 more than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic loss (the difference between the present value of the old debt and new debt payments) of approximately \$621,656.

Significant terms that pertain to the Wastewater Revenue Refunding Bonds Series 2015 are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the bond agreement; if the City of the enterprise abandons a substantial part that shall continue for a period of sixty consecutive days; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Trustee may declare the principal and interest of the bonds immediately due and payable. The revenue pledged for the bond are the revenues payable from the City's Wastewater fund.

Wastewater revenue bonds outstanding at June 30, 2020 are \$3,010,000.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5 – LONG-TERM DEBT (continued)

Bonds Payable (continued):

The future maturities of the wastewater revenue bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 190,000	\$ 103,050	\$ 293,050
2022	195,000	97,275	292,275
2023	200,000	91,350	291,350
2024	205,000	85,275	290,275
2025	215,000	78,975	293,975
2026-2030	1,180,000	282,125	1,462,125
2031-2033	825,000	50,300	875,300
	<u>\$ 3,010,000</u>	<u>\$ 788,350</u>	<u>\$ 3,798,350</u>

Notes Payable: On May 28, 2002, the City of Hanford obtained a loan from the California Infrastructure and Economic Development Bank in the amount of \$10,000,000. The term of the agreement is thirty (30) years with a maturity date of February 1, 2034, and an annual interest rate of 3.50%. Prior to the Bond Date, there is a .26% reduction in the interest rate, resulting in an initial rate of 3.24%. Interest on the loan is payable semi-annually on each February 1 and August 1, commencing August 1, 2003. As of June 30, 2020, the balance outstanding was \$5,469,703.

Significant terms that pertain to the California Infrastructure and Economic Development Bank loan are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the note agreement; if the City made any representation or other written statement contained in the agreement that was incorrect in any material respect; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the CIEDB may declare the principal and interest of the bonds immediately due and payable. Additionally, revenues pledged for the note are the revenues payable from the City's Wastewater fund.

The future maturities of the note payable are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 374,587	\$ 184,884	\$ 559,471
2022	387,697	171,544	559,241
2023	401,266	157,737	559,003
2024	415,310	143,446	558,756
2025	429,847	128,657	558,504
2026-2030	2,385,714	402,664	2,788,378
2031-2033	1,075,282	37,958	1,113,240
	<u>\$ 5,469,703</u>	<u>\$ 1,226,890</u>	<u>\$ 6,696,593</u>

Capital Leases: In November, 2011, the City entered into a capital lease agreement with Bank of America to design and construct an energy efficient tracker system for the City's wastewater treatment plant. The purchase price of this project is \$4,325,556, with annual payments in varying amounts including interest at 3.33% commencing on July 8, 2012 with a final payment in July, 2026. The balance outstanding as of June 30, 2020 was \$1,945,613.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5 – LONG-TERM DEBT (continued)

Capital Leases (continued):

Significant terms that pertain to the 2011 Capital Lease are as follows. If the City fails to make the payment of principal or interest when due and payable; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the agreement; if the City had a statement, representation, or warranty that was proven to be false, incorrect, misleading, or breached; if the City defaults on any other agreement for borrowing money, lease financing of property, or other credit under which the City is an obligor; if the City files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws; the City shall be considered in default. In the event of a default, the Lessor may take whatever action necessary or desirable to collect each rental payment as they become due and payable, or they may enter the premises where the equipment is located and retake possession or they may take whatever action at law or in equity may appear necessary or desirable to enforce. The collateral pledged for the lease is the equipment noted in the capital lease.

The annual debt service requirements for the 2011 Capital Lease outstanding at June 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 200,075	\$ 64,789	\$ 264,864
2022	223,336	58,126	281,462
2023	248,126	50,689	298,815
2024	274,530	42,427	316,957
2025	302,640	33,285	335,925
2026-2028	696,906	35,340	732,246
	<u>\$ 1,945,613</u>	<u>\$ 284,656</u>	<u>\$ 2,230,269</u>

In March 2014, the City entered into a capital lease agreement with Bank of America National Association to design and construct a solar photovoltaic energy system using an energy service contract with Chevron Energy Solutions Company for several facilities throughout the City. The purchase price of this contract is \$8,495,138, with semi-annual payments in varying amounts including interest at 3.54% commencing on October 26, 2014 with a final payment in April, 2029. The balance outstanding as of June 30, 2020 was \$6,665,357.

Significant terms that pertain to the 2014 Capital Lease are as follows. If the City fails to make the payment of principal or interest within 10 days after the date when due; if the City fails to observe and perform any of the covenants, agreements, or conditions required in the agreement; if the City had a statement, representation, or warranty that was proven to be false, incorrect, misleading, or breached; if the City defaults on any other agreement for borrowing money, lease financing of property, or other credit under which the City is an obligor; the City shall be considered in default. In the event of a default, the Lessor may take whatever action necessary or desirable to collect each rental payment as they become due and payable or they may enter the premises where the equipment is located and retake possession or they may take whatever action at law or in equity may appear necessary or desirable to enforce. The collateral pledged for the lease is the equipment noted in the capital lease.

The annual debt service requirements for the 2014 Capital Lease outstanding at June 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 474,517	\$ 231,791	\$ 706,308
2022	531,208	214,496	745,704
2023	591,758	195,160	786,918
2024	656,391	173,645	830,036
2025	725,343	149,803	875,146
2026-2029	3,686,140	308,671	3,994,811
	<u>\$ 6,665,357</u>	<u>\$ 1,273,566</u>	<u>\$ 7,938,923</u>

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 6 – CHANGES IN OTHER LONG-TERM LIABILITIES

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,222,244	\$ 265,770	\$ (110,267)	\$ 1,377,747	\$ 78,415
Total Governmental Activities	\$ 1,222,244	\$ 265,770	\$ (110,267)	\$ 1,377,747	\$ 78,415
Business-type Activities					
Compensated absences	\$ 224,615	\$ 54,550	\$ (21,333)	\$ 257,832	\$ 17,487
Total Business-type Activities	\$ 224,615	\$ 54,550	\$ (21,333)	\$ 257,832	\$ 17,487

Compensated Absences:

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with GASB Codification Sec. C60. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's intention to liquidate any unpaid compensated absences at June 30 from future resources, rather than current available financial resources. Accordingly, the unpaid liability for governmental funds is recorded in the government-wide statement of net assets. For the governmental activities, the compensated absences balance as of June 30, 2020 was \$1,377,747.

NOTE 7 – PENSION PLAN

Plan Descriptions: The City's defined benefit plans, the Miscellaneous, Police Safety and Fire Safety Plans of the City, are open to all qualified permanent and probationary employees. The miscellaneous plan is an agent multiple – employer plan and the police and fire safety plans are cost-sharing multiple – employer plans. The Plans are administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions under the Plans are established by State Statute and City 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: CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefits is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 7 – PENSION PLAN (continued)

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	PEPRA On or After January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits as a % of eligible compensation	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	8.0%	8.0%
Required employer contribution rates	27.327%	28.226%

	Safety Police	
	Prior to January 1, 2013	PEPRA On or After January 1, 2013
Benefit formula	3% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits as a % of eligible compensation	3.0%	1.000% - 2.500%
Required employee contribution rates	9.0%	6.25%
Required employer contribution rates	31.532%	6.25%

	Safety Fire	
	Prior to January 1, 2013	PEPRA On or After January 1, 2013
Benefit formula	3% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits as a % of eligible compensation	3.0%	1.000% - 2.500%
Required employee contribution rates	9.0%	6.25%
Required employer contribution rates	29.883%	6.25%

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following 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 unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plans are as follows:

	Plans
Contributions - Employer	\$ 7,028,402

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 7 – PENSION PLAN (continued)

As of June 30, 2020, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 23,996,559
Safety Plans	<u>22,146,338</u>
	<u>\$ 46,142,897</u>

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, 2018, 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, 2018 rolled forward to June 30, 2019 using standard update procedures.

The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>	<u>Safety Plans</u>
Proportion - June 30, 2018	N/A	35.36%
Proportion - June 30, 2019	N/A	35.48%
Change - Increase (Decrease)	N/A	0.12%

Deferred Outflows of Resources:

Deferred outflows of resources consisted of the following as of June 30, 2020.

	<u>Miscellaneous</u>	<u>Safety Plans</u>
Changes in assumptions	\$ 706,696	\$ 907,740
Differences between expected and actual experiences	1,009,718	1,445,957
Adjustment due to differences in proportions	-	605,827
Adjustment due to differences between actual and proportionate share of contributions	-	467,657
Pension contributions subsequent to measurement date	<u>3,593,206</u>	<u>3,560,848</u>
Total	<u>\$ 5,309,620</u>	<u>\$ 6,988,029</u>

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 7 – PENSION PLAN (continued)

Deferred Inflows of Resources:

Deferred inflows of resources consisted of the following as of June 30, 2020.

	Miscellaneous	Safety Plans
Changes in assumptions	\$ 1,372,235	\$ 177,144
Differences between expected and actual experiences	1,114,879	-
Net differences between projected and actual earnings on investments	395,790	304,662
Adjustment due to differences between actual and proportionate share of contributions	-	65,079
Total	<u>\$ 2,882,904</u>	<u>\$ 546,885</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense (not including contributions subsequent to the measurement date) as follows:

Measurement Period Ended June 30	Deferred Outflows (Inflows) of Resources	
	Miscellaneous Plans	Safety Plans
2021	\$ (328,646)	\$ 2,207,218
2022	(1,047,832)	267,338
2023	117,378	346,463
2024	92,610	59,277
Total	<u>\$ (1,166,490)</u>	<u>\$ 2,880,296</u>

Change of Assumption: GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.65 percent (net of administrative expense in 2014) to 7.15 percent as of June 30, 2016 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability: For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the Requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.375% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived from the January 2014 CalPERS Experience Study of the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
Retirement Age	Derived from the January 2014 CalPERS Experience Study of the period from 1997 to 2011.

The experience study report can be obtained at CalPERS' website.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 7 – PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (continued):

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.
- (4) All of the City's plan for Miscellaneous and Safety employed the same assumptions

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rates should be used in the calculation of a discount rate for public agency plans (including PERF C), 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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 accounted for both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	49%	5.25%	5.71%
Global Fixed Income	22%	0.99	2.43
Inflation Sensitive	6%	0.45	3.36
Private Equity	8%	6.83	6.95
Real Estate	12%	4.50	5.13
Liquidity	3%	(0.55)	(1.05)
Total	100%		

*An expected inflation of 2.5% used for this period

**An expected inflation of 3.0% used for this period

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 7 – PENSION PLAN (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Change 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 Plans</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$39,005,949	\$34,387,979
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$23,996,559	\$22,146,338
1% Increase	8.15%	8.15%
Net Pension Liability	\$11,661,276	\$12,110,112

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

NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: The City participates in the CalPERS medical program under the Public Employees' Medical and Hospital and Care Act (PEMHCA). As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City has selected the equal contribution method, where it resolves to contribute the same amount for retirees as is contributed toward active employee medical plan coverage. The City currently pays the minimum employer contribution (MEC) for both active and retired employees as well as their survivors, if covered at the time of the employee's death. The MEC is \$119 per month for 2020.

Dental insurance is available to retired employees as well, though the cost of coverage is paid entirely by the retiree. Once the retiree reaches age 65 the City no longer allows the retiree to stay on the dental plan.

The above coverage is available for employees who satisfy the requirements for retirement under CalPERS (attained age 50 with 5 years of State or public agency service or approved disability retirement). An employee cannot terminate employment before meeting the age condition and be entitled to receive benefits. As of January 1, 2016, the City terminated its healthcare contract with CalPERS. No future retirees are eligible for healthcare coverage or benefits from the City toward the cost of retiree medical coverage.

Employees Covered: As of the June 30, 2019 actuarial valuation, the following current and former City employees were covered by the OPEB plan membership:

Inactive employees or beneficiaries currently receiving benefit payments	42
Active employees	248
Total employees covered by the OPEB plan membership	<u>290</u>

Contributions: Currently the City funds retiree healthcare benefits on a pay-as-you-go basis, paying a maximum of \$119 per month for retiree benefits from the City funds as they are due with no prefunding for future years. The City recognizes expenditures for its share of the annual premiums as these benefits become due. For fiscal year 2019-2020, the City paid approximately \$137,000 for benefits of 42 retirees or their beneficiaries receiving benefits.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Total OPEB Liability: The City's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that rolled forward to determine the June 30, 2020 total OPEB liability, based on the following actuarial methods and assumptions.

Salary increases	3.25%
Inflation	2.75%
Discount rate	2.45%
Medical/Rx trend rate	7.00% for 2020, 6.50% for 2021, 6.00% for 2022, 5.50% for 2023 decreasing to 5.00% for subsequent years

Discount Rate: The discount rate used to measure the total OPEB liability was 2.45 percent. The projection of the cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB City's net position was projected to be available to make all projected OPEB payments for inactive employees and beneficiaries based on the "pay as you go" annual contributions.

Changes in the Net OPEB Liability:

The change in the Net OPEB liability for the year ended June 30, 2020 is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019	\$ 2,342,613	\$ -	\$ 2,342,613
Changes in the year:			
Service cost	105,251	-	105,251
Interest on the total OPEB liability	74,534	-	74,534
Changes in assumptions	141,650	-	141,650
Contributions from the employer	-	136,950	(136,950)
Benefit Payments	(136,950)	(136,950)	-
Net change	184,485	-	184,485
Balance at June 30, 2020	\$ 2,527,098	\$ -	\$ 2,527,098

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Plan as of the measurement date, calculated using the discount rate of 2.45 percent, if it were calculated using a discount rate that is 1 percentage-point lower (1.45 percent) or 1 percentage-point higher (3.45 percent) than the current rate:

	Discount Rate - 1% (1.45%)	Current Discount Rate 2.45%	Discount Rate + 1% (3.45%)
Net OPEB Liability	\$ 2,770,199	\$ 2,527,098	\$ 2,310,935

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8 – POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the net OPEB liability of the Plan if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current rate:

	- 1% (6.00%)	Current Trend Rate 7.00%	+ 1% (8.00%)
Net OPEB Liability	\$ 2,334,360	\$ 2,527,098	\$ 2,788,041

OPEB Expense: As of the start of the measurement period (July 1, 2019), the Net OPEB liability was \$2,342,613. For the measurement period ended June 30, 2020 (the measurement date), the City incurred an OPEB expense of \$287,357.

Change in Net OPEB Liability	\$ 184,485
Change in Deferred Outflows	(34,078)
Employer Contributions	136,950
OPEB Expense	\$ 287,357

NOTE 9 – RISK MANAGEMENT

The City is partially self-insured for workers' compensation and general liability insurance. For worker's compensation, the City is responsible for claims up to \$250,000 per occurrence. Coverage in excess of the City's self-insured retention is purchased through CSAC Excess Insurance Authority (CSAC-EIA) up to the statutory limits. The City participates in a risk pool for general liability insurance through CSAC-EIA above the City's self-insured retention of \$100,000 up to \$5,000,000 per occurrence. Reinsurance coverage in excess of the pool layer up to \$25,000,000 is purchased through CSAC-EIA. For both workers' compensation and general liability insurance, CSAC-EIA retains responsibility for claims in excess of each member's self-insured retention. There were no reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for the past three fiscal years.

Workers' compensation and general liability claims incurred prior to July 1, 2012 were covered through the City's participation in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool. For workers' compensation insurance, the City is self-insured up to \$200,000. Coverage between \$200,000 and \$500,000 is provided through a risk pool. CSJVRMA participates in an excess pool which provides coverage from \$500,000 to \$5,000,000 and purchases excess insurance above \$5,000,000 to the statutory limit. For general liability insurance, the City participates in a risk pool which covers the City above its self-insurance retention level of \$100,000 up to \$1,000,000. CSJVRMA participates in an excess pool which provides coverage from \$1,000,000 to \$29,000,000. CSJVRMA members may receive rebates or be required to make additional contributions through a retrospective adjustment process.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 10 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, service provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund due from/to other funds at June 30, 2020 were as follows:

	Due From Other Funds	Due To Other Funds
Governmental Funds		
General Fund	\$ -	\$ 310,000
CDBG Home/Housing Fund	-	103,933
Capital Projects Fund	1,639,386	-
Transportation Impact Fees	-	2,918,446
Other Governmental Funds	-	1,472,196
Proprietary Funds		
Intermodal Fund	-	7,227
Courthouse Square	-	56,030
Fleet Management Fund	3,228,446	-
Total	<u>\$ 4,867,832</u>	<u>\$ 4,867,832</u>

Interfund advances to/from other funds at June 30, 2020 were as follows:

	Advances To Other Funds	Advances From Other Funds
Governmental Funds		
Capital Projects Fund	\$ 1,659,026	\$ -
Proprietary Funds		
Airport Fund	-	375,468
Intermodal Fund	-	261,224
Courthouse Square	-	1,022,334
Total	<u>\$ 1,659,026</u>	<u>\$ 1,659,026</u>

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 10 – INTERFUND TRANSACTIONS (continued)

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the year-ended June 30, 2020 were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 50,162	\$ 433,856
Capital Projects Fund	-	12,051
Transportation Impact Fees	270,000	-
Other Governmental Funds	117	379,850
Proprietary Funds		
Water System Fund	271,769	3,221
Wastewater Fund	3,219	11,567
Storm Drain Fund	3,924	-
Refuse Fund	359,712	-
Airport Fund	383,954	3,611
Risk Management Fund	-	34,709
Building Fund	-	36,040
Fleet Management Fund	24,544	452,496
Total	<u>\$ 1,367,401</u>	<u>\$ 1,367,401</u>

NOTE 11 – CONTINGENT LIABILITIES

Litigation: The City is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the City that the outcome will have no material effect on the financial position of the City.

Special Tax Bond Series 1998: The City, by resolution, issued \$5,365,000 of "Special Tax Bonds, Series 1998," pursuant to the Mello-Roos Community Facilities Act of 1982, as amended commencing with Section 53311, et seq., of the Government Code of the State of California. Neither the full faith and credit nor the taxing power (except with respect to the special taxes) of the City of Hanford, the State of California or any political subdivision thereof is pledged to the payment of the bonds. The bonds are not general or special obligations of the City or general obligations of the Community Facilities District No. 91-1, but are limited obligations of the district payable solely from the special taxes and funds held pursuant to that agreement. The City is acting only as an agent for the property owners.

Other: The City participates in a number of programs that are fully or partially funded by grants received from federal, state, and county governments. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor agency. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the grantor agencies, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the City's overall financial position.

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustments for the year ended June 30, 2020 is summarized as follows:

Net position of the governmental activities:

	Governmental Activities
Net Position, Beginning of Year, as Previously Reported	\$ 179,294,582
Correct revenue balances	(73,405)
Equipment transfer	(759,378)
Establish claims payable liability	(5,108,000)
Correct equipment balances	(33,327)
Net Position, Beginning of Year, Restated	<u>\$ 173,320,472</u>

Fund balance of the governmental funds:

	General Fund	Transportation Development Act Fund
Fund Balance, Beginning of Year, as Previously Reported	\$ 7,449,225	\$ 1,167,241
Correct revenue balances	(73,405)	-
Correct deferred revenue balances	-	(759,378)
Fund Balance, Beginning of Year, Restated	<u>\$ 7,375,820</u>	<u>\$ 407,863</u>

Net position of the internal service funds:

	Risk Management Fund	Fleet Management Fund
Net Position, Beginning of Year, as Previously Reported	\$ 3,933,569	\$ 20,541,701
Establish claims payable liability	(5,108,000)	-
Correct equipment balances	-	(33,327)
Net Position (Deficit), Beginning of Year, Restated	<u>\$ (1,174,431)</u>	<u>\$ 20,508,374</u>

Net position of the proprietary funds:

	Water Fund
Net Position, Beginning of Year, as Previously Reported	\$ 46,703,341
Correct inventory balances	(84,667)
Correct equipment balances	33,327
Net Position, Beginning of Year, Restated	<u>\$ 46,652,001</u>

CITY OF HANFORD
NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 13 – EXCESS EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2020, expenditures exceeded appropriations as follows:

Fund	Amount
General Fund	
Public safety	\$ 216,474
Capital outlay	1,269,619
CDBG Home/Housing Fund	
Community development	13,838
Capital outlay	604,695
Capital Projects Fund	
Public works	1,369
Community development	105,925
Transportation Impact Fees	
Capital outlay	429,676
Transportation Development Act Fund	
Public works	11,743
Capital outlay	133,566

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HANFORD
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Miscellaneous Plan

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 2,064,352	\$ 2,105,925	\$ 2,090,309	\$ 1,914,877	\$ 1,859,399	\$ 1,803,855
Interest	7,440,145	7,031,320	7,021,932	6,976,069	6,689,193	6,381,234
Differences between expected and actual experience	1,398,071	(4,511,015)	(3,768,183)	(831,190)	(443,007)	-
Changes in assumptions	-	(3,087,527)	6,006,913	-	(1,698,571)	-
Benefit payments, including refunds of employee contributions	(5,004,441)	(4,588,971)	(4,191,413)	(4,206,587)	(3,783,672)	(3,644,252)
Net change in total pension liability	5,898,127	(50,268)	7,159,558	3,853,169	2,623,342	4,540,837
Total pension liability- beginning	104,129,947	104,180,215	97,020,657	93,167,488	90,544,146	86,003,309
Total pension liability- ending (a)	110,028,074	104,129,947	104,180,215	97,020,657	93,167,488	90,544,146
Plan Fiduciary Net Position						
Contributions- employer	3,791,023	3,415,348	3,213,198	2,957,917	2,837,484	2,451,408
Contributions- employees	874,603	796,926	760,087	709,460	712,929	686,870
Net plan to plan resource movement	-	(188)	-	-	-	-
Net investment income ¹	5,316,832	6,405,074	7,625,528	366,113	1,494,371	10,020,177
Benefit payments	(5,004,441)	(4,588,971)	(4,191,413)	(4,206,587)	(3,783,672)	(3,644,252)
Administrative expense	(57,883)	(340,724)	(100,570)	(41,645)	(76,906)	-
Other miscellaneous income/(expense)	186	-	-	-	-	-
Net change in plan fiduciary net position	4,920,320	5,687,465	7,306,830	(214,742)	1,184,206	9,514,203
Total plan fiduciary net position- beginning	81,111,195	75,423,730	68,116,900	68,331,642	67,147,436	57,633,233
Total plan fiduciary net position- ending (b)	86,031,515	81,111,195	75,423,730	68,116,900	68,331,642	67,147,436
Net pension liability- ending (a)-(b)	\$ 23,996,559	\$ 23,018,752	\$ 28,756,485	\$ 28,903,757	\$ 24,835,846	\$ 23,396,710
Plan fiduciary net position as a percentage of the total pension liability	78.19%	77.89%	72.40%	70.21%	73.34%	74.16%
City's covered-employee payroll	\$ 10,064,610	\$ 10,080,535	\$ 9,434,933	\$ 9,643,787	\$ 9,090,194	\$ 8,260,542
Net pension liability as a percentage of covered-employee payroll	238.43%	228.35%	304.79%	299.71%	273.22%	283.23%

¹ Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes.

Changes of Assumptions: The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

*The pension schedules are required to show ten years of data and the additional years' information will be displayed as it becomes available.

CITY OF HANFORD
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS *

Safety Plans	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability/(Asset)	0.3548%	0.3536%	0.3510%	0.3570%	0.3530%	0.2402%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 22,146,338	\$ 20,744,090	\$ 20,972,247	\$ 18,487,608	\$ 14,547,173	\$ 14,946,492
City's Covered-Employee Payroll	\$ 6,889,321	\$ 6,673,847	\$ 6,692,475	\$ 6,409,767	\$ 6,897,272	\$ 6,602,409
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered-Employee Payroll	321.46%	310.83%	313.37%	288.43%	210.91%	226.38%
City's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.21%	75.73%	74.07%	74.41%	78.71%	77.21%

*The pension schedules are required to show ten years of data and the additional years' information will be displayed as it becomes available.

CITY OF HANFORD
SCHEDULE OF PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS *

Miscellaneous Plan

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,791,023	\$ 3,415,348	\$ 3,213,198	\$ 2,957,917	\$ 2,837,484	\$ 2,451,408
Contributions in relation to the						
actuarially determined contribution	(3,791,023)	(3,415,348)	(3,213,198)	(2,957,917)	(2,837,484)	(2,451,408)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 9,390,289	\$ 10,080,535	\$ 9,434,933	\$ 9,643,787	\$ 9,090,194	\$ 8,260,542
Contributions as a percentage of covered-employee payroll	40.37%	33.88%	34.06%	30.67%	31.21%	29.68%

Safety Plan

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,451,832	\$ 3,067,990	\$ 3,064,625	\$ 3,728,697	\$ 2,859,367	\$ 1,937,233
Contributions in relation to the						
actuarially determined contribution	(3,451,832)	(3,067,990)	(3,064,625)	(3,728,697)	(2,859,367)	(1,937,233)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 9,140,252	\$ 6,889,321	\$ 6,692,475	\$ 6,409,767	\$ 6,897,272	\$ 6,602,409
Contributions as a percentage of covered-employee payroll	37.77%	44.53%	45.79%	58.17%	41.46%	29.34%

Notes to Schedule:

Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

*The pension schedules are required to show ten years of data and the additional years' information will be displayed as it becomes available.

CITY OF HANFORD
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS *

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 105,251	\$ -	\$ -
Interest on total OPEB liability	74,534	47,002	50,391
Differences between expected and actual experience	-	1,034,539	-
Changes in assumptions	141,650	39,397	(6,734)
Benefit payments, including refunds of employee contributions	(136,950)	(153,422)	(168,043)
Net change in total OPEB liability	184,485	967,516	(124,386)
Total Net OPEB liability- beginning	2,342,613	1,375,097	1,499,483
Total Net OPEB liability- ending (a)	2,527,098	2,342,613	1,375,097
Plan Fiduciary Net Position			
Contributions- employer	136,950	153,422	168,043
Contributions- employees	-	-	-
Net investment income	-	-	-
Benefit payments	(136,950)	(153,422)	(168,043)
Trustee fees	-	-	-
Administrative expense	-	-	-
Net change in plan fiduciary net position	-	-	-
Total plan fiduciary net position- beginning	-	-	-
Total plan fiduciary net position- ending (b)	-	-	-
Net OPEB liability- ending (a)-(b)	<u>\$ 2,527,098</u>	<u>\$ 2,342,613</u>	<u>\$ 1,375,097</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-
City's covered-employee payroll	18,420,461	19,211,409	-
Net OPEB liability as a percentage of covered-employee payroll	13.72%	12.19%	-

Notes to Schedule:

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

**CITY OF HANFORD
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS ***

	2020	2019	2018
Actuarially determined contribution	\$ 136,950	\$ 153,422	\$ 168,043
Contributions in relation to the actuarially determined contribution	(136,950)	(153,422)	(168,043)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 18,420,461	\$ 19,211,409	\$ -
Contributions as a percentage of covered-employee payroll	0.74%	0.80%	-

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-2020 were as follows for the June 30, 2020 measurement date actuarial valuations.

Valuation Date	June 30, 2019
Funding Method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets (\$0; plan is not yet funded)
Discount Rate	3.13% as of June 30, 2019 2.45% as of June 30, 2020
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
General Inflation Rate	2.75% per year.
Mortality	MacLeod Watts Scale 2018 applied generationally from 2015.
Healthcare Trend	Medical: Graded from 7.00% to ultimate 5.00% over 6 years.

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

CITY OF HANFORD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Taxes and special assessments	\$ 26,397,083	\$ 26,397,083	\$ 26,130,971	\$ (266,112)
Aid from other government agencies	2,387,833	2,387,833	1,049,433	(1,338,400)
Licenses and permits	1,036,580	1,036,580	1,105,993	69,413
Fines and forfeitures	596,760	596,760	122,222	(474,538)
Charges for services	1,172,681	1,172,681	1,784,936	612,255
Revenue from use of money and property	370,995	370,995	138,227	(232,768)
Miscellaneous	141,157	141,157	281,983	140,826
Total Revenues	32,103,089	32,103,089	30,613,765	(1,489,324)
EXPENDITURES				
General government	3,226,954	3,226,954	2,632,258	594,696
Public safety	20,267,764	20,267,764	20,484,238	(216,474)
Public works	3,124,147	3,124,147	2,377,018	747,129
Recreation	3,997,339	3,997,339	3,510,358	486,981
Community development	1,888,106	1,888,106	1,751,528	136,578
Capital outlay	-	-	1,269,619	(1,269,619)
Total Expenditures	32,504,310	32,504,310	32,025,019	479,291
Excess (Deficiency) of Revenues Over Expenditures	(401,221)	(401,221)	(1,411,254)	(1,010,033)
Other Financing Sources (Uses)				
Operating transfers in	731,150	731,150	50,162	(680,988)
Operating transfers out	(323,751)	(323,751)	(433,856)	(110,105)
Total Other Financing Sources (Uses)	407,399	407,399	(383,694)	(791,093)
Net Change in Fund Balance	6,178	6,178	(1,794,948)	(1,801,126)
Fund Balance, Beginning of Year	7,449,225	7,449,225	7,449,225	-
Prior Period Adjustment	-	-	(73,405)	(73,405)
Fund Balance, Beginning of Year (Restated)	7,449,225	7,449,225	7,375,820	(73,405)
Fund Balance, End of Year	\$ 7,455,403	\$ 7,455,403	\$ 5,580,872	\$ (1,874,531)

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS)
CDBG HOME/HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2020

	CDBG Home/Housing Fund			Variance
	Original	Final	Actual	With Final
	Budget	Budget		Budget
REVENUES				
Aid from other government agencies	\$ 1,270,828	\$ -	\$ 542,001	\$ 542,001
Revenue from use of money and property	25,000	264,355	1,033,769	769,414
Miscellaneous	744,810	744,810	412	(744,398)
Total Revenues	2,040,638	1,009,165	1,576,182	567,017
EXPENDITURES				
Community development	422,875	422,875	436,713	(13,838)
Capital outlay	-	-	604,695	(604,695)
Total Expenditures	422,875	422,875	1,041,408	(618,533)
Excess (Deficiency) of Revenues Over Expenditures	1,617,763	586,290	534,774	(51,516)
Other Financing Sources (Uses)				
Operating transfers in	239,802	239,802	-	(239,802)
Total Other Financing Sources (Uses)	239,802	239,802	-	(239,802)
Net Change in Fund Balance	1,857,565	826,092	534,774	(291,318)
Fund Balance, Beginning of Year	19,734,571	19,734,571	19,734,571	-
Fund Balance, End of Year	<u>\$ 21,592,136</u>	<u>\$ 20,560,663</u>	<u>\$ 20,269,345</u>	<u>\$ (291,318)</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Capital Projects Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Aid from other government agencies	\$ 20,500	\$ 20,500	\$ 1,235	\$ (19,265)
Charges for services	-	-	2,068	2,068
Revenue from use of money and property	30,000	30,000	59,425	29,425
Miscellaneous	10,000	10,000	17,682	7,682
Total Revenues	60,500	60,500	80,410	19,910
EXPENDITURES				
Public works	-	-	1,369	(1,369)
Community development	-	-	105,925	(105,925)
Capital outlay	1,258,260	1,258,260	686,940	571,320
Total Expenditures	1,258,260	1,258,260	794,234	464,026
Excess (Deficiency) of Revenues Over Expenditures	(1,197,760)	(1,197,760)	(713,824)	483,936
Other Financing Sources (Uses)				
Operating transfers out	(103,411)	(103,411)	(12,051)	91,360
Total Other Financing Sources (Uses)	(103,411)	(103,411)	(12,051)	91,360
Net Change in Fund Balance	(1,301,171)	(1,301,171)	(725,875)	575,296
Fund Balance, Beginning of Year	5,512,617	5,512,617	5,512,617	-
Fund Balance, End of Year	\$ 4,211,446	\$ 4,211,446	\$ 4,786,742	\$ 575,296

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS)
TRANSPORTATION IMPACT FEES
FOR THE YEAR ENDED JUNE 30, 2020

	Transportation Impact Fees			Variance With Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes and special assessments	\$ 1,344,982	\$ 1,344,982	\$ 1,005,009	\$ (339,973)
Revenue from use of money and property	38,510	38,510	60,387	21,877
Total Revenues	1,383,492	1,383,492	1,065,396	(318,096)
EXPENDITURES				
Capital outlay	535,800	535,800	965,476	(429,676)
Total Expenditures	535,800	535,800	965,476	(429,676)
Excess (Deficiency) of Revenues Over Expenditures	847,692	847,692	99,920	(747,772)
Other Financing Sources (Uses)				
Operating transfers in	-	-	270,000	270,000
Total Other Financing Sources (Uses)	-	-	270,000	270,000
Net Change in Fund Balance	847,692	847,692	369,920	(477,772)
Fund Balance, Beginning of Year	1,265,847	1,265,847	1,265,847	-
Fund Balance, End of Year	\$ 2,113,539	\$ 2,113,539	\$ 1,635,767	\$ (477,772)

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET TO ACTUAL (GAAP BASIS)
TRANSPORTATION DEVELOPMENT ACT FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Transportation Development Act Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
REVENUES				
Taxes and special assessments	\$ 821,000	\$ 821,000	\$ 671,908	\$ (149,092)
Revenue from use of money and property	8,400	8,400	73,359	64,959
Total Revenues	829,400	829,400	745,267	(84,133)
EXPENDITURES				
Public works	-	-	11,743	(11,743)
Capital outlay	526,600	526,600	660,166	(133,566)
Total Expenditures	526,600	526,600	671,909	(145,309)
Excess (Deficiency) of Revenues Over Expenditures	302,800	302,800	73,358	(229,442)
Net Change in Fund Balance	302,800	302,800	73,358	(229,442)
Fund Balance, Beginning of Year	1,167,241	1,167,241	1,167,241	-
Prior Period Adjustment	(759,378)	(759,378)	(759,378)	-
Fund Balance, Beginning of Year (Restated)	407,863	407,863	407,863	-
Fund Balance, End of Year	\$ 710,663	\$ 710,663	\$ 481,221	\$ (229,442)

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

SUPPLEMENTARY INFORMATION SECTION

**CITY OF HANFORD
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	CMAQ Transportation Fund	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
ASSETS					
Cash and investments	\$ -	\$ 4,184,621	\$ 135,310	\$ 128,104	\$ 582,424
Receivables	2,900,468	19,806	-	-	189
Loan receivable	-	-	-	31,597	-
Prepaid expenses	-	-	-	-	-
Total Assets	<u>\$ 2,900,468</u>	<u>\$ 4,204,427</u>	<u>\$ 135,310</u>	<u>\$ 159,701</u>	<u>\$ 582,613</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash overdraft	\$ 400	\$ -	\$ -	\$ -	\$ -
Accounts payable	34,037	122	-	-	1,996
Accrued wages payable	-	-	-	-	-
Due to other funds	1,166,074	-	-	-	-
Total Liabilities	<u>1,200,511</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>1,996</u>
Fund Balances:					
Nonspendable:					
Long-term receivables	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Community development	-	-	-	-	-
Streets and roads	1,699,957	-	-	-	-
Recreation	-	4,204,305	-	-	-
Landscape maintenance	-	-	-	-	580,617
Public safety	-	-	-	-	-
Committed for:					
Parking and business improvement	-	-	135,310	159,701	-
Community development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>1,699,957</u>	<u>4,204,305</u>	<u>135,310</u>	<u>159,701</u>	<u>580,617</u>
Total Liabilities and Fund Balances	<u>\$ 2,900,468</u>	<u>\$ 4,204,427</u>	<u>\$ 135,310</u>	<u>\$ 159,701</u>	<u>\$ 582,613</u>

CITY OF HANFORD
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
JUNE 30, 2020

	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees
ASSETS				
Cash and investments	\$ 457,174	\$ 74,176	\$ 249,955	\$ 333,334
Receivables	3,301	-	-	-
Loan receivable	1,131,182	-	-	-
Prepaid expenses	-	-	-	-
Total Assets	<u>\$ 1,591,657</u>	<u>\$ 74,176</u>	<u>\$ 249,955</u>	<u>\$ 333,334</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Accrued wages payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Long-term receivables	1,131,182	-	-	-
Prepaid expenses	-	-	-	-
Restricted for:				
Community development	-	-	-	-
Streets and roads	-	-	-	-
Recreation	-	-	-	-
Landscape maintenance	-	-	-	-
Public safety	-	-	249,955	333,334
Committed for:				
Parking and business improvement	-	74,176	-	-
Community development	460,475	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,591,657</u>	<u>74,176</u>	<u>249,955</u>	<u>333,334</u>
Total Liabilities and Fund Balances	<u>\$ 1,591,657</u>	<u>\$ 74,176</u>	<u>\$ 249,955</u>	<u>\$ 333,334</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
JUNE 30, 2020

	Special Aviation	Learning Center Operation	Traffic Safety	Street Tree Committee
ASSETS				
Cash and investments	\$ -	\$ 5	\$ 53,190	\$ 1,201
Receivables	540,357	-	-	-
Loan receivable	-	-	-	-
Prepaid expenses	-	-	-	-
Total Assets	<u>\$ 540,357</u>	<u>\$ 5</u>	<u>\$ 53,190</u>	<u>\$ 1,201</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft	\$ 13,694	\$ -	\$ -	\$ -
Accounts payable	60,981	-	305	-
Accrued wages payable	-	-	-	-
Due to other funds	300,751	-	-	-
Total Liabilities	<u>375,426</u>	<u>-</u>	<u>305</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Long-term receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Restricted for:				
Community development	164,931	5	-	-
Streets and roads	-	-	-	-
Recreation	-	-	-	-
Landscape maintenance	-	-	-	1,201
Public safety	-	-	52,885	-
Committed for:				
Parking and business improvement	-	-	-	-
Community development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>164,931</u>	<u>5</u>	<u>52,885</u>	<u>1,201</u>
Total Liabilities and Fund Balances	<u>\$ 540,357</u>	<u>\$ 5</u>	<u>\$ 53,190</u>	<u>\$ 1,201</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
JUNE 30, 2020

	State Gas Tax Fund	Public Housing Authority	Cannabis Operations	Total Non-Major Special Revenue Funds
ASSETS				
Cash and investments	\$ 2,052,965	\$ -	\$ 97	\$ 8,252,556
Receivables	9,903	-	-	3,474,024
Loan receivable	-	1,121,233	-	2,284,012
Prepaid expenses	-	622	-	622
Total Assets	<u>\$ 2,062,868</u>	<u>\$ 1,121,855</u>	<u>\$ 97</u>	<u>\$ 14,011,214</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft	\$ -	\$ 258,586	\$ -	\$ 272,680
Accounts payable	135,018	349	-	232,808
Accrued wages payable	-	5,359	-	5,359
Due to other funds	-	-	5,371	1,472,196
Total Liabilities	<u>135,018</u>	<u>264,294</u>	<u>5,371</u>	<u>1,983,043</u>
Fund Balances:				
Nonspendable:				
Long-term receivables	-	1,121,233	-	2,252,415
Prepaid expenses	-	622	-	622
Restricted for:				
Community development	-	-	-	164,936
Streets and roads	1,927,850	-	-	3,627,807
Recreation	-	-	-	4,204,305
Landscape maintenance	-	-	-	581,818
Public safety	-	-	-	636,174
Committed for:				
Parking and business improvement	-	-	-	369,187
Community development	-	-	-	460,475
Unassigned	-	(264,294)	(5,274)	(269,568)
Total Fund Balances	<u>1,927,850</u>	<u>857,561</u>	<u>(5,274)</u>	<u>12,028,171</u>
Total Liabilities and Fund Balances	<u>\$ 2,062,868</u>	<u>\$ 1,121,855</u>	<u>\$ 97</u>	<u>\$ 14,011,214</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	CMAQ Transportation Fund	Park Impact Fees	Parking Fund	Downtown Reinvestment Fund	Landscaping Assessment District
REVENUES					
Taxes and special assessments	\$ -	\$ 568,202	\$ -	\$ -	\$ 599,070
Aid from other government agencies	1,428,961	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Revenue from use of money and property	(800)	93,701	10,112	2,777	14,061
Miscellaneous	-	3,426	-	-	-
Total Revenues	<u>1,428,161</u>	<u>665,329</u>	<u>10,112</u>	<u>2,777</u>	<u>613,131</u>
EXPENDITURES					
General government	-	-	-	-	-
Public works	-	-	-	-	557,800
Community development	-	-	-	-	-
Capital outlay	1,313,459	146,871	-	-	-
Total Expenditures	<u>1,313,459</u>	<u>146,871</u>	<u>-</u>	<u>-</u>	<u>557,800</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>114,702</u>	<u>518,458</u>	<u>10,112</u>	<u>2,777</u>	<u>55,331</u>
Other Financing Sources (Uses)					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	(15,453)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,453)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	114,702	503,005	10,112	2,777	55,331
Fund Balance (Deficit), Beginning of Year	<u>1,585,255</u>	<u>3,701,300</u>	<u>125,198</u>	<u>156,924</u>	<u>525,286</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,699,957</u>	<u>\$ 4,204,305</u>	<u>\$ 135,310</u>	<u>\$ 159,701</u>	<u>\$ 580,617</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	City Housing Fund	Central Parking and Business Improvement	Fire Protection Impact Fees	Police Protection Impact Fees
REVENUES				
Taxes and special assessments	\$ -	\$ 87,954	\$ 147,305	\$ 97,549
Aid from other government agencies	-	-	-	-
Fines and forfeitures	-	-	-	-
Revenue from use of money and property	17,966	(142)	3,457	4,074
Miscellaneous	845	-	-	-
Total Revenues	<u>18,811</u>	<u>87,812</u>	<u>150,762</u>	<u>101,623</u>
EXPENDITURES				
General government	-	-	-	-
Public works	-	102,430	-	-
Community development	618	-	-	-
Capital outlay	-	-	31,901	6,609
Total Expenditures	<u>618</u>	<u>102,430</u>	<u>31,901</u>	<u>6,609</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,193</u>	<u>(14,618)</u>	<u>118,861</u>	<u>95,014</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	18,193	(14,618)	118,861	95,014
Fund Balance (Deficit), Beginning of Year	<u>1,573,464</u>	<u>88,794</u>	<u>131,094</u>	<u>238,320</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,591,657</u>	<u>\$ 74,176</u>	<u>\$ 249,955</u>	<u>\$ 333,334</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Special Aviation</u>	<u>Learning Center Operation</u>	<u>Traffic Safety</u>	<u>Street Tree Committee</u>
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Aid from other government agencies	415,098	-	-	-
Fines and forfeitures	-	-	49,654	-
Revenue from use of money and property	(1,315)	(4)	(79)	(278)
Miscellaneous	-	-	3,329	-
Total Revenues	<u>413,783</u>	<u>(4)</u>	<u>52,904</u>	<u>(278)</u>
EXPENDITURES				
General government	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	59,094	-	-	-
Total Expenditures	<u>59,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>354,689</u>	<u>(4)</u>	<u>52,904</u>	<u>(278)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	117	-	-
Operating transfers out	<u>(364,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(364,397)</u>	<u>117</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,708)	113	52,904	(278)
Fund Balance (Deficit), Beginning of Year	<u>174,639</u>	<u>(108)</u>	<u>(19)</u>	<u>1,479</u>
Fund Balance (Deficit), End of Year	<u>\$ 164,931</u>	<u>\$ 5</u>	<u>\$ 52,885</u>	<u>\$ 1,201</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	State Gas Tax Fund	Public Housing Authority	Cannabis Operations	Total Non-Major Special Revenue Funds
REVENUES				
Taxes and special assessments	\$ 2,673,763	\$ -	\$ -	\$ 4,173,843
Aid from other government agencies	-	80,200	-	1,924,259
Fines and forfeitures	-	-	-	49,654
Revenue from use of money and property	50,926	(67)	(133)	194,256
Miscellaneous	2,987	-	123,496	134,083
Total Revenues	<u>2,727,676</u>	<u>80,133</u>	<u>123,363</u>	<u>6,476,095</u>
EXPENDITURES				
General government	-	-	34,065	34,065
Public works	1,703,288	-	-	2,363,518
Community development	-	326,755	168,900	496,273
Capital outlay	1,888,531	1,472	8,748	3,456,685
Total Expenditures	<u>3,591,819</u>	<u>328,227</u>	<u>211,713</u>	<u>6,350,541</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(864,143)</u>	<u>(248,094)</u>	<u>(88,350)</u>	<u>125,554</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	117
Operating transfers out	-	-	-	(379,850)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(379,733)</u>
Net Change in Fund Balance	(864,143)	(248,094)	(88,350)	(254,179)
Fund Balance (Deficit), Beginning of Year	<u>2,791,993</u>	<u>1,105,655</u>	<u>83,076</u>	<u>12,282,350</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,927,850</u>	<u>\$ 857,561</u>	<u>\$ (5,274)</u>	<u>\$ 12,028,171</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
ASSETS			
Current assets			
Cash and investments	\$ 495,738	\$ 6,069,232	\$ 473,449
Receivables, net	696	13,204	3,301
Deposits	-	225,000	-
Inventory	-	-	-
Prepaid expenses	-	-	978
Due from other funds	-	-	-
Total Current Assets	<u>496,434</u>	<u>6,307,436</u>	<u>477,728</u>
Noncurrent assets			
Capital assets:			
Machinery and equipment	-	-	1,119,159
Accumulated depreciation	-	-	(213,706)
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>-</u>	<u>905,453</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>905,453</u>
Total Assets	<u>496,434</u>	<u>6,307,436</u>	<u>1,383,181</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	-	-	60,438
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>60,438</u>
LIABILITIES			
Current Liabilities			
Accounts payable	98,971	96,252	20,106
Salaries and benefits payable	393,860	-	6,193
Compensated absences - current portion	-	-	-
Total Current Liabilities	<u>492,831</u>	<u>96,252</u>	<u>26,299</u>
Noncurrent Liabilities			
Compensated absences payable	-	-	-
Claims payable	-	5,320,225	-
Net pension liability	-	-	245,468
Total Noncurrent Liabilities	<u>-</u>	<u>5,320,225</u>	<u>245,468</u>
Total Liabilities	<u>492,831</u>	<u>5,416,477</u>	<u>271,767</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	-	40,136
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>40,136</u>
NET POSITION			
Net investment in capital assets	-	-	905,453
Unrestricted	<u>3,603</u>	<u>890,959</u>	<u>226,263</u>
Total Net Position	<u>\$ 3,603</u>	<u>\$ 890,959</u>	<u>\$ 1,131,716</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (continued)
JUNE 30, 2020

	Building Fund	Fleet Management Fund	Totals
ASSETS			
Current assets			
Cash and investments	\$ 1,268,582	\$ 11,471,429	\$ 19,778,430
Receivables, net	3,224	48,149	68,574
Deposits	-	-	225,000
Inventory	-	540,649	540,649
Prepaid expenses	1,706	2,207	4,891
Due from other funds	-	3,228,446	3,228,446
Total Current Assets	<u>1,273,512</u>	<u>15,290,880</u>	<u>23,845,990</u>
Noncurrent assets			
Capital assets:			
Machinery and equipment	542,594	15,768,162	17,429,915
Accumulated depreciation	<u>(126,020)</u>	<u>(8,288,159)</u>	<u>(8,627,885)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>416,574</u>	<u>7,480,003</u>	<u>8,802,030</u>
Total Noncurrent Assets	<u>416,574</u>	<u>7,480,003</u>	<u>8,802,030</u>
Total Assets	<u>1,690,086</u>	<u>22,770,883</u>	<u>32,648,020</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>157,643</u>	<u>196,495</u>	<u>414,576</u>
Total Deferred Outflows of Resources	<u>157,643</u>	<u>196,495</u>	<u>414,576</u>
LIABILITIES			
Current Liabilities			
Accounts payable	17,675	258,808	491,812
Salaries and benefits payable	14,148	19,412	433,613
Compensated absences - current portion	<u>88</u>	<u>139</u>	<u>227</u>
Total Current Liabilities	<u>31,911</u>	<u>278,359</u>	<u>925,652</u>
Noncurrent Liabilities			
Compensated absences payable	15,181	45,112	60,293
Claims payable	-	-	5,320,225
Net pension liability	<u>648,992</u>	<u>815,829</u>	<u>1,710,289</u>
Total Noncurrent Liabilities	<u>664,173</u>	<u>860,941</u>	<u>7,090,807</u>
Total Liabilities	<u>696,084</u>	<u>1,139,300</u>	<u>8,016,459</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>82,603</u>	<u>108,499</u>	<u>231,238</u>
Total Deferred Inflows of Resources	<u>82,603</u>	<u>108,499</u>	<u>231,238</u>
NET POSITION			
Net investment in capital assets	416,574	7,480,003	8,802,030
Unrestricted	<u>652,468</u>	<u>14,239,576</u>	<u>16,012,869</u>
Total Net Position	<u>\$ 1,069,042</u>	<u>\$ 21,719,579</u>	<u>\$ 24,814,899</u>

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CITY OF HANFORD
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
OPERATING REVENUES			
Charges for services	\$ -	\$ 5,940,257	\$ 496,239
Other revenues	2,959	380,599	-
Total Operating Revenues	2,959	6,320,856	496,239
OPERATING EXPENSES			
Personnel services	-	-	233,984
Services and supplies	-	4,280,110	282,649
Depreciation	-	-	133,181
Total Operating Expenses	-	4,280,110	649,814
Operating Income (Loss)	2,959	2,040,746	(153,575)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	643	54,973	14,414
Unrealized gain (loss) on investments	643	4,380	1,078
Intergovernmental	-	-	-
Total Non-operating Revenue (Expenses)	1,286	59,353	15,492
Income (Loss) Before Capital Contributions and Transfers	4,245	2,100,099	(138,083)
Transfers in/(out)	-	(34,709)	-
Change in Net Position	4,245	2,065,390	(138,083)
Net Position (Deficit), Beginning of Year	(642)	3,933,569	1,269,799
Prior Period Adjustment	-	(5,108,000)	-
Net Position (Deficit), Beginning of Year (Restated)	(642)	(1,174,431)	1,269,799
Net Position (Deficit), End of Year	\$ 3,603	\$ 890,959	\$ 1,131,716

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CITY OF HANFORD
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Building Fund	Fleet Management Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 1,063,536	\$ 5,005,570	\$ 12,505,602
Other revenues	20,560	38,771	442,889
	<u>1,084,096</u>	<u>5,044,341</u>	<u>12,948,491</u>
OPERATING EXPENSES			
Personnel services	601,616	786,461	1,622,061
Services and supplies	286,018	1,662,593	6,511,370
Depreciation	44,238	887,564	1,064,983
	<u>931,872</u>	<u>3,336,618</u>	<u>9,198,414</u>
Operating Income (Loss)	<u>152,224</u>	<u>1,707,723</u>	<u>3,750,077</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	13,214	221,317	304,561
Unrealized gain (loss) on investments	1,415	11,345	18,861
Intergovernmental	-	(301,228)	(301,228)
	<u>14,629</u>	<u>(68,566)</u>	<u>22,194</u>
Income (Loss) Before Capital Contributions and Transfers	<u>166,853</u>	<u>1,639,157</u>	<u>3,772,271</u>
Transfers in/(out)	<u>(36,040)</u>	<u>(427,952)</u>	<u>(498,701)</u>
Change in Net Position	<u>130,813</u>	<u>1,211,205</u>	<u>3,273,570</u>
Net Position (Deficit), Beginning of Year	938,229	20,541,701	26,682,656
Prior Period Adjustment	-	(33,327)	(5,141,327)
Net Position (Deficit), Beginning of Year (Restated)	<u>938,229</u>	<u>20,508,374</u>	<u>21,541,329</u>
Net Position (Deficit), End of Year	<u><u>\$ 1,069,042</u></u>	<u><u>\$ 21,719,579</u></u>	<u><u>\$ 24,814,899</u></u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
Cash Flows from Operating Activities:			
Cash received for current services	\$ -	\$ 11,263,186	\$ 496,227
Cash received for other operating revenues	91,038	380,599	12,350
Cash paid for services and supplies	-	(9,314,972)	(276,899)
Cash paid for salaries and benefits	(951,628)	-	(242,804)
Net Cash Provided (Used) by Operating Activities	<u>(860,590)</u>	<u>2,328,813</u>	<u>(11,126)</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers (to)/from other funds	-	(34,709)	-
Net Cash Provided (Used) by Non-capital Financing Activities	<u>-</u>	<u>(34,709)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Capital expenditures	-	-	(263,855)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(263,855)</u>
Cash Flows from Investing Activities:			
Unrealized gain (loss) on investments	643	4,380	1,078
Interest received	643	(45,027)	14,414
Net Cash Provided (Used) by Investing Activities	<u>1,286</u>	<u>(40,647)</u>	<u>15,492</u>
Net Increase (Decrease) in Cash and Investments	<u>(859,304)</u>	<u>2,253,457</u>	<u>(259,489)</u>
Cash and Investments, Beginning of Year	<u>1,355,042</u>	<u>3,815,775</u>	<u>732,938</u>
Cash and Investments, End of Year	<u><u>\$ 495,738</u></u>	<u><u>\$ 6,069,232</u></u>	<u><u>\$ 473,449</u></u>
Reconciliation to Statement of Net Position:			
Cash and investments	<u>\$ 495,738</u>	<u>\$ 6,069,232</u>	<u>\$ 473,449</u>
Total Cash and Investments	<u><u>\$ 495,738</u></u>	<u><u>\$ 6,069,232</u></u>	<u><u>\$ 473,449</u></u>

CITY OF HANFORD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	City Payroll Fund	Risk Management Fund	Computer Maintenance Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income/(loss)	\$ 2,959	\$ 2,040,746	\$ (153,575)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	133,181
(Increase) decrease in:			
Receivables, net	-	2,704	(12)
Prepaid expenses	-	-	12,350
Inventory	-	-	-
Deferred outflow of resources	-	-	9,340
Accounts payable	88,079	73,138	5,750
Salaries and benefits payable	(951,628)	-	(1,291)
Compensated absences	-	-	-
Net pension liability	-	-	14,863
Deferred inflow of resources	-	-	(31,732)
Claims payable	-	212,225	-
Total Adjustments	<u>(863,549)</u>	<u>288,067</u>	<u>142,449</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (860,590)</u>	<u>\$ 2,328,813</u>	<u>\$ (11,126)</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Building Fund	Fleet Management Fund	Totals
Cash Flows from Operating Activities:			
Cash received for current services	\$ 1,065,164	\$ 4,996,825	\$ 17,821,402
Cash received for other operating revenues	20,466	38,635	543,088
Cash paid for services and supplies	(295,488)	(2,110,491)	(11,997,850)
Cash paid for salaries and benefits	(621,092)	(803,829)	(2,619,353)
Net Cash Provided (Used) by Operating Activities	<u>169,050</u>	<u>2,121,140</u>	<u>3,747,287</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers (to)/from other funds	(36,040)	(427,952)	(498,701)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(36,040)</u>	<u>(427,952)</u>	<u>(498,701)</u>
Cash Flows from Capital and Related Financing Activities:			
Capital expenditures	(84,352)	(1,348,431)	(1,696,638)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(84,352)</u>	<u>(1,348,431)</u>	<u>(1,696,638)</u>
Cash Flows from Investing Activities:			
Unrealized gain (loss) on investments	1,415	11,345	18,861
Interest received	13,214	221,317	204,561
Net Cash Provided (Used) by Investing Activities	<u>14,629</u>	<u>232,662</u>	<u>223,422</u>
Net Increase (Decrease) in Cash and Investments	<u>63,287</u>	<u>577,419</u>	<u>1,775,370</u>
Cash and Investments, Beginning of Year	<u>1,205,295</u>	<u>10,894,010</u>	<u>18,003,060</u>
Cash and Investments, End of Year	<u><u>\$ 1,268,582</u></u>	<u><u>\$ 11,471,429</u></u>	<u><u>\$ 19,778,430</u></u>
Reconciliation to Statement of Net Position:			
Cash and investments	<u>\$ 1,268,582</u>	<u>\$ 11,471,429</u>	<u>\$ 19,778,430</u>
Total Cash and Investments	<u><u>\$ 1,268,582</u></u>	<u><u>\$ 11,471,429</u></u>	<u><u>\$ 19,778,430</u></u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Building Fund	Fleet Management Fund	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income/(loss)	\$ 152,224	\$ 1,707,723	\$ 3,750,077
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	44,238	887,564	1,064,983
(Increase) decrease in:			
Receivables	1,628	(8,745)	(4,425)
Prepaid expenses	(94)	(136)	12,120
Inventory	-	(298,684)	(298,684)
Deferred outflow of resources	22,797	29,987	62,124
Accounts payable	(9,470)	(149,214)	8,283
Salaries and benefits payable	(2,528)	(1,872)	(957,319)
Compensated absences	1,430	8,678	10,108
Net pension liability	36,277	47,717	98,857
Deferred inflow of resources	(77,452)	(101,878)	(211,062)
Claims payable	-	-	212,225
Total Adjustments	<u>16,826</u>	<u>413,417</u>	<u>(2,790)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 169,050</u>	<u>\$ 2,121,140</u>	<u>\$ 3,747,287</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
JUNE 30, 2020

	Civil Subpoena	Renters' Insurance Deposits	COE Park Deposits	Miscellaneous Deposits Trust	Total
ASSETS					
Cash and investments	\$ 96,249	\$ 2,886	\$ 481	\$ 812,059	\$ 911,675
Accounts receivable	-	-	-	7,339	7,339
Total Assets	<u>96,249</u>	<u>2,886</u>	<u>481</u>	<u>819,398</u>	<u>919,014</u>
LIABILITIES					
Accounts payable	-	128	-	200,955	201,083
Deposits held for others	<u>96,249</u>	<u>2,758</u>	<u>481</u>	<u>322,316</u>	<u>421,804</u>
Total Liabilities	<u>96,249</u>	<u>2,886</u>	<u>481</u>	<u>523,271</u>	<u>622,887</u>
NET POSITION					
Restricted	-	-	-	296,127	296,127
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,127</u>	<u>\$ 296,127</u>

Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

CITY OF HANFORD
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Miscellaneous Deposits Trust	Total
ADDITIONS		
Other additions	\$ 265,456	\$ 265,456
Total Additions	<u>265,456</u>	<u>265,456</u>
DEDUCTIONS		
Unrealized (gain) loss on investments	<u>(17,475)</u>	<u>(17,475)</u>
Total Deductions	<u>(17,475)</u>	<u>(17,475)</u>
Change in Fiduciary Net Position	282,931	282,931
Net Position - Beginning of Year	<u>13,196</u>	<u>13,196</u>
Net Position - End of Year	<u>\$ 296,127</u>	<u>\$ 296,127</u>

SINGLE AUDIT REPORTS



**INDEPENDENT AUDITORS' 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**

The Honorable Mayor and Members of the City Council
City of Hanford
Hanford, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hanford (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit, 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 opinions 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-004 that we consider to be a significant deficiency. We also identified certain deficiencies in internal control as described in the accompanying schedule of findings and questioned costs as items 2020-001 through 2020-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the audit 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California
August 9, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and Members of the City Council
City of Hanford
Hanford, California

Report on Compliance for Each Major Federal Program

We have audited the City of Hanford's compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on each of the City of Hanford's major federal programs for the year ended June 30, 2020. City of Hanford's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and Uniform Guidance.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of Hanford's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Hanford'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 City of Hanford's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Hanford complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

7473 N. INGRAM AVE., SUITE 102 ♦ FRESNO, CA 93711

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Attachment: COH FS Final 2020 (Presentation of Audited Financial Statements Fiscal Year 2020)

Report on Internal Control Over Compliance

Management of the City of Hanford 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 City of Hanford's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hanford'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, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-005 that we consider to be a significant deficiency. We did not identify deficiencies in internal control over compliance that we considered to be material weaknesses.

Purpose of Report

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

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
August 9, 2021

CITY OF HANFORD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA No.	Supplemental Identifying Number	Pass- Through to Sub- recipients	Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Programs				
CDBG - Entitlement Grants Cluster				
CDBG/Entitlement Grants FY18	14.218	B-17-MC-0061	\$ -	\$ 465,122
CDBG/Entitlement Grants FY20	14.218	B-17-MC-0061	-	175,834
Total CDBG - Entitlement Grants Cluster			-	640,956
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	640,956
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Program				
Bulletproof Vest Partnership Program	16.607	1121-0235	-	4,152
Coronavirus Emergency Supplemental Funding	16.034		-	11,540
TOTAL U.S. DEPARTMENT OF JUSTICE			-	15,692
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Program - Federal Aviation Administration				
Airport Improvement	20.106	3-06-0098-023	-	364,396
Passed through California Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	CML-5091(060)	-	650,112
Highway Planning and Construction	20.205	CML-5091(061)	-	629,310
Total Highway Planning and Construction Cluster			-	1,279,422
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	1,643,818
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Direct Programs				
Coronavirus Relief Fund	21.019		-	732,790
TOTAL U.S. DEPARTMENT OF THE TREASURY			-	732,790
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Direct Programs				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		-	130,763
Assistance to Firefighters Grant	97.044		-	5,616
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	136,379
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 3,169,635

The accompanying notes are an integral part to the Schedule of Expenditures of Federal Awards.

CITY OF HANFORD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents all the activity of all the federal award programs of the City of Hanford (the City) for the year ended June 30, 2020. The City reporting entity is defined in Note 1 to the City's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING

Consistent with the City's method of filing federal financial reports, the accompanying Schedule of Expenditures of Federal Awards is prepared using the accrual basis method of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S., Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements. The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's financial statements.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related periodic federal financial reports.

NOTE 4 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)

The CFDA numbers included in the accompanying Schedule of Expenditures of Federal Awards were determined based on the program name, review of the grant or contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 5 – PASS-THROUGH ENTITY IDENTIFYING NUMBERS

When Federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards show, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City has either determined that no identifying number is assigned for the program, or the City was unable to obtain an identifying number from the pass-through entity.

NOTE 6 – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**CITY OF HANFORD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

· Material weakness identified?	<u> X </u> Yes	<u> </u> No
· Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> No

Noncompliance material to financial statements noted?

<u> </u> Yes	<u> X </u> No
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Federal Awards

Internal control over major federal programs:

· Material weakness identified?	<u> </u> Yes	<u> X </u> No
· Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> No

Noncompliance material to federal awards?

<u> </u> Yes	<u> X </u> No
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Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)?

<u> </u> Yes	<u> X </u> No
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Type of auditors' report issued on compliance for major Federal programs:

Unmodified

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
14.218	Community Development Block Grants/ Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

<u> </u> Yes	<u> X </u> No
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**CITY OF HANFORD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

**Finding 2020-001 – Material Weakness
Bank Reconciliations**

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure the timely preparation of the cash in order to identify any discrepancies, errors, and/or suspicious activity in the City's cash accounts.

Condition:

Through review of the City's bank reconciliations, we noted that the reconciliations were not being done consistently in a timely fashion during the fiscal year.

Cause of Condition:

Staff shortages and management retirements appear to be a cause of this deficiency.

Effect of Condition:

Unreconciled bank accounts can obscure significant items such as bank errors, improperly recorded transactions, and unauthorized transactions. If the reconciliation is not completed in a timely manner, these issues could go unresolved for a long time, and cause issues with the City Treasury.

Recommendation:

The City should reconcile all cash accounts on a regular basis and additional staff be trained to help facilitate more timely reconciliations. Management should also ensure that all reconciliations are reviewed for accuracy and completeness on a timely basis as well.

Management Response:

The City has completed steps to have cash reconciled on a timely basis (within 30 days after month end). Steps were taken immediately by new management to catchup on past cash reconciliations and assign resources for timely completion.

Staffing shortages had caused delays but those positions have now been filled. After the staffing changes, more than one staff person is now able to reconcile and verify the condition of the City Treasury.

**Finding 2020-002 – Material Weakness
Financial Close**

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure that all assets, liabilities, revenues, and expenses are properly recorded and reported. Furthermore, proper accounting principles should be applied to all financial closing accounts and processes, thus resulting in the proper presentation of all System activities and/or funds.

Condition:

During the audit of the City's financial statements, we identified material misstatements in the City's account balances which required material audit adjustments. Additionally, the City required an excessive number of year-end closing journal entries to complete the financial close process. In addition, the material adjustments made significantly delayed the audit process.

**CITY OF HANFORD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

Cause of Condition:

The City did not have an adequate financial close process in place and was implementing new accounting software.

Effect of Condition:

Material adjustments were identified through the audit procedures performed. Additionally, the significant adjustments made prevented the audit from being completed in a timely manner.

Recommendation:

The City should further enhance their accounting process to ensure that all accounting records are properly reflected in the financial statements prior to the commencement of the audit.

Management Response:

A change in accounting software and internal turnover in the Finance Department caused significant delay in year-end accounting. The City filled vacated positions after the end of the fiscal year, including a new Finance Director and added two new Analyst positions to oversee management of accounting functions.

In addition, the City Council has approved hiring of a Certified Public Accounting firm to assist staff in preparing timely year end accounting entries, including accruals and adjustments. City staff has also implemented a formal year end closing process and is focusing resources on having strong financial systems in place to create more efficiency and accuracy in the City's accounting. Lastly, the City has established the Finance Manager to oversee improvements to financial systems and work to improve the efficiency and accuracy of information being imported into the City's financial system.

**Finding 2020-003 – Material Weakness
Intergovernmental Balances**

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure the internal balances are properly balanced and reflected in the funds.

Condition:

Through review of the City's transfers in and out, due to and from, and advances to and from balances, posted material adjusting journal entries as intergovernmental balances did not balance.

Cause of Condition:

The cause of this deficiency was attributed to the lack of a proper recording system for intergovernmental activity.

Effect of Condition:

Unreconciled bank accounts can obscure significant items such as bank errors, improperly recorded transactions, and unauthorized transactions. If the reconciliation is not completed in a timely manner, these issues could go unresolved for a long time, and cause issues with the City Treasury.

Recommendation:

The City should reconcile all cash accounts on a regular basis and additional staff be trained to help facilitate more timely reconciliations. Management should also ensure that all reconciliations are reviewed for accuracy and completeness on a timely basis as well.

CITY OF HANFORD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2020

Management Response:

A change in accounting software and internal turnover in the Finance Department caused significant delay in year-end accounting. The City filled vacated positions after the end of the fiscal year including a new Finance Director and added two new Analyst positions to oversee management of accounting functions.

In addition, the City Council has approved hiring of a Certified Public Accounting firm to assist staff in preparing timely year end accounting entries, including entries and adjustments for intergovernmental balances. City staff has also implemented a formal year end closing process to create more efficiency, review and accuracy in the City's accounting of intergovernmental balances.

Finding 2020-004 – Significant Deficiency
Capital Assets

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure that all capital asset purchases are identified, capitalized, and recorded in the proper fund. Furthermore, proper accounting principles should be applied to all asset disposals/deletions when that property is sold. This will ensure that all capital asset balances are properly recorded, thus resulting in the proper presentation of all City activities and/or funds.

Condition:

Per audit procedures performed over capital assets, we noted the City improperly recorded the disposal of capital assets.

Cause of Condition:

The City lacked proper internal controls to identify these assets and properly record the capitalization and/or disposal of the City's assets.

Effect of Condition:

In the current and prior year financial statements, the City's individual fund financial statements were not properly reported, resulting in material adjustments to correct these funds capital asset balances in the current year.

Recommendation:

We recommend that the City implement different levels or review and/or obtain consultation when recording capital assets to ensure that current year activity is reported correctly, and all capital assets are reported in the correct fund.

Management Response:

A change in accounting software and internal turnover in the Finance Department caused significant delay in year-end accounting. The City filled vacated positions after the end of the fiscal year including a new Finance Director and added two new Analyst positions to oversee management of accounting functions.

In addition, the City Council has approved hiring of a Certified Public Accounting firm to assist staff in preparing timely year end accounting entries, including entries and adjustments for capital assets. City staff has also implemented a formal year end closing process to create more efficiency, review and accuracy in the City's accounting of capital assets.

**CITY OF HANFORD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION III – FEDERAL AWARD FINDINGS

Finding 2020-005 – Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Program: N/A

CFDA No.: N/A

Federal Agency: N/A

Pass Through: N/A

Award Numbers: N/A

Award Year: 2019-2020 Fiscal Year

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria:

In accordance with accounting principles generally accepted in the United States of America and Uniform Guidance, adequate procedures should be in place to ensure the proper reporting of the federal expenditures on the SEFA.

Condition:

We identified an error in the reporting of the federal award expenditures in the preliminary SEFA received at the beginning of the audit. An adjustment was required and the SEFA was corrected prior to final issuance.

Cause of Condition:

The City did not have an adequate review process for recording federal expenditures and preparing the SEFA, including reconciling the SEFA to supporting ledgers and records of the City.

Effect of Condition:

Improper amounts were initially recorded in the SEFA which can impact federal funding.

Recommendation:

The City should further enhance their accounting process to ensure that all accounting records are properly reflected in the SEFA prior to the commencement of the audit by implement a financial closing process with adequate reviews, and ensure the process the include sufficient time for review and implementation for a more timely closing process and preparation of the SEFA.

Management Response and Corrective Action Plan:

A change in accounting software and internal turnover in the Finance Department caused significant delay in year-end accounting. The City filled vacated positions after the end of the fiscal year including a new Finance Director and added two new Analyst positions to oversee management of accounting functions.

City staff has implemented a formal year end closing process to create more efficiency, review, and accuracy of the City's SEFA. In addition, the City has established the Finance Manager to oversee improvements to financial systems and work to improve the efficiency and accuracy of information and reports to use for external reporting.

**CITY OF HANFORD
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

**Finding 2019-001 – Significant Deficiency
Inventory Counts**

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure that the amount of inventory amounts reported in the financial records are accurate and provide a level of safeguarding over inventoried goods.

Condition:

Per review of the City's internal controls, it was noted that the City does not perform adequate inventory counts periodically throughout the fiscal year, including over fuel.

Cause of Condition:

The City made efforts to implement prior year recommendations, but is still working on full implementation.

Effect of Condition:

Without proper controls over the City's inventory, amounts reported in the financial statements could be misstated. Furthermore, the risk of theft or misuse could result in higher fuel costs for the City.

Recommendation:

We recommend that the City implement periodic inventory counts that reconcile to the City financial records. These periodic counts should also include review by management for accuracy and completeness.

Management Response:

We agree with this recommendation. Finance has been working diligently to get proper inventory systems set up and maintained for parts within Water operations, parts and vehicles within the Fleet department, and fuel used in both the Fleet operations and the Airport operations. Inventory software and hardware was purchased and installed last year, and efforts are being made to ensure proper recording of inventory is both implemented and practiced by the departments.

Current Year Status:

Implemented.

SECTION III – FEDERAL AWARD FINDINGS

There were no federal award findings noted.

APPROPRIATIONS LIMIT REPORT



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES RELATED TO THE
ARTICLE XIII-B APPROPRIATIONS LIMIT**

To the Honorable Mayor and Members of the City Council
City of Hanford
Hanford, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriations Limit of the City of Hanford, California (the City) for the year ended June 30, 2020. These procedures, which were agreed to by the City and recommended by the California Committee on Municipal Accounting (CCMA) (as presented in the CCMA White Paper 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 Calculation.

The sufficiency of these 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 and associated findings are as follows:

- 1) We obtained the City's calculation of the June 30, 2020 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by the resolution of the City Council. We also compared the population and inflation factors included in the aforementioned worksheet 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 accompany calculation, we added last year's limit to the total adjustments and compared the resulting amount to this year's limit.

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

- 3) We compared the current year information used to determine the current year limit to the appropriations limit calculation prepared by the City and to the information provided by the State Department of Finance.

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

- 4) We compared the prior year appropriations limit calculation presented in the accompanying appropriations limit calculation to the prior year appropriations limit adopted by the City Council for the prior year.

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion, on the accompanying Appropriations Limit Calculation. 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 appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

7473 N. INGRAM AVE., SUITE 102 ♦ FRESNO, CA 93711

P (559) 412-7576 ♦ F (559) 493-5325 ♦ WWW.HHCCPAS.COM

This report is intended solely for the use of the City Council and City's management 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.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
August 9, 2021

**CITY OF HANFORD
APPROPRIATIONS LIMIT SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

Appropriations Limit, fiscal year 2019, as adopted	<u>\$ 65,417,217</u>
Adjustment Factors:	
Per Capita Personal Income Change	3.85%
Population change - City of Hanford	1.32%
Per Capita converted to a ratio	1.0385
Population converted to a ratio	1.0132
Calculation of factor FY 19-20	1.0522
Annual adjustment in dollars	<u>3,414,779</u>
Appropriations limit, fiscal year 2020, as adopted	<u>\$ 68,831,996</u>

City of HANFORD

CALIFORNIA 93230
CITY OFFICES 319 NORTH DOUTY STREET
FINANCE DEPARTMENT 315 NORTH DOUTY STREET



MAYOR
FRANCISCO RAMIREZ
VICE-MAYOR
DIANE SHARP

COUNCIL MEMBERS
KALISH MORROW
AMANDA SALTRAY
ARTHUR BRIENO

CITY MANAGER
MARIO CIFUENTEZ II

CITY ATTORNEY
ROBERT M. DOWD

August 9, 2021

To Whom It May Concern,

Finding 2020-005 – Significant Deficiency
Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Program: N/A
CFDA No.: N/A
Federal Agency: N/A
Pass Through: N/A
Award Numbers: N/A
Award Year: 2019-20 Fiscal Year
Compliance Requirement: Reporting
Questioned Costs: N/A

Criteria:

In accordance with accounting principles generally accepted in the United States of America and Uniform Guidance, adequate procedures should be in place to ensure the proper reporting of the federal expenditures on the SEFA.

Condition:

We identified an error in the reporting of the federal award expenditures in the preliminary SEFA received at the beginning of the single audit. An adjustment was required and the SEFA was corrected prior to final issuance.

Cause of Condition:

The City did not have an adequate review process for recording federal expenditures and preparing the SEFA, including reconciling the SEFA to supporting ledgers and records of the City.

Effect of Condition:

Improper amounts were initially recorded in the SEFA which can impact federal funding.

Recommendation:

The City should further enhance their accounting process to ensure that all accounting records are properly reflected in the SEFA prior to the commencement of the audit by implement a financial closing process with adequate reviews, and ensure the process the include sufficient time for review and implementation for a more timely closing process and preparation of the SEFA.

Management Response and Corrective Action Plan:

A change in accounting software and internal turnover in the Finance Department caused significant delay in year-end accounting. The City filled vacated positions after the end of the fiscal year including a new Finance Director and added two new Analyst positions to oversee management of accounting functions.

City staff has implemented a formal year end closing process to create more efficiency, review, and accuracy of the City's SEFA. In addition, the City has established the Finance Manager to oversee improvements to financial systems and work to improve the efficiency and accuracy of information and reports to use for external reporting.

Sincerely,

 CPA

Chris Tavaréz, C.P.A.
Finance Director



August 11, 2021

To the Honorable Mayor and Members of the City Council
Hanford, California

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 Hanford, California (the City) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 13, 2020. 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. During 2020, the City did not adopt any new accounting guidance. 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 City does not have any particularly sensitive estimates affecting the financial statements.

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 disclosures of the employee pension plans and other post-employment benefits as presented in Notes 6 and 7 to the financial statements. Analyses of these balances rely mostly on the actuarial evaluations obtained by management. The significance of the estimated future liabilities makes these sensitive disclosures for the users of the financial statements.

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

Difficulties Encountered in Performing the Audit

We encountered some significant difficulties in dealing with management in performing and completing our audit. It was noted the completion of the audit was delayed and issued subsequent to the expected date of December 31, 2020, due to a few different factors. Management was working on the implementation of new accounting software for this fiscal year, leading to issues with financial closing and that always is a difficult transition. In addition, the change of the finance director and subsequent search for the new finance director also caused delays in completing the financial close, and thus delaying the audit. We also had problems completing the audit with required material adjustments, as further noted on the following page. These contributed to the initial delay in setting our fieldwork dates, and then completion of the audit. All of these factors lead to the delays in issuing the financials in August 2021.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material adjustments and correlating material weaknesses and significant deficiency were included in the financial report in the findings and questioned costs section.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 9, 2021.

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule of changes in net pension and related ratios, schedule of the city's proportionate share of the net pension liability, schedule of plan contributions, schedule of changes in net OPEB liability and related ratios, schedule of contributions- OPEB, and budgetary comparison schedules for the General Fund, CDBG Home/Housing Fund, Capital Projects Fund, and Transportation Impact Fees Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the principal city officials, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

City of Hanford
August 11, 2021
Page 3 of 3

Restriction on Use

This information is intended solely for the information and 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.

Sincerely,

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in black ink, appearing to read "Brian Henderson", with a long horizontal flourish extending to the right.

By: Brian Henderson, CPA



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION:
--------------------------------	------------------------

SUBJECT:

Proclamation Naming Penelope 'Penny' Saltray as an Honorary Firefighter for the City of Hanford Fire Department

RECOMMENDATION:

That the Mayor or representative read the attached proclamation to commemorate the event.

BACKGROUND:

Meeting Miss Penny Saltray on June 15th, 2021 has been a life altering event. For the swearing-in of our new City Councilperson, Amanda Saltray brought in her family to witness and be a part of the honorable event. Mrs. Saltray's husband Evan, three daughters, Ally Bea, Olivia, and Penny, as well as many other family members filled the foyer and I began a conversation with Penny. Penny began asking me questions about the fire department, the big trucks, dogs, and everything you would expect from a curious 7-year-old. I told her about how we help people and animals in need. I explained that firefighters try to stop fires from hurting people and breaking toys. I invited Penny to come by the fire station to see the fire engines, the ladder truck, and our dogs. Penny then turned to her mom and said she wanted to be a firefighter. At that age most children we meet want to be a firefighter. I told Penny that if she wanted to be a firefighter she just needed to do good in school, listen to her mom and dad, and never give up. Her smile warmed the room as she turned to her parents to exclaim her career path.

Shortly after, I had a conversation with Mrs. Saltray about Penny's special needs and her inability to achieve this ambition. Penny has been diagnosed with a rare chromosome deletion that effects here globally. She has the full spectrum of Dysautonomia and High Functioning Autism. In addition, she has Ectodermalhypodysplasia, Laryngomalacia, and Obstructive Apnea. Unfortunately, those are just the big issues that Penny deals with daily, which include severe scoliosis and neuromuscular disorder, and so on. Essentially, her autism triggers her body to shut down. In the beginning this resulted in numerous events of cardiac and respiratory arrests, making her appearance today a miracle in and of itself. With no other person in the world with her diagnosis', Penny has become 'Patient A' with doctors studying and working to

help this amazing young lady.

With my promise that Penny could become a firefighter, I began researching how we could make it happen. Ultimately, I discovered that this process has previously occurred. In 2005, both the City of Hanford and the Kings County Fire Department made a young boy an honorary firefighter and the path was clear. Partnering again with Kings County Fire Department, Penny will achieve her dream by being sworn in as an honorary firefighter for both agencies. In addition, Penny's sister's Ally Bea and Olivia will be recognized for their support of their mom, dad, and baby sister over all these years and for the many more challenges yet to come. Love and faith have carried the Saltrays through numerous struggles and my hope is that many more thoughts and prayers can only make them stronger.

Hanford's soul is truly represented in the courage of this little girl and the love shared by the entire family.

FISCAL IMPACT:

None

ATTACHMENTS:

Proclamation



CITY OF HANFORD PROCLAMATION



In Recognition and Honor of Penelope "Penny" Sandra Saltray

WHEREAS, firefighters place their lives in danger every day to battle threats, both visible and unseen while sacrificing time from home and family to oppose these threats; and

WHEREAS, a firefighter's first priority is the desire, drive, and heart to serve others; and

WHEREAS, Penelope Sandra Saltray "Penny" is a seven-year-old citizen of the City of Hanford, in the Kings County who dreams of one day becoming a firefighter; and

WHEREAS, Penny battles life altering events daily with the same desire, drive, and heart of a firefighter, but that will prevent pursuing her dream; and

WHEREAS, the members of the Hanford Fire Department would like to recognize Penny for her strength and ambition to serve;

NOW, THEREFORE, THE CITY OF HANFORD CITY COUNCIL hereby proclaims "Penelope 'Penny' Sandra Saltray" will hereby be an Honorary Firefighter with the City of Hanford Fire Department.

Presented this 17th day of August, 2021.



Francisco Ramirez, Mayor

Diane Sharp, Vice Mayor

Amanda Saltray, Council Member

Kalish Morrow, Council Member

Art Brieno, Council Member



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: B
--------------------------------	--------------------------

SUBJECT:

Council: Designation of Mayor Ramirez as the voting delegate and Council Member Morrow and Council Member Saltray as the alternate(s) for the League of California Cities Annual Conference.

RECOMMENDATION:

That the City Council, by motion, designate Mayor Ramirez as the voting delegate and Council Member Morrow and Council Member Saltray as the alternate(s) for the League of California Cities Annual Conference and direct the City Clerk to complete and send the Voting Delegate/Alternate form to the League of California Cities.

BACKGROUND:

The League's 2021 Annual Conference is scheduled for September 22-24, 2021 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (during the General Assembly), scheduled on Friday, September 24 at the SAFE Credit Union Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, the City Council must designate a voting delegate. The Council may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

FISCAL IMPACT:

ATTACHMENTS:

Annual Conference Voting Procedures and form



Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2021 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to Cal Cities office by Wednesday, September 15, 2021. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

To vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____

Email: _____

Mayor or City Clerk _____
(circle one) (signature)

Date: _____ Phone: _____

Please complete and return by Wednesday, September 15, 2021 to:

Darla Yacub, Assistant to the Administrative Services Director

E-mail: dyacub@cacities.org

Phone: (916) 658-8254



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021

AGENDA SECTION: C

SUBJECT:

Administration: Approval of the full-time salary schedule for Fiscal Year 2021-22

RECOMMENDATION:

That the City Council, by motion, approve the attached salary schedule to reflect the recent increases approved through the labor negotiation process and authorize administration to amend all other documents as may be necessary to implement the updates.

BACKGROUND:

Pursuant to the California Code of Regulations (CCR) 570.5, the California Public Employees' Retirement System (CalPERS) requires that a publicly available pay schedule be used to determine pay rates. Additionally, pay rates shall be limited to the amount listed on a pay schedule and must meet all of the following eight requirements:

1. Be duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws
2. Identify the position title for every employee position
3. Show the pay rate as a single amount or multiple amounts within a range for each identified position
4. Indicate the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually
5. Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's website
6. Indicate an effective date and date of any revisions
7. Is retained by the employer and available for public inspection for not less than five years
8. Does not reference another document in lieu of disclosing the pay rate

In light of the minimal effort to bring the City's various bargaining group salary schedules into a single document for approval by the City Council, staff intends to continue to maintain a

comprehensive salary schedule going forward which will be approved by the City Council on a frequent basis to include on-going updates to satisfy the requirements set forth by the California Code of Regulations (CCR) 570.5.

FISCAL IMPACT:

The 21/22 budget previously approved by City Council in June included a mechanism to absorb the potential increases of \$312,000.

ATTACHMENTS:

COH FT Employee Salary Schedule 7-12-21

COH Salary Schedule Description 7-12-21



City of Hanford Salary Schedule (Full-Time Employees)

Title	Range	Monthly Salary			Hourly Salary			Bargaining Group Designation	Overtime Designation	FLSA Designation
Accountant	1809	\$5,280	to	\$6,448	\$30.46	to	\$37.20	GEMA	1	E
Accounting Clerk	1313	\$3,216	to	\$3,928	\$18.55	to	\$22.66	SEIU	3	40
Accounting Technician	1465	\$3,744	to	\$4,572	\$21.60	to	\$26.38	GEMA	2	40
Administrative Analyst II	1820	\$5,339	to	\$6,520	\$30.80	to	\$37.61	GEMA	1	E
Administrative Assistant	1489	\$3,835	to	\$4,683	\$22.12	to	\$27.02	SEIU	3	40
Administrative Technician	1489	\$3,835	to	\$4,683	\$22.12	to	\$27.02	SEIU	3	40
Animal Control Technician	1384	\$3,453	to	\$4,217	\$19.92	to	\$24.33	SEIU	3	40
Assistant Engineer	1909	\$5,835	to	\$7,126	\$33.66	to	\$41.11	SEIU	3	40
Assistant Planner	1755	\$5,003	to	\$6,110	\$28.86	to	\$35.25	SEIU	3	40
Associate Civil Engineer	2024	\$6,546	to	\$7,994	\$37.77	to	\$46.12	GEMA	1	E
Associate Planner	1860	\$5,557	to	\$6,786	\$32.06	to	\$39.15	SEIU	3	40
Building Inspector I	1617	\$4,358	to	\$5,322	\$25.14	to	\$30.71	SEIU	3	40
Building Inspector II	1722	\$4,841	to	\$5,911	\$27.93	to	\$34.10	SEIU	3	40
Building Official	2183	\$7,674	to	\$9,371	\$44.27	to	\$54.06	GEMA	1	E
Building Superintendent	1949	\$6,073	to	\$7,417	\$35.04	to	\$42.79	GEMA	1	E
City Clerk	2002	\$6,404	to	\$7,820	\$36.95	to	\$45.12	GEMA	1	E
City Engineer	2351	\$9,077	to	\$11,085	\$52.37	to	\$63.95	GEMA	1	E
City Manager	2790	\$14,077	to	\$17,190	\$81.20	to	\$99.18	Unrep	1	E
Code Compliance Officer	1597	\$4,272	to	\$5,217	\$24.65	to	\$30.10	SEIU	3	40
Communications Dispatch Supervisor	1643	\$4,473	to	\$5,463	\$25.81	to	\$31.51	SEIU	3	40
Communications Dispatcher	1503	\$3,889	to	\$4,749	\$22.44	to	\$27.40	SEIU	3	40
Community Development Director	2500	\$10,534	to	\$12,865	\$60.77	to	\$74.22	EMEA	1	E

Attachment: COH FT Employee Salary Schedule 7-12-21 (Admin: Full-Time Salary Schedule)

Title	Range	Monthly Salary			Hourly Salary			Bargaining Group Designation	Overtime Designation	FLSA Designation
Community Enhancement Officer	1299	\$3,172	to	\$3,873	\$18.30	to	\$22.34	SEIU	3	40
Computer Technician	1501	\$3,881	to	\$4,740	\$22.39	to	\$27.34	SEIU	3	40
Construction Coordinator/Inspector	1811	\$5,291	to	\$6,461	\$30.52	to	\$37.28	SEIU	3	40
Construction Inspector I	1610	\$4,328	to	\$5,285	\$24.97	to	\$30.49	SEIU	3	40
Construction Inspector II	1715	\$4,807	to	\$5,870	\$27.73	to	\$33.87	SEIU	3	40
Custodian	1164	\$2,771	to	\$3,384	\$15.99	to	\$19.52	SEIU	3	40
Deputy Public Works Director	2371	\$9,260	to	\$11,308	\$53.42	to	\$65.24	GEMA	1	E
Development Services Assistant	1313	\$3,216	to	\$3,928	\$18.55	to	\$22.66	SEIU	3	40
Development Services Technician	1527	\$3,983	to	\$4,865	\$22.98	to	\$28.06	SEIU	3	40
Engineering Manager	2291	\$8,549	to	\$10,439	\$49.32	to	\$60.23	GEMA	1	E
Engineering Technician I	1565	\$4,138	to	\$5,053	\$23.87	to	\$29.15	SEIU	3	40
Engineering Technician II	1670	\$4,595	to	\$5,612	\$26.51	to	\$32.38	SEIU	3	40
Facilities Maintenance Technician I	1304	\$3,188	to	\$3,893	\$18.39	to	\$22.46	SEIU	3	40
Facilities Maintenance Technician II	1399	\$3,505	to	\$4,280	\$20.22	to	\$24.69	SEIU	3	40
Finance Director	2538	\$10,942	to	\$13,363	\$63.12	to	\$77.09	EMEA	1	E
Finance Manager	2234	\$8,075	to	\$9,861	\$46.59	to	\$56.89	GEMA	1	E
Financial Analyst	1916	\$5,876	to	\$7,176	\$33.90	to	\$41.40	GEMA	1	E
Fire Battalion Chief	2258	\$8,271	to	\$10,101	\$47.72	to	\$58.27	IAFF	1	E
Fire Captain*	1589	\$5,933	to	\$7,246	\$24.45	to	\$29.86	IAFF	4	24
Fire Chief	2499	\$10,524	to	\$12,852	\$60.71	to	\$74.14	EMEA	1	E
Fire Engineer*	1426	\$5,040	to	\$6,156	\$20.77	to	\$25.37	IAFF	4	24
Fire Marshal	1940	\$6,019	to	\$7,350	\$34.73	to	\$42.41	GEMA	1	E
Fire Prevention Coordinator	1597	\$4,272	to	\$5,217	\$24.65	to	\$30.10	SEIU	3	40
Firefighter*	1376	\$4,800	to	\$5,863	\$19.78	to	\$24.16	IAFF	4	24
Fleet Mechanic I	1382	\$3,446	to	\$4,208	\$19.88	to	\$24.28	SEIU	3	40
Fleet Mechanic II	1487	\$3,827	to	\$4,674	\$22.08	to	\$26.96	SEIU	3	40
Fleet Superintendent	1949	\$6,073	to	\$7,417	\$35.04	to	\$42.79	GEMA	1	E

Attachment: COH FT Employee Salary Schedule 7-12-21 (Admin: Full-Time Salary Schedule)

Title	Range	Monthly Salary			Hourly Salary			Bargaining Group Designation	Overtime Designation	FLSA Designation
Fleet Supervisor	1668	\$4,586	to	\$5,601	\$26.46	to	\$32.31	GEMA	2	40
Heavy Equipment Operator	1451	\$3,692	to	\$4,509	\$21.30	to	\$26.01	SEIU	3	40
Housing Analyst	1820	\$5,339	to	\$6,520	\$30.80	to	\$37.61	GEMA	1	E
Human Resources Analyst	1831	\$5,398	to	\$6,592	\$31.14	to	\$38.03	GEMA	1	E
Human Resources Manager	2402	\$9,552	to	\$11,664	\$55.10	to	\$67.29	Unrep	1	E
Human Resources Technician	1647	\$4,491	to	\$5,484	\$25.91	to	\$31.64	GEMA	2	40
Information Technology Manager	2172	\$7,590	to	\$9,269	\$43.79	to	\$53.47	GEMA	1	E
Landscape Services Technician	1499	\$3,873	to	\$4,730	\$22.35	to	\$27.29	SEIU	3	40
Maintenance Worker I	1299	\$3,172	to	\$3,873	\$18.30	to	\$22.34	SEIU	3	40
Maintenance Worker II	1404	\$3,523	to	\$4,302	\$20.32	to	\$24.82	SEIU	3	40
Meter Reader	1299	\$3,172	to	\$3,873	\$18.30	to	\$22.34	SEIU	3	40
Office Assistant I	1208	\$2,896	to	\$3,536	\$16.71	to	\$20.44	SEIU	3	40
Office Assistant II	1313	\$3,216	to	\$3,928	\$18.55	to	\$22.66	SEIU	3	40
Parking Control Officer	1302	\$3,181	to	\$3,885	\$18.35	to	\$22.41	SEIU	3	40
Parks & Community Services Director	2402	\$9,552	to	\$11,664	\$55.10	to	\$67.29	EMEA	1	E
Parks and Facilities Manager	2078	\$6,909	to	\$8,438	\$39.86	to	\$48.68	GEMA	1	E
Parks Supervisor	1668	\$4,586	to	\$5,601	\$26.46	to	\$32.31	GEMA	2	40
Payroll Specialist	1561	\$4,121	to	\$5,033	\$23.77	to	\$29.03	GEMA	2	40
Police Cadet	1311	\$3,210	to	\$3,920	\$18.52	to	\$22.61	HPOA	3	40
Police Captain	2345	\$9,023	to	\$11,018	\$52.05	to	\$63.57	HPOA	1	E
Police Chief	2565	\$11,242	to	\$13,728	\$64.85	to	\$79.20	EMEA	1	E
Police Corporal	1912	\$5,853	to	\$7,148	\$33.77	to	\$41.24	HPOA	4	14
Police Lieutenant	2218	\$7,947	to	\$9,705	\$45.85	to	\$55.99	HPOA	1	E
Police Officer	1817	\$5,323	to	\$6,500	\$30.71	to	\$37.50	HPOA	4	14
Police Records Assistant	1345	\$3,321	to	\$4,055	\$19.16	to	\$23.40	SEIU	3	40
Police Sergeant	2058	\$6,773	to	\$8,271	\$39.07	to	\$47.76	HPOA	4	14
Police Service Technician	1379	\$3,436	to	\$4,196	\$19.82	to	\$24.20	SEIU	3	40

Attachment: COH FT Employee Salary Schedule 7-12-21 (Admin: Full-Time Salary Schedule)

Title	Range	Monthly Salary			Hourly Salary			Bargaining Group Designation	Overtime Designation	FLSA Designation
Police Support Services Administrator	1826	\$5,371	to	\$6,559	\$30.98	to	\$37.84	GEMA	1	E
Principal Planner	2140	\$7,351	to	\$8,977	\$42.41	to	\$51.79	GEMA	1	E
Project Manager	2050	\$6,719	to	\$8,205	\$38.76	to	\$47.33	GEMA	1	E
Property and Evidence Technician	1461	\$3,729	to	\$4,554	\$21.51	to	\$26.27	SEIU	3	40
Public Works Director	2533	\$10,888	to	\$13,296	\$62.81	to	\$76.71	EMEA	1	E
Purchasing Agent	1916	\$5,876	to	\$7,176	\$33.90	to	\$41.40	GEMA	1	E
Recreation Coordinator	1506	\$3,901	to	\$4,763	\$22.50	to	\$27.48	SEIU	3	40
Recreation Supervisor	1690	\$4,688	to	\$5,725	\$27.05	to	\$33.03	GEMA	2	40
Recycling Coordinator	1628	\$4,407	to	\$5,381	\$25.42	to	\$31.05	GEMA	2	40
Refuse Collector	1369	\$3,402	to	\$4,154	\$19.62	to	\$23.96	SEIU	3	40
Refuse Service Worker	1465	\$3,744	to	\$4,572	\$21.60	to	\$26.38	SEIU	3	40
Refuse Manager	2078	\$6,909	to	\$8,438	\$39.86	to	\$48.68	GEMA	1	E
Refuse Supervisor	1818	\$5,328	to	\$6,507	\$30.74	to	\$37.54	GEMA	1	E
Regulatory Compliance Analyst	1628	\$4,407	to	\$5,381	\$25.42	to	\$31.05	GEMA	2	40
Risk Management Analyst	1831	\$5,398	to	\$6,592	\$31.14	to	\$38.03	GEMA	1	E
Sanitary Sewer Collection Supervisor	1818	\$5,328	to	\$6,507	\$30.74	to	\$37.54	GEMA	1	E
Senior Administrative Analyst	1916	\$5,876	to	\$7,176	\$33.90	to	\$41.40	GEMA	1	E
Senior Civil Engineer	2101	\$7,070	to	\$8,634	\$40.79	to	\$49.81	GEMA	1	E
Senior Custodian	1260	\$3,050	to	\$3,725	\$17.60	to	\$21.49	SEIU	3	40
Senior Fleet Mechanic	1582	\$4,209	to	\$5,139	\$24.28	to	\$29.65	SEIU	3	40
Senior Maintenance Worker	1499	\$3,873	to	\$4,730	\$22.35	to	\$27.29	SEIU	3	40
Senior Planner	2000	\$6,391	to	\$7,805	\$36.87	to	\$45.03	GEMA	1	E
Senior Plans Examiner	2000	\$6,391	to	\$7,805	\$36.87	to	\$45.03	GEMA	1	E
Senior Police Records Assistant	1440	\$3,652	to	\$4,459	\$21.07	to	\$25.73	SEIU	3	40
Senior Refuse Collector	1618	\$4,363	to	\$5,328	\$25.17	to	\$30.74	SEIU	3	40
Senior Utilities Maintenance Worker	1595	\$4,264	to	\$5,207	\$24.60	to	\$30.04	SEIU	3	40
Shop and Parts Specialist	1487	\$3,827	to	\$4,674	\$22.08	to	\$26.96	SEIU	3	40

Attachment: COH FT Employee Salary Schedule 7-12-21 (Admin: Full-Time Salary Schedule)

Title	Range	Monthly Salary			Hourly Salary			Bargaining Group Designation	Overtime Designation	FLSA Designation
Streets Manager	2078	\$6,909	to	\$8,438	\$39.86	to	\$48.68	GEMA	1	E
Streets Supervisor	1818	\$5,328	to	\$6,507	\$30.74	to	\$37.54	GEMA	1	E
Sweeper Operator	1387	\$3,463	to	\$4,229	\$19.98	to	\$24.40	SEIU	3	40
Traffic Control Technician	1678	\$4,632	to	\$5,657	\$26.73	to	\$32.64	SEIU	3	40
Utilities Maintenance Worker I	1394	\$3,488	to	\$4,259	\$20.12	to	\$24.57	SEIU	3	40
Utilities Maintenance Worker II	1499	\$3,873	to	\$4,730	\$22.35	to	\$27.29	SEIU	3	40
Utilities Manager	2078	\$6,909	to	\$8,438	\$39.86	to	\$48.68	GEMA	1	E
Utilities Supervisor	1818	\$5,328	to	\$6,507	\$30.74	to	\$37.54	GEMA	1	E
Utility Billing Specialist	1561	\$4,121	to	\$5,033	\$23.77	to	\$29.03	GEMA	2	40
Water Conservation Technician	1501	\$3,881	to	\$4,740	\$22.39	to	\$27.34	SEIU	3	40
WWTP Operator I	1445	\$3,670	to	\$4,482	\$21.17	to	\$25.86	SEIU	3	40
WWTP Operator II	1551	\$4,080	to	\$4,983	\$23.54	to	\$28.75	SEIU	3	40
WWTP Manager	2078	\$6,909	to	\$8,438	\$39.86	to	\$48.68	GEMA	1	E
WWTP Supervisor	1818	\$5,328	to	\$6,507	\$30.74	to	\$37.54	GEMA	1	E
WWTP/OIT	1340	\$3,304	to	\$4,035	\$19.06	to	\$23.28	SEIU	3	40

Revised effective July 12, 2021 and approved by City Council on August 17, 2021

The information above notes monthly base salary and does not include any special pays. For more information pertaining to additional compensation options, please refer to the individual MOU's located on the City's website.

* Monthly salary based on working 2,912 hours per year

Bargaining Group Designation

Executive Management Employees Association
 General Employees Management Association
 International Association of Firefighters
 Hanford Police Officers Association
 Service Employees International Union Local 521
 Unrepresented
 Not Applicable

EMEA
GEMA
IAFF
HPOA
SEIU
Unrep
NA

Overtime Designation

Management Employee
 Confidential/Other Employee
 General Employee
 Fire/Police Employee

1. No compensation for overtime work
2. Shall be paid for overtime work
3. Shall be paid for overtime work
4. Shall be paid for overtime work

FLSA Designation

E - Exempt
 40 - 40 hour, 7 day work period (non-exempt)
 14 - 86 hour/14 day work period (7k exemption)
 24 -182 hour/24 day work period (7k exemption)



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: D
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SUBJECT:

Administration: Approval of a Letter of Support to Senators Feinstein and Padilla requesting that the definition of agricultural labor or services in the Farm Workforce Modernization Act of 2021 be modified to include employees who work in packing houses and processing plants and that legislation for Dreamers be passed concurrently.

RECOMMENDATION:

That the City Council, by motion, Approve Letters of Support to Senators Feinstein and Padilla requesting that the definition of agricultural labor or services in the Farm Workforce Modernization Act of 2021 be modified to include employees who work in packing houses and processing plants and that legislation for Dreamers be passed concurrently.

BACKGROUND:

The City of Hanford has received a request from Manuel Cunha, Jr., President of the Nisei Farmers League, asking Council for a letter of support to the U.S. Senators for California.

It was discovered that the House of Representative's version of the Farm Workforce Modernization Act of 2021 (Immigration Reform Bill), did not include "Packing Houses" nor "Processing facilities" due to the legislation's definition of *agricultural labor or services*.

Packing houses and processing plants are a vital economic sector in our community and they provide good-paying jobs to our residents. It would be unfair for these workers who are sorting, packing, or processing agriculture commodities to have to resign from these agricultural jobs to seek another job that meets the legislation's current definition of *agricultural labor or services*. These individuals are also working long and hours, especially during peak season. Work done whether in the field, in packing houses, or processing plants is important to the region's agricultural industry.

FISCAL IMPACT:

There is no financial impact to the City as a result of the proposed amendments.

ATTACHMENTS:

Hanford Immigration Reform - Sen. Feinstein



August 10, 2021

Francisco Ramirez
Mayor

Diane Sharp
Vice Mayor

Art Brieno
Councilmember

Kalish Morrow
Councilmember

Amanda Saltray
Councilmember

Senator Dianne Feinstein
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein,

We write to express our appreciation for the House of Representatives for passing the Farm Workforce Modernization Act of 2021. We hope it will pass the Senate, considering undocumented farmworkers and other agricultural employees have shown how important they are during the COVID-19 pandemic. However, the legislation in its current form leaves out a segment of the City of Hanford's undocumented agricultural workforce - people that work in packing houses and processing plants – due to the legislation's definition of agricultural labor or services.

Packing houses and processing plants are a vital economic sector in our community and they provide good-paying jobs to our residents. It would be unfair for these workers who are sorting, packing, or processing agriculture commodities to have to resign from these agricultural jobs to seek another job that meets the legislation's current definition of agricultural labor or services. These individuals are also working long and hours, especially during peak season. Work done whether in the field, in packing houses, or processing plants is important to the region's agricultural industry.

In addition, Dreamers must not be forgotten in this push to legalize the agricultural workforce. In our community, many Dreamers have parents who work in agriculture. To not move forward without legislation for Dreamers leaves their future uncertain. A court ruling or new administration could once again take away everything they worked hard for. Our region could lose teachers, doctors, lawyers, and workers in almost all occupations.

The City of Hanford respectfully requests that the definition of agricultural labor or services in the Farm Workforce Modernization Act of 2021 be modified to include employees who work in packing houses and processing plants and that legislation for Dreamers be passed concurrently.

Sincerely,

Francisco Ramirez
Mayor

Attachment: Hanford Immigration Reform - Sen. Feinstein (Admin: Dreamers Ltr of Support)



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: E
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SUBJECT:

Community Development: Waive the second reading and adopt Ordinance 21-02, an ordinance of the City of Hanford City Council approving Prezone No. 2020-02, a request to prezone the Annexation 157 area as R-H High-Density Residential, R-M Medium-Density Residential, and R-L-5 Low-Density Residential, in accordance with the General Plan designation for the area. The project is located at the northwest corner of 12th Avenue and Fargo Avenue (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047) and the southwest corner of 12th and Fargo Avenues (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047).

See staff report, attached.

FISCAL IMPACT:

ATTACHMENTS:

Staff Report - 2nd Reading Prezone 2020-02
Ordinance No. 21-2 (prezone)

RECOMMENDATION

Staff recommends that the City Council waive the second reading and adopt Ordinance 21-02, approving Prezone 2020-02.

RECOMMENDED MOTION: I move to waive the second reading and adopt Ordinance 21-02, approving Prezone 2020-02.

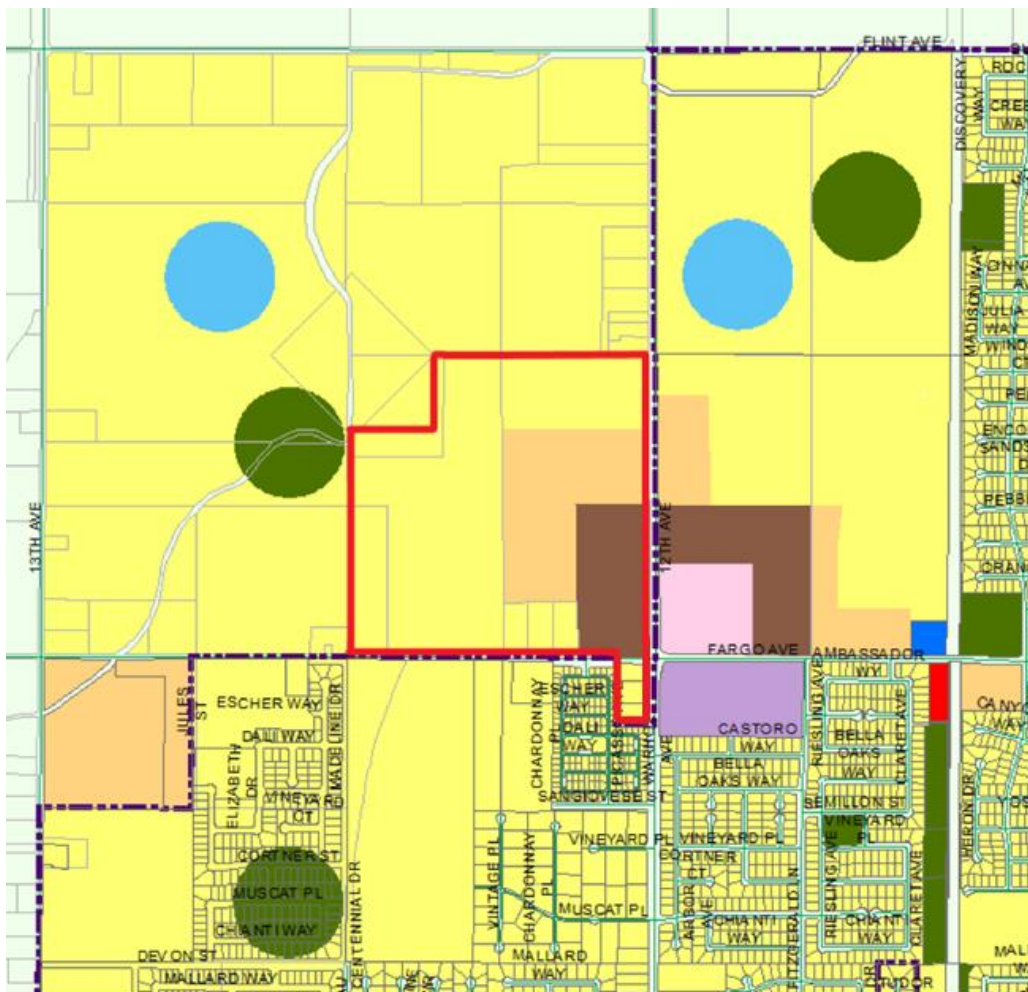
BACKGROUND

On August 3, 2021, the City Council held a public hearing for Annexation 157 and Prezone 2020-02 and introduced the ordinance and waived the first reading on the proposed project.

Prezone No. 2020-02 is a request to pre-zone the annexation area as R-H High-Density Residential, R-M Medium-Density Residential, and R-L-5 Low-Density Residential, in accordance with the General Plan designation for the area. The General Plan Designation for the area is High, Medium-, and Low-Density Residential.

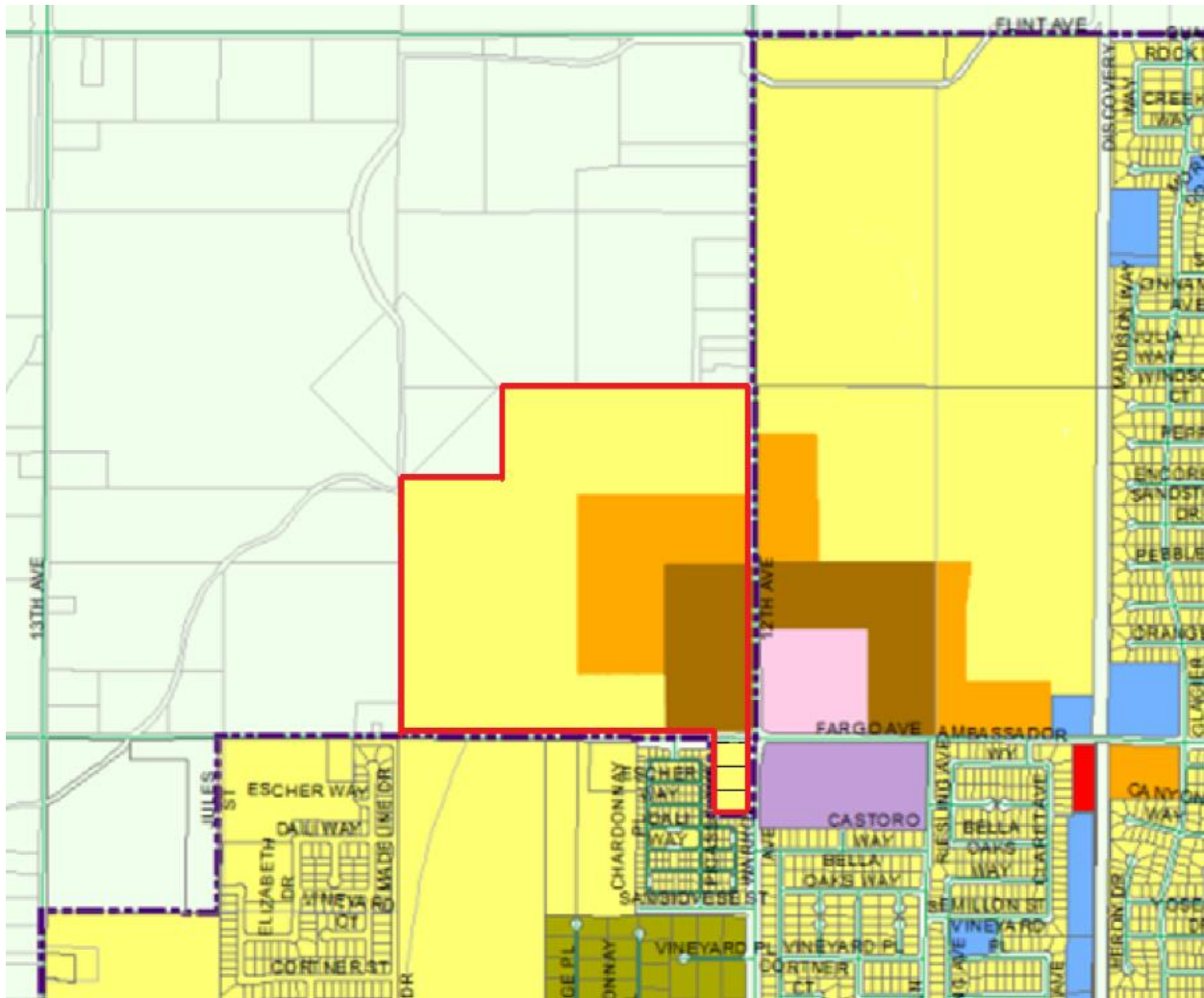
General Plan Designation

High-Density, Medium-Density, and Low-Density Residential



Prezone No. 2020-02

R-L-5 Low-Density Residential, R-M Medium Density Residential, and R-H High-Density Residential



All findings were made by the City Council in accordance with Section 17.86.030 of the Hanford Municipal Code.

1. That the amendment is internally consistent with the goals, objectives, and policies of the General Plan and the Municipal Code.

Analysis: That Prezone No. 2020-02 is internally consistent with the goals, objectives, and policies of the General Plan, specifically consistent with Land Use Policies L15 and L17. There is not a plan for development at this time, however future development of the project area will be required to conform to the General Plan and Zoning regulations set forth for the High-, Medium-, and Low-Density Residential zone district.

2. That the amendment would not be detrimental to the public health, safety, or welfare of the community.

ANALYSIS: That this application has been reviewed by County departments, utility companies, City Fire Department, City Building Department, and other involved departments. Any mitigation required for public health and safety were applied to the proposal and required in the mitigation monitoring and reporting program.

3. That the amendment would maintain the appropriate balance of land uses within the City.

Analysis: That jobs-housing balance is achieved by increasing opportunities for people to work and live in close proximity. The ratio is expressed as the number of jobs divided by the number of housing units. The jobs-housing balance is a general tool for analyzing where people work, where they live, and how effectively they can travel between the two. In the planning area, the existing jobs-housing balance ratio in 2013-2014 was 1.17. It is estimated that the implementation of the General Plan would increase the jobs-housing balance by 0.45 to 1.62, which would make the planning area a jobs-rich area. The prezone is considered an implementation of the General Plan, which designates the project site as High-, Medium-, and Low-Density Residential.

4. That the anticipated land uses on the subject site would be compatible with existing and future surrounding uses.

Analysis: That there is not a plan for development of the project area, at this time. The anticipated land uses on the subject site would be high-, medium- and low-density residential. Future development would be required to comply with the General Plan and zoning designation for the property. The residential uses would be compatible with the existing and future surrounding uses, which includes various residential tracts at differing densities.

**ORDINANCE NO. 21-2
PREZONE NO. 2020-02**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HANFORD PREZONING CERTAIN PROPERTY ADJACENT TO THE CITY OF HANFORD FROM COUNTY ZONING AL-10 LIMITED AGRICULTURAL 10-DISTRICT AND RR RURAL RESIDENTIAL TO R-H HIGH-DENSITY RESIDENTIAL, R-M MEDIUM-DENSITY RESIDENTIAL, AND R-L-5 LOW-DENSITY RESIDENTIAL, IN ACCORDANCE WITH THE GENERAL PLAN. THE PROJECT IS LOCATED AT THE NORTHWEST CORNER OF 12TH AVENUE AND FARGO AVENUE (APN 009-020-021, 009-020-023 THROUGH -026, 009-020-046, AND 009-020-047) AND THE SOUTHWEST CORNER OF 12TH AND FARGO AVENUES (APN 009-020-021, 009-020-023 THROUGH -026, 009-020-046, AND 009-020-047).

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

Section 1: The following described territory situated in the City of Hanford is hereby prezoned under the terms of Chapter 17.86 of the Hanford Municipal Code:

Annexation 1567 filed by Todd Neves:

FROM: County zoning of AL-10 Limited Agricultural 10-District and RR Rural Residential

TO: City zoning R-H High-Density Residential, R-M Medium-Density Residential, and R-L-5 Low-Density Residential.

On property described as follows:

Approximately 153 acres generally located on the northwest corner of 12th Avenue and Fargo Avenue (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047) and the southwest corner of 12th and Fargo Avenues (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047), as depicted in attached **Exhibit A**; and

Section 2: The Council does hereby find as a fact that this Ordinance has been recommended for passage by the Planning Commission of the City of Hanford after public hearing before the Planning Commission after notice required by Section 17.70.100 of the Hanford Municipal Code and Government Code Section 65854. The City Council finds that Mitigated Negative Declaration No. 2021-01 is approved, in conformance with the California Environmental Quality Act. The City Council hereby finds that the prezoning is required to achieve the objectives of the zoning regulations as set forth in Section 17.06.010 of the Hanford Municipal Code, and that this Ordinance has been introduced by the City Council after public hearing held on the 3rd day of August 2021 at 7:00 p.m. of said day after notice required under the provisions of Section 65856 of the Government Code.

Attachment: Ordinance No. 21-2 (prezone) (CD: 2nd Reading Prezone 2020-02)

Section 3: This Ordinance shall take effect thirty (30) days after its passage, and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage, and the zoning will apply to such property in the event of subsequent annexation to the City under the provisions of Section 65859 of the Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on the ____ day of _____, by the following roll call vote:

APPROVED

ATTEST:

MAYOR of the City of Hanford

Natalie Corral

CITY CLERK

STATE OF CALIFORNIA)

COUNTY OF KINGS) ss

CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 3rd day of August, 2021 and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the _____ day of _____, 2021.

Dated: _____

Natalie Corral

City Clerk

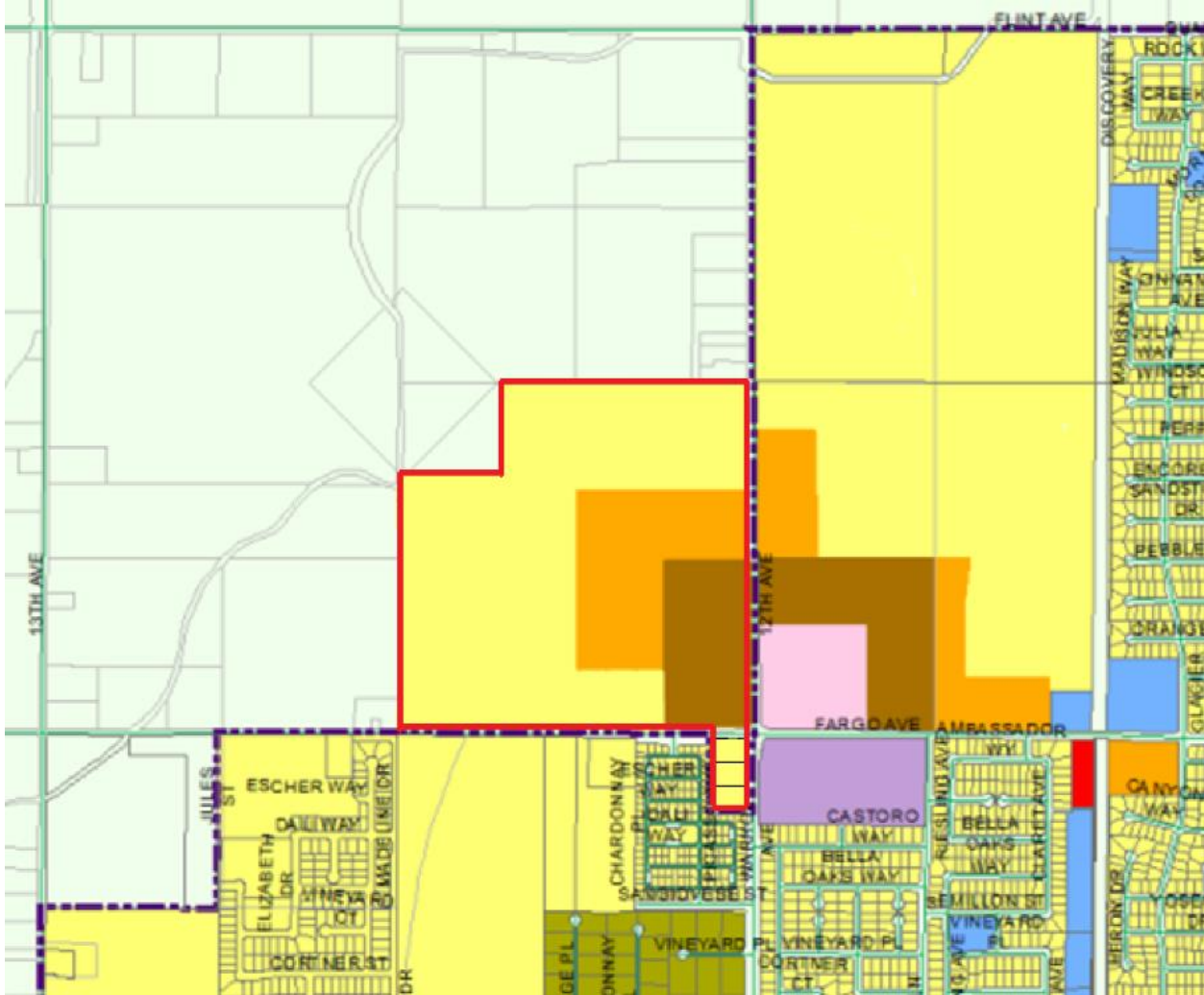
Attachment: Ordinance No. 21-2 (prezone) (CD: 2nd Reading Prezone 2020-02)

Exhibit A

Prezone No. 2020-02

Figure 1: Prezone 2020-02

Proposed: R-L-5 Low-Density Residential, R-M Medium Density Residential, and R-H High-Density Residential



Attachment: Ordinance No. 21-2 (prezone) (CD: 2nd Reading Prezone 2020-02)



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: F
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SUBJECT:

Community Development: Second Reading of Ordinance 21-03, approving Municipal Code Amendment No. 2020-03, a request to: a) Amend Title 5 by adding Chapter 5.68 to Title 5 of the Hanford Municipal Code, to establish standards and regulations for Commercial Hemp Activity and approving Zone Text Amendment No. 2020-03, a request to: b) Amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial; and c) Amend Title 17 by adding Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford.

See staff report, attached.

FISCAL IMPACT:

ATTACHMENTS:

Staff Report - 2nd Reading Hemp Ordinance
Ordinance 21-03



CITY OF HANFORD CITY COUNCIL

MEETING DATE: August 17, 2021

RECOMMENDED MOTION

1. I move to waive and adopt the second reading of Ordinance 21-03, approving Municipal Code and Zone Text Amendment No. 2020-03 (Hemp Ordinance).

RECOMMENDATION

Staff recommends the City Council waive the second reading and adopt Ordinance 21-03, approving Municipal Code Amendment No. 2020-03, a request to:

- a) Amend Title 5 by adding Chapter 5.68 to Title 5 of the Hanford Municipal Code, to establish standards and regulations for Commercial Hemp Activity.

and approve Zone Text Amendment No. 2020-03, a request to:

- b) Amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial; and
- c) Amend Title 17 by adding Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford.

FINDINGS FOR APPROVAL

In accordance with Section 17.86.030, before a zone change or text amendment may be approved, all of the following findings shall be made by the reviewing authority:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That the proposal is internally consistent with Title 5 and 17 of the Hanford Municipal Code and the goals, objectives, and policies of the General Plan, specifically:

- Goal E2: [achieve] a diversity of commercial and industrial enterprises which provide goods, services, and employment opportunities consistent with Hanford's small-town agricultural image.

- Goal E5: [Promote] a healthy and sustainable agricultural economic sector.
 - Policy E23 Economic Development of Agriculture: Value and support agriculture as an industry and make it a key component of Hanford's economic development strategy.
 - Policy E24 Recruit Agriculture-related Businesses: Recruit businesses that are agriculture-related, especially those that create value-added products.
 - Policy E25 Support Innovation in Agriculture: Support innovation in the production, processing, and distribution of agricultural products and services.
 - Goal E6: [Create] a variety of opportunities for vibrant and successful commerce activities.
 - Policy E27 Commercial Enterprises: Encourage and support new commercial development, consistent with other General Plan policies.
2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the proposal is not detrimental to the public health, safety, or welfare of the community, through regulations established in Chapter 5.68 Standards and Regulations for Commercial Hemp Activity. Chapter 5.68 requires:

- Compliance with federal, state, and local laws;
 - Requirements for building permits and inspections;
 - Security requirements;
 - Operating requirements for storefront/retail facilities, cultivation facilities, distributors, testing labs, and hemp manufacturing; and
 - Inspection and enforcement
3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That jobs-housing balance is achieved, by increasing opportunities for people to work and live in close proximity. The ratio is expressed as the number of jobs divided by the number of housing units. The jobs-housing balance is a general tool for analyzing where people work, where they live, and how effectively they can travel between the two. In the planning area, the existing jobs-housing balance ratio in 2013-2014 was 1.17. It is estimated that the implementation of the General Plan would increase the jobs-housing balance by 0.45 to 1.62, which would make the planning area a jobs-rich area. The municipal code amendment will not affect the balance of land uses within the City of Hanford. The amendment allows for the establishment of commercial hemp activities and hemp retail within existing industrial, mixed-use, and commercial zone districts.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the land uses proposed by the zone text amendment apply to commercial hemp activities and retail, which are similar and compatible with existing and future surrounding land uses next to and within the city limits, including farming, manufacturing, and retail and distribution of other agricultural products.

ORDINANCE NO. 21-03

AN ORDINANCE APPROVING MUNICIPAL CODE AMENDMENT NO. 2020-03, A REQUEST BY THE CITY OF HANFORD TO: - MUNICIPAL CODE AND ZONE TEXT AMENDMENT NO. 2020-03: A REQUEST BY THE CITY OF HANFORD TO:

- **AMEND TITLE 5 BY ADDING CHAPTER 5.68 TO TITLE 5 OF THE HANFORD MUNICIPAL CODE, TO ESTABLISH STANDARDS AND REGULATIONS FOR COMMERCIAL HEMP ACTIVITY.**
- **AMEND TITLE 17, SECTION 17.08.030 – COMMERCIAL, OFFICE, AND INDUSTRIAL ZONE USE TABLE OF THE HANFORD MUNICIPAL CODE BY ADDING COMMERCIAL HEMP BUSINESS (E.G., CULTIVATION, MANUFACTURE, DISTRIBUTION, TRANSPORTATION, AND LAB TESTING) AS A CONDITIONALLY PERMITTED USE IN THE I-L LIGHT INDUSTRIAL AND I-H HEAVY INDUSTRIAL ZONE DISTRICT, AND TO ADD HEMP RETAILERS (5% OR MORE OF A RETAILER’S BUSINESS OR GROSS RECEIPTS IS DERIVED FROM CBD SALES) AS A PERMITTED USE IN C-S SERVICE COMMERCIAL, C-H HIGHWAY COMMERCIAL, MX-C CORRIDOR MIXED USE, AND MX-D DOWNTOWN MIXED USE, AND AS A CONDITIONALLY PERMITTED USE IN C-R REGIONAL COMMERCIAL; AND**
- **AMEND TITLE 17 BY ADDING CHAPTER 17.67, ADDING PURPOSE AND INTENT, DEFINITIONS, AND ESTABLISHING THE LOCATION OF HEMP RETAILERS AND COMMERCIAL HEMP BUSINESSES IN THE CITY OF HANFORD; AND**

LOCATION: CITYWIDE.

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

SECTION 1: The Hanford Municipal Code Title 17, the Zoning Ordinance contains regulations to ensure the public health, safety, peace, comfort, convenience, prosperity and general welfare of the citizens of Hanford, including zoning categories, allowed uses and development standards.

SECTION 2: The Hanford Municipal Code Title 5, Business Licenses and Regulations, contains requirements for business licenses, establishes business license fees, and provides regulations for businesses.

SECTION 3: The City Council has held a public hearing on the amendment to Title 5 and 17, as follows, and as attached as **Exhibits A and B:**

- a) Amend Title 5 by adding Chapter 5.68 to Title 5 of the Hanford Municipal Code, to establish standards and regulations for Commercial Hemp Activity.
- b) Amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer’s business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial; and

- c) Amend Title 17 by adding Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford; and

SECTION 4: The City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the following sections of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3.

The City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the following sections of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3.

- a) The ordinance is exempt under Section 15061(b) (3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Commercial hemp businesses and retailers will have no impacts that are different than the farming, manufacturing, distribution, laboratory, delivery, and sales activities already authorized within the city. Furthermore, the city's Municipal Code contains requirements that prevent any potential impacts on the environment that may be unique to commercial hemp businesses. For example, the ordinance establishes prohibitions on nuisance odors, glare, excess energy usage, and establishes safety protections to prevent crime or deterioration of the business area into blight, and prohibition on usages of hazardous chemicals except for those usages that are consistent with state standards for those chemicals. Further, there is no possibility that this ordinance would create cumulative impacts that are significant because this ordinance does not authorize a total number of businesses in the city than would have been otherwise authorized, does not authorize construction or other related activities or any other activities that are not already permitted; there are no other significant impacts that could occur as a result of this ordinance, and there are no unusual circumstances that would cause any such significant impacts; and
- b) The ordinance is also exempt under Section 15183 (projects consistent with a community plan, general plan, or zoning) since the types of businesses permitted by the ordinance are consistent with those contemplated by general plan and zoning, such as farming, manufacture, retail and distribution of other agriculture products.

SECTION 5: The proposed amendment was evaluated for consistency with the General Plan and the Zoning Ordinance in accordance with Sections 17.02.060, 17.08.050, 17.86.030 and based on the following findings:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That the proposal is internally consistent with Title 5 and 17 of the Hanford Municipal Code and the goals, objectives, and policies of the General Plan, specifically:

- Goal E2: [achieve] a diversity of commercial and industrial enterprises which provide goods, services, and employment opportunities consistent with Hanford's small-town agricultural image.

- Goal E5: [Promote] a healthy and sustainable agricultural economic sector.
 - Policy E23 Economic Development of Agriculture: Value and support agriculture as an industry and make it a key component of Hanford's economic development strategy.
 - Policy E24 Recruit Agriculture-related Businesses: Recruit businesses that are agriculture-related, especially those that create value-added products.
 - Policy E25 Support Innovation in Agriculture: Support innovation in the production, processing, and distribution of agricultural products and services.
 - Goal E6: [Create] a variety of opportunities for vibrant and successful commerce activities.
 - Policy E27 Commercial Enterprises: Encourage and support new commercial development, consistent with other General Plan policies.
2. The amendment would not be detrimental to the public health, safety, or welfare of the community;
- ANALYSIS: That the proposal is not detrimental to the public health, safety, or welfare of the community, through regulations established in Chapter 5.68 Standards and Regulations for Commercial Hemp Activity. Chapter 5.68 requires:
- Compliance with federal, state, and local laws;
 - Requirements for building permits and inspections;
 - Security requirements;
 - Operating requirements for storefront/retail facilities, cultivation facilities, distributors, testing labs, and hemp manufacturing; and
 - Inspection and enforcement
3. The amendment would maintain the appropriate balance of land uses within the City;
- ANALYSIS: That jobs-housing balance is achieved, by increasing opportunities for people to work and live in close proximity. The ratio is expressed as the number of jobs divided by the number of housing units. The jobs-housing balance is a general tool for analyzing where people work, where they live, and how effectively they can travel between the two. In the planning area, the existing jobs-housing balance ratio in 2013-2014 was 1.17. It is estimated that the implementation of the General Plan would increase the jobs-housing balance by 0.45 to 1.62, which would make the planning area a jobs-rich area. The municipal code amendment will not affect the balance of land uses within the City of Hanford. The amendment allows for the establishment of commercial hemp activities and hemp retail within existing industrial, mixed-use, and commercial zone districts.
4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;
- ANALYSIS: That the land uses proposed by the zone text amendment apply to commercial hemp activities and retail, which are similar and compatible with existing and future surrounding land uses

next to and within the city limits, including farming, manufacturing, and retail and distribution of other agricultural products.

SECTION 6 The City Council of the City of Hanford does ordain that Title 5 is hereby amended, as shown in **Exhibit A**.

SECTION 7: The City Council of the City of Hanford does ordain that Title 17 is hereby amended, as shown in **Exhibit B**.

SECTION 8: That the ordinance shall take effect thirty (30) days after its passage, and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on August 3, 2021, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

Francisco Ramirez
MAYOR of the City of Hanford

ATTEST:

Natalie Corral
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 3rd day of August, 2021, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the ____ day of ____, 2021.

NATALIE CORRAL
CITY CLERK

Attachment: Ordinance 21-03 (CD: 2nd Reading of Hemp Ord)

Exhibit A – Addition of Chapter 5.68 to Title 5

CHAPTER 5.68

STANDARDS AND REGULATIONS FOR COMMERCIAL HEMP ACTIVITY

5.68.010	Purpose and Intent.
5.68.020	Legal Authority.
5.68.030	Hemp Cultivation and Commercial Hemp Activities Prohibited Unless Specifically Authorized by this Chapter.
5.68.040	Compliance with Federal, State and Local Laws.
5.68.050	Definitions.
5.68.060	Conditional Use Permit Required to Engage in Commercial Hemp Business.
5.68.070	Building Permits and Inspection.
5.68.080	Right to Occupy and to Use Property.
5.68.090	Location and Design of Hemp Businesses.
5.68.100	Limitations on City's Liability.
5.68.110	Records and Recordkeeping.
5.68.120	Security Requirements.
5.68.130	General Operating Requirements for Conditional Use Permits.
5.68.140	Operating Requirements for Store Front/Retail Facilities.
5.68.150	Operating Requirements for a Cultivation Facility Operation.
5.68.160	Operating Requirements for Distributors.
5.68.170	Operating Requirements for Testing Labs.
5.68.180	Operating Requirements for Hemp Manufacturing: Edibles and Other Hemp Products; Sale or Distribution of Edible and Other Hemp Products.
5.68.190	Fees Deemed Debt to the City of Hanford.
5.68.200	Key Participant Responsible for Violations.
5.68.210	Inspection and Enforcement.
5.68.220	Appeals.
5.68.230	Written Request for Appeal.
5.68.240	Appeal Hearing Process.
5.68.250	Violations Declared a Public Nuisance.
5.68.260	Each Violation a Separate Offense.
5.68.270	Criminal Penalties.
5.68.280	Administrative Remedies and Costs.
5.68.290	Remedies Cumulative and Not Exclusive.

5.68.010. Purpose and Intent.

A. It is the purpose and intent of this Chapter to implement the provisions of Senate Bill 531, the Industrial Hemp Act of 2019, which brings California into conformity with the Federal Agricultural Improvement Act of 2018 (Public Law 115-334), also known as the 2018 Federal Farm Bill. The 2018 Federal Farm Bill ended decades of restrictive federal law with respect to hemp by removing it from the list of federally prohibited Schedule 1 substances and transferring federal oversight of hemp production from the U.S. Drug Enforcement Agency to the Agricultural Marketing Service within the U.S. Department of Agriculture.

B. With the Industrial Hemp Act of 2019, the California Legislature signaled its intent to allow large-scale industrial production of hemp by directing the Secretary of the California Department of Food and Agriculture to craft a state plan for such production, in consultation with the Governor and the Attorney General, and to submit that plan to the U.S. Secretary of Agriculture by May of 2020. At a minimum, this plan will include a scheme for licensing and registration of industrial hemp businesses within the State of California. The purpose of this Chapter is to complement the state plan by establishing a local regulatory scheme to work in concert with that to be established at the state level.

C. Hemp, a close genetic relative to cannabis, is indistinguishable in appearance from cannabis and produces an identical odor, although it contains significantly lower concentrations of the psychotropic substance THC and therefore is of little value as a recreational drug. The odor of hemp triggers nuisance concerns, however, and nuisance prevention and abatement are within the purview of local governments.

D. In addition, there is strong and growing commercial interest in the industrial production of CBD oil from the hemp plant, intended for human consumption. The intent of this Chapter is to provide a scheme for local regulation to address potential nuisance conditions that may arise from hemp cultivation and other commercial activities, and to protect public health and safety by creating a local regulatory scheme to enforce state law with respect to hemp products manufactured for human consumption.

E. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under federal, state, City, or other laws.

5.68.020. Legal Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the Industrial Hemp Act of 2019, as well as any subsequent state legislation and/or regulations implementing same, the City is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial hemp activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, and incorporated herein by reference and shall be the minimum standards applicable in the City to all commercial hemp activity.

5.68.030. Hemp Cultivation and Commercial Hemp Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized in this Chapter and Title 17 of this Municipal Code, the commercial cultivation, manufacturing, processing, storing, laboratory testing, labeling, delivery, distribution and transportation of hemp or hemp product and any other hemp-related operations are expressly prohibited in the City; provided however, such prohibition shall not apply to the retail sale of hemp and CBD products.

5.68.040. Compliance with Federal, State and Local Laws.

Owners and operators of commercial hemp businesses shall operate in a manner compliant with all applicable federal, state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state, or local law with respect to the operation of a commercial hemp business.

5.68.050. Definitions.

A. For purposes of this Chapter, the following terms have the following meanings:

1. “Approved state plan” means a state plan for California that is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agriculture Improvement Act of 2018 (Public Law 115-334)) and in effect.
2. “Board” means the California Industrial Hemp Advisory Board or its successor.
3. “CBD” means cannabidiol. Cannabidiol is a chemical in the Cannabis sativa L. plant. Over eighty (80) chemicals, known as cannabinoids, have been identified in the Cannabis sativa L. plant. While THC (defined below) is the major active ingredient in marijuana (also known as cannabis), cannabidiol is obtained from hemp (defined below), which contains only very small amounts of THC.
4. “Commercial hemp business” means any business or operation which engages in commercial hemp activity, excluding the retail sale of hemp or CBD products.
5. “Community Development Director” means the Community Development Director of the City of Hanford.
6. “Cultivar” means a variety of industrial hemp.
7. “Distributor” means a commercial business engaged in the distribution of hemp and hemp products.
8. “Hemp goods” are any products for commercial sales that are made from or derived from hemp, including oil extracted from the hemp plant.

9. “Hemp” or “industrial hemp” has the same meaning as that contained in Health and Safety Code Section 11018.5, i.e. a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of one percent (0.3%) of THC contained in: (i) the dried flowering tops, whether growing or not; (ii) the seeds of the plant; (iii) the resin extracted from any part of the plant; and (iv) every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin produced therefrom.

10. “Key participant” means a person or persons who have a direct or indirect financial interest in the entity producing hemp, such as an owner, a partner in a partnership, a shareholder in a corporation, or a member in a limited liability company. A key participant also includes: (i) a person in a corporate entity at executive levels including directors and officers; and (ii) officers and managers of a limited liability company. This term does not, however, include other employee management positions such as farm, field, or shift managers.

11. “Manufactured hemp” means raw hemp that has undergone a process whereby the raw agricultural product has been transformed into either a textile product (paper, fabric or rope) or a concentrate, compound, blend, infusion, extraction or other hemp derivative or hemp product.

12. “Operator” and “person” mean any business entity, including, without limitation, sole proprietor, partnership, limited liability company, corporation, joint venture, firm, association, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and the subsidiaries, affiliates, partners, employees, agents and contractors thereof.

13. “Premises” means any physical location or facility within the City’s boundaries at which a locally authorized hemp business shall operate.

14. “Processing” means activities limited to the trimming, drying, curing, grading, packaging, or labeling of hemp and non-manufactured hemp products.

15. “Retailer” or “hemp retailer” means a business engaged in retail hemp or CBD sales, which may include delivery of hemp or hemp products to customers.

16. “State license” means a permit or license issued by the State of California, or one of its departments or divisions, pursuant to state law governing industrial production of commercial hemp. A state license alone will not authorize the holder to operate a hemp business, as state law also requires a permit or other authorization issued by the City.

17. “THC” means delta-9 tetrahydrocannabinol. THC is a psychotropic substance and the major active ingredient in marijuana, containing intoxicating and other properties. It is also present in hemp in small amounts.

18. “Youth center” means any public or private facility that has a primary purpose of hosting recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or amusement parks. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic

activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music or similar studio of this nature nor shall it include any private athletic training facility, restaurant, dentist office or doctor's office serving children. "Youth center" shall not include any facility at which youth recreational activities are merely ancillary to the facility's primary purpose.

5.68.060. Conditional Use Permit Required to Engage in Commercial Hemp Business.

A. No person may engage in any commercial hemp business or in any commercial hemp activity within the City, including cultivation, labeling, manufacturing, packaging, processing, laboratory testing, transporting, distribution, or wholesale sale of hemp or a hemp product unless the person: (1) applies for and successfully obtains a conditional use permit from the City pursuant to Chapter 17.80; (2) has a valid State of California Seller's Permit, if applicable; (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial hemp business and the commercial hemp activities, including the duty to obtain any required state licenses; and (4) satisfies other City and State of California requirements for the operation of a business, including, without limitation, obtaining and maintaining a City-issued business license and payment of applicable business license taxes.

B. No conditional use permit shall be issued for outdoor hemp cultivation, which is prohibited. It is a violation of this Chapter for any person to engage in any outdoor hemp cultivation of any kind.

5.68.070. Building Permits and Inspection.

As a condition precedent to the City's issuance of a conditional use permit pursuant to this Chapter, a commercial hemp business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), Hanford Fire Department approvals, Kings County Health Department approvals and other zoning and land use permit(s) and approvals.

5.68.080. Right to Occupy and to Use Property.

As a condition precedent to the City's issuance of a conditional use permit, any person intending to open and to operate a commercial hemp business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the commercial hemp business on the owner's property.

5.68.090. Location and Design of Hemp Businesses.

Hemp businesses permitted to engage in operations in the City are subject to the following zoning and locational requirements:

A. Commercial hemp business operations must be zoned in accordance with Hanford Municipal Code 17.67 and must meet all of the requirements for development in these zones. The hemp businesses must also meet all of the following distance requirements:

1. It shall be no closer than six hundred (600) feet from any parcel in the City on which a use that is designated by Business and Professions Code 26054(b) as a sensitive use or any of the following uses:

a. A school providing instruction in kindergarten or any grades 1 through 12, (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12);

b. A commercial daycare center licensed by the State, County or City or that is in existence at the time the license is issued, unless the State licensing authority specifies a different radius.

c. A youth center.

The distance measured shall be the distance measured in a straight line from the parcel on which the sensitive use exists to the closest property line of the lot on which the hemp business is will be. The existence of nearby uses shall be determined at the time a commercial hemp business permit application is submitted to the City.

2. It shall be no closer than two hundred fifty (250) feet of any residentially zoned parcel in the City, including any legal non-conforming residential uses as of the date a commercial hemp business's conditional use permit application is deemed complete. The distance between the hemp business and the residential parcel shall be measured in a straight line from the residential parcel to the closest property line of the lot on which the hemp business is will be. For purposes of this Chapter, properties that are zoned for mixed use shall not be considered residentially zoned.

3. The distance between parcels shall be the horizontal distance measured in a straight line from any property line of the sensitive use to the closest property line of the lot on which the commercial hemp business is to be located, without regard to any intervening structures. The distance requirements in this chapter shall only be applicable with respect to properties located in the City's limits, unless otherwise required by State law. The distance requirements shall not be applicable with respect to any property located outside the City limits.

B. Each proposed commercial hemp business shall:

1. Conform with the City's general plan, any applicable specific plans, master plans, and design requirements.

2. Comply with all applicable zoning and related development standards.

3. Be constructed in a manner consistent with the requirements of Section 5.68.130.I that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.

4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development under applicable legal authority.

5. Be served by streets adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.

6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

5.68.100. Limitations on City's Liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a conditional use permit for a commercial hemp business or otherwise approving the operation of any commercial hemp business. As a condition to the approval of any conditional use permit, the applicant shall be required to meet all of the following conditions:

A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of a conditional use permit, the City's decision to approve the operation of the commercial hemp business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the commercial hemp business.

B. The City may elect to defend itself, with counsel of its choice, in legal proceedings involving the approval or issuance of a commercial hemp business permit. In such case, the applicant will, upon demand, reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may pay as a result of the legal challenge related to the City's approval or issuance of the applicant's conditional use permit, or related to the City's approval of a commercial hemp activity. If the City elects to have the applicant defend the City in litigation, the City may, at its sole discretion, participate, at its own expense, in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.68.110. Records and Recordkeeping.

A. Each owner and operator of a commercial hemp business shall maintain current separate registers of the names and the contact information (including the name, address, and telephone number) of: (i) key participants; and (ii) employees, agents and volunteers employed or otherwise engaged by the commercial hemp business. The registers required by this subsection shall be

provided to the Community Development Director or his/her designee(s) upon a reasonable request.

B. Each commercial hemp business shall allow the City's officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial hemp activities, for the purpose of conducting a compliance inspection or investigation. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City. The City may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

5.68.120. Security Requirements.

A. As a condition precedent to the City's issuance of a conditional use permit pursuant to this Chapter, a commercial hemp business shall submit to the City a security plan that is subject to the approval of the Chief of Police or his/her designee.

B. At a minimum, the security plan shall include sufficient security measures to deter and prevent the unauthorized entrance into areas containing hemp or hemp products, and to deter and prevent the theft of hemp or hemp products at the commercial hemp business. Except as may otherwise be determined by the Chief of Police or his/her designee(s), these security measures shall include all of the following:

1. Alarm systems including perimeter, fire alarms and Panic buttons/silent alarms are required and shall be approved by the Chief of Police.
2. Remote monitoring of alarm systems by licensed security professionals.
3. Perimeter lighting systems (including motion sensors) for after-hours security.
4. Professionally installed 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial hemp business which are open and accessible to the public, all interior spaces where hemp, cash or currency is being stored for any period of time on a regular basis and all interior spaces where diversion of hemp could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The commercial hemp business shall maintain video recordings for a minimum of forty-five (45) days and shall be made available to the Chief of Police or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial hemp business and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Hanford Police Department by the commercial hemp business to facilitate remote monitoring of security cameras by the Department or its designee. The surveillance system shall have network security protocols that are certified by Underwriters Laboratories.

5. Professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

6. The premises shall have the ability to remain secure during a power outage.

7. Any bars installed on the windows or doors of the premises shall be installed only on the interior of the building.

C. As part of the application and permitting process, each commercial hemp business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all hemp, hemp products, and hazardous materials that may be used by the business.

D. Compliance with the foregoing requirements shall be verified by the Chief of Police or his/her designee prior to commencing business operations. The Chief of Police or his/her designee may supplement these security requirements once operations begin if necessary to protect public safety and welfare.

5.68.130. General Operating Requirements for Conditional Use Permits.

A. Commercial hemp businesses may operate only during the hours specified in the conditional use permit issued by the City.

B. No hemp or hemp products or graphics depicting hemp or hemp products shall be visible from the exterior of any property issued a conditional use permit, or on any of the vehicles owned or used as part of the commercial hemp business; provided however, words, such as “CBD” and “Hemp” are permitted on signage.

C. No outdoor storage of hemp or hemp products is permitted at any time.

D. Reporting and tracking of product and of gross sales. Each commercial hemp business shall have in place, as may be required by the state, a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial hemp business, including, but not limited to, hemp tracking, inventory data, gross sales (by weight and by sale) and other information which may be required by the state. Such information shall be provided by to the City promptly upon the City’s request, which the City shall utilize to confirm a commercial hemp business’s compliance with this Chapter.

E. All hemp and hemp products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with state and local regulations.

F. Hemp material and testing. All hemp processed at a commercial hemp business within the City shall be sourced from a lawful source in compliance with federal and state regulations. In addition, all hemp shall be tested for compliance with federal THC potency restrictions. Testing shall occur in a manner consistent with requirements established by the state.

G. Waste. All hemp waste will be properly disposed of in compliance with applicable laws. Any hemp, hemp extracts, or hemp products that exceed the threshold of THC concentration under the definition of hemp will follow a separate waste stream in compliance with state laws.

H. Emergency Contact. Prior to the commencement of operations, each commercial hemp business shall provide the Hanford Police Department with the name, telephone number (both land line and mobile, if available) of at least two on-site employees or key participants to whom emergency notice can be provided at any hour of the day. Commercial hemp businesses shall promptly provide updated contact information to the Hanford Police Department whenever a change in such information occurs.

I. Odor Control. Odor control devices and techniques shall be incorporated in all commercial hemp businesses to ensure that odors from hemp are not detectable off-site. Commercial hemp businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial hemp business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial hemp business. As such, commercial hemp businesses must install and maintain the following equipment, or any other equipment which the Community Development Director or his/her designee(s) determine is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and

2. An air system that creates negative air pressure between the commercial hemp business's interior and exterior, so that the odors generated inside the commercial hemp business are not detectable on the outside of the commercial hemp business.

J. Display of City Business License. Each commercial hemp business shall post its city issued business license at its premises in a location readily visible to the public.

5.68.140. Operating Requirements for Store Front/Retail Facilities.

A. All hemp retailers are required to obtain a business license issued by the City.

B. Hemp retailers are expressly prohibited from accepting, selling, providing, storing or transporting any cannabis or cannabis products. Furthermore, in cases in which five percent (5%) or more of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, the retailer shall not cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the retailer's premises.

C. Prior to beginning operations, retailers must be in compliance with all state regulations governing the sales of hemp and hemp products.

5.68.150. Operating Requirements for a Cultivation Facility Operation.

- A. Outdoor hemp cultivation is prohibited.
- B. In no case shall hemp plants be visible from a public or private road, sidewalk, park, any common public viewing area, or adjacent property.
- C. Hemp cultivation shall be conducted in accordance with federal, state and local laws related to land use, grading, electricity, water usage, water quality, habitat protection, agricultural discharges, and similar matters.
- D. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from all causes, including pests and rodents.
- E. The cultivation of hemp shall, at all times, occur in such a way as to: (i) ensure the health, safety, and welfare of the public, the employees working at the commercial hemp business, visitors to the area, neighboring properties, and the end users of the hemp being cultivated; (ii) protect the environment; (iii) ensure the security of the hemp being cultivated; and (iv) safeguard against the diversion of hemp.
- F. All applicants for a conditional use permit for cultivation shall submit the following in addition to the information generally otherwise required for a commercial hemp business:
 - 1. A description of a legal water source, and projected water use.
 - 2. Identification of the source of electrical power, projected electricity usage, and plan for compliance with applicable Building Codes and related codes.
 - 3. Plan for addressing odor and other potential public nuisances that may derive from the cultivation site.

5.68.160. Operating Requirements for Distributors.

- A. A distributor shall not store non-hemp goods or non-hemp accessories that are to be sold to another party on any permitted premises. Additionally, a distributor shall not distribute non-hemp goods or non-hemp accessories at its permitted premises. For the purposes of this section, non-hemp goods are any goods that are not derived from hemp.
- B. A distributor shall ensure that all hemp goods batches are stored separately and distinctly from other hemp goods batches on the distributor's premises.
- C. After taking physical possession of a hemp goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. A key participant or an employee of the commercial hemp business shall be physically present to observe the laboratory employee

obtain the sample of hemp goods for testing and shall ensure that the increments are taken from throughout the batch. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within Section 81006, et seq., of the Food and Agriculture Code.

D. A distributor shall not transport hemp or hemp products to a permitted retail facility until and unless it has verified that the hemp or hemp products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Section 81006, et seq., of the Food and Agriculture Code.

5.68.170. Operating Requirements for Testing Labs.

A. Testing labs shall be required to conduct all testing in a manner compliant with state law, and as state law may be subsequently amended by the state plan for industrial hemp production.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. Testing labs shall destroy any harvest batch whose testing sample indicates non-compliance with state health and safety standards required by the Bureau of Cannabis Control unless remedial measures can bring the hemp or hemp products into compliance with quality standards as specified by law.

D. Except as provided by state law, a testing laboratory shall not acquire or receive hemp or hemp products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense hemp, or hemp products, from its location or from the licensed premises from which the hemp or hemp products were acquired or received. All transfer or transportation shall be performed pursuant to the State specified chain of custody protocol.

5.68.180. Operating Requirements for Hemp Manufacturing: Edibles and Other Hemp Products; Sale or Distribution of Edible and Other Hemp Products.

A. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount, including number of tanks, approved by the City's Fire Chief or his/her designee and authorized in the commercial hemp business permit.

B. Hemp manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods approved by the City to create manufactured hemp products. Except as expressly allowed by this Chapter, the use of solvents or gases in the manufacturing process is prohibited.

C. If an extraction process uses a professional grade closed loop CO₂ gas extraction system (that has been approved by the City of Hanford Fire Chief), every vessel must be certified by the

manufacturer for its safe use as referenced in Section 5.68.180.D. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

D. Certification from an mechanical engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system used by any commercial hemp manufacturer confirming that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories (UL); or
4. The American Society for Testing and Materials (ASTM).

E. Professional closed loop systems and any other equipment and facilities used for the extraction operation must be approved for their use by the City and meet any required fire, safety, and building code requirements specified in the California Building and Fire Codes.

F. Hemp manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol shall be removed from the extract in a manner to recapture it and ensure that it is not vented into the atmosphere.

G. Hemp manufacturing facilities creating hemp extracts must develop and obtain the City's approval of standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

H. Any person using solvents or gases in a closed looped system to create hemp extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets, and must handle and store the solvents and gases safely.

I. Solvent and gas concentrations in finished extract cannot exceed state standards when quality assurance tested.

5.68.190. Fees Deemed Debt to the City of Hanford.

The amount of any fee, cost, charge, or penalty imposed pursuant to this Chapter shall be deemed a debt to the City that is recoverable via an administrative process authorized by the City Council or proceedings pursued through any court of competent jurisdiction.

5.68.200. Key Participant Responsible for Violations.

The key participant of a commercial hemp business shall be responsible for all violations of the laws of the State of California and of the regulations and/or the ordinances of the City, whether committed by the key participant or any employee or agent of the commercial hemp business, which violations occur in or about the premises of the commercial hemp business or in the conduct of the commercial hemp business's operations, and whether or not said violations occur within the key participants presence.

5.68.210. Inspection and Enforcement.

A. Subject to applicable state and federal laws, the City Manager or his/her designee(s) charged with enforcing the provisions of the Hanford Municipal Code, or any provision thereof, may enter the location of a commercial hemp business at any time, without notice, and inspect the location of any commercial hemp business as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a commercial hemp business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial hemp business under this Chapter or under state law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial hemp business under this Chapter or under state law.

C. Subject to applicable state and federal laws the City Manager or his/her designee(s) charged with enforcing the provisions of this Chapter may enter the location of a commercial hemp business at any time during the hours of operation and without notice to obtain samples of the hemp to test for public safety purposes. Any samples obtained by the City of Hanford shall be logged, recorded, and maintained in accordance with procedures established by the state and the City.

5.68.220. Appeals.

Unless specifically provided elsewhere to the contrary, an appeal of a City decision or action occurring under this Chapter shall be conducted as prescribed hereinafter.

5.68.230. Written Request for Appeal.

A. Within ten (10) calendar days after the date of a decision or action of a City official occurring pursuant to this Chapter, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision or action was not proper.

B. At the time of filing, the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

5.68.240. Appeal Hearing Process.

- A. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council or its designee. The City Council or its designee shall hear the matter de novo.
- B. The appeal shall be held within a reasonable time after date of filing, but in no event later than ninety (90) days from the date on which the appeal is filed. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- C. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- D. The failure of any appealing party to appear at the appeal hearing shall constitute a failure to exhaust his/her/its/their administrative remedies.
- E. The hearing body shall have the authority to uphold, vacate, or modify the decision or action that was appealed.
- F. Following the appeal hearing, an aggrieved party may seek judicial review of the City Council's or its designee's appeal decision by filing a complaint with the Superior Court of Kings County, California during the period identified by California Code of Civil Procedure Section 1094.6, as may be amended.

5.68.250. Violations declared a public nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance per se. The nuisance abatement remedies and procedures identified in Chapter 17.94, which is incorporated herein by reference, shall apply to nuisances existing under this Chapter 5.68.

5.68.260. Each violation a separate offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Hanford or by state law. Each day a violation is committed or permitted to continue shall constitute a separate violation. Additionally, as a nuisance per se: (i) any violation of this Chapter shall be subject to injunctive relief; and (ii) the City will be entitled to disgorgement of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial hemp business or persons related to, or associated with, the commercial hemp activity.

5.68.270. Criminal Penalties.

Each and every violation of the provisions of this Chapter may, in the discretion of the District Attorney, be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the County jail for a period of not more than twelve (12) months, or by both such fine and imprisonment.

5.68.280. Administrative Remedies and Costs.

In addition to any other remedy available at law, an administrative citation may be issued to any person or entity who violates this Chapter.

A. Issuance of Citation.

1. Whenever the Chief of Police, his/her designee, or a City code enforcement officer determines that a violation of this Chapter has occurred, the Chief of Police, his/her designee, or a City code enforcement officer shall have the authority to issue an administrative citation to any person or entity responsible for the violation.

2. Each administrative citation shall contain the following information:

- a. The date of the violation or, if the date of the violation is unknown, then the date the violation is identified;
- b. The address or a definite description of the location where the violation occurred;
- c. The section of this Chapter that was violated and a description of the violation;
- d. The amount of the fine for the violation;
- e. A description of the fine payment process, including a description of the time within which and the place at which the fine shall be paid;
- f. An order prohibiting the continuation or repeated occurrence of the code violation described in the administrative citation;
- g. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place from which a request for hearing form to contest the administrative citation may be obtained; and
- h. The name and signature of the individual issuing the citation.

B. Amount of Fines.

1. The amounts of the administrative citation fines for violations of this Chapter shall be set forth in a schedule of fines established by resolution of the City Council.

2. The schedule of fines shall specify any increased fines for repeat violations of the same code provision by the same person or entity.

C. Payment of Fines.

1. Fines shall be paid to the City within thirty (30) days from the date of the administrative citation.

2. Any administrative citation fine paid shall be refunded if it is determined, after an appeal hearing, that a person or entity charged in the administrative citation was not responsible for the violation or that there was no violation as charged in the citation.

3. Payment of a fine under this Chapter shall not excuse, discharge, or permit any continuation or repeated occurrence of the code violation that is the subject of the administrative citation.

D. Hearing Request.

1. Any recipient of an administrative citation may appeal the citation by submitting a written request for hearing to the City Clerk or designee within thirty (30) days from the date of the administrative citation, together with an advance deposit of the fine and appeal fee.

2. If the Chief of Police, his/her designee, or a code enforcement officer submits an additional written report concerning the administrative citation to the hearing body, then a copy of such report shall be served on the person requesting the hearing at least five (5) days prior to the date of the hearing.

G. Hearing Procedure.

1. The appeal procedures described in Section 5.68.170 shall apply to appeals involving administrative citations.

2. No hearing to contest an administrative citation shall be held unless the fine has been deposited with the city in advance.

3. At the hearing, the party contesting the administrative citation shall be given the opportunity to testify and to present evidence concerning the administrative citation.

4. The administrative citation and any additional report submitted by the Chief of Police, his/her designee, or a code enforcement officer shall constitute prima facie evidence of the respective facts contained in those documents.

5. The hearing body may continue the hearing and request additional information from the Chief of Police, his/her designee, code enforcement officer, or the recipient of the administrative citation prior to issuing a written decision.

H. Hearing Body's Decision.

1. After considering all of the testimony and evidence submitted at the hearing, the hearing body shall issue a written decision to uphold, modify, or cancel the administrative citation and shall list in the decision the reasons for the decision. The decision of the hearing body shall be final.

2. If the hearing body determines that the administrative citation should be upheld, then the fine amount on deposit with the City shall be retained by the City.

3. If the hearing body determines that the administrative citation should be canceled, then the City shall promptly refund the amount of the deposited fine.

4. If the hearing body determines that the fine levied under the administrative citation should be adjusted, then the City will promptly refund the amount of the deposited fine that exceeds the amount fixed by the hearing body or the recipient of the administrative citation will promptly pay to the City an additional amount fixed by the hearing body if the body finds that the fine assessed under the administrative citation to be insufficient.

5. The recipient of the administrative citation shall be served with a copy of the hearing body's written decision.

I. Late Payment Charges. Any person or entity who fails to pay to the City any fine imposed or amount owed pursuant to the provisions of this Chapter on or before the date that the fine or amount is due shall also be liable for a late payment charge equal to ten percent (10%) of the unpaid amount, and interest shall accrue thereafter at a rate of one and one-half percent (1.5%) per month on the unpaid fine; provided however, the additional penalty and/or interest shall not apply if collection of the same by the City would violate state law.

J. Recovery of Administrative Citation Fines and Costs. Any person or entity who violates this Chapter shall be responsible for the enforcement costs incurred by the City with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means, including, without limitation, the lien procedures identified in Sections 17.94.180 and 17.94.190 of this Code, which are incorporated herein by reference. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

K. Right to Judicial Review. Any person or entity aggrieved by a decision of the hearing body on an administrative citation may obtain review of the decision by filing a petition for review with the Superior Court for Kings County, California in accordance with the timelines and provisions set forth in California [Government Code](#) Section 53069.4, as may be amended.

L. Notices. The administrative citation and all notices required to be given by this Chapter shall be served by personal delivery thereof to the person or entity to be notified or by deposit in the United States mail, certified mail with return receipt requested, addressed to such

person to be notified at his/her/its last-known address as the same appears in the public records or other records pertaining to the matter to which such notice is directed. Service by mail shall be deemed to have been completed at the time of deposit in the mail

5.68.290. Remedies cumulative and not exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided in law or equity.

Exhibit B – Additions to Title 17

CHAPTER 17.67

COMMERCIAL HEMP-RELATED USE AND ACTIVITY

- 17.67.010 Purpose and Intent
- 17.67.020. Definitions
- 17.67.030 Location of hemp retailers and commercial hemp businesses.

17.67.010. Purpose and Intent.

The purpose of this chapter is to further fulfill the purposes and intents set forth in Chapter 5.68 of the Hanford Municipal Code. No person shall operate a commercial hemp business without first obtaining a conditional use permit and complying with all the requirements of Chapter 5.68 of the Hanford Municipal Code and complying with all applicable State law requirements.

17.67.020. Definitions

Unless otherwise provided herein, the terms used in this chapter shall have the meanings ascribed to them in Chapter 5.68 of the Hanford Municipal Code.

17.67.030. Location of hemp retailers and commercial hemp businesses.

A. In cases in which five percent (5%) or more of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, such retailers will be a permitted use only in Service Commercial (C-S), Highway Commercial (C-H), Corridor Mixed Use (MX-C), and Downtown Mixed Use (MX-D) zone districts and shall be a conditional use only in Regional Commercial (C-R) zone districts. In cases in which less than five percent (5%) of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, such retailers shall be allowed in zone districts as other retail uses in accordance with Section 17.08.030.

B. Commercial hemp businesses shall be permitted only in Heavy Industrial (I-H) and Light Industrial (I-L) zone districts.

C. Section 17.08.030 is amended in the manner reflected in the attached Attachment 1, which is incorporated by reference, to add commercial hemp businesses and hemp retailers.

Attachment 1
17.08.030

Commercial, Office, and Industrial Use Table																
P = Use is Permitted by Right C = Use Requires Conditional Use Permit A = Use Requires Administrative Use Permit T = Use Requires Temporary Use Permit Blank = Use is Not Allowed																
Land Uses		Commercial Zones				Mixed Use Zones			Industrial and Office Zones				Other Zones			
		C-N	C-R	C-S	C-H	MX-N	MX-C	MX-D	O-R	O	I-L	I-H	AP	PF	CO	Specific Land Use Standards (See identified Section)
D12	Commercial hemp business (e.g., cultivation, manufacture, distribution, transportation, and lab testing										C	C				See Chapters 5.68 and 17.67

Commercial, Office, and Industrial Use Table																
P = Use is Permitted by Right C = Use Requires Conditional Use Permit A = Use Requires Administrative Use Permit T = Use Requires Temporary Use Permit Blank = Use is Not Allowed																
Land Uses		Commercial Zones				Mixed Use Zones			Industrial and Office Zones				Other Zones			Specific Land Use Standards (See identified Section)
		C-N	C-R	C-S	C-H	MX-N	MX-C	MX-D	O-R	O	I-L	I-H	AP	PF	CO	
I33	Hemp retailer (5% or more of a retailer’s business or gross receipts is derived from CBD sales)		C	P	P		P	P								See Chapters 5.68 and 17.67



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021

AGENDA SECTION: G

SUBJECT:

Finance: Acceptance of the City of Hanford's Quarterly Investment Portfolio and Transactions Reports

Quarterly Investment Report.

The City has approximately \$83.1 million in investments and cash as of 06/30/21.

Recent Activity. The City has continued to keep our goal of 4 million cash in Wells Fargo Bank while investing excess in either the Local Agency Investments Fund (LAIF) or 3 to 3.5 year term securities.

Current Investment Environment. As of July 2021 the Federal Reserve held its benchmark interest rate near zero and said the economy continues to progress despite concerns over the pandemic spread (CNBC). The 10 year Treasury Note is currently at 1.32% which is a slight decrease from its April interest rate at 1.66%.

Proposed Actions. Interest rates continue to remain low. The City will continue to maintain a short investment maturity horizon of 3 years for securities. Over the last six months a net 10.5 million has been deposited into LAIF where interest rates were slightly higher.

We continue to follow and make these recommendations until interest rates rise.

Summary

The primary purpose of the City's cash is to provide residents of Hanford with services. In order to maximize the earnings potential on the City's idle cash, the City utilizes registered securities dealers to purchase low-risk investments which will provide a higher return versus allowing the cash to be held in savings accounts earning little to no interest. Additionally, idle cash is also held with government pools including Tulare County Investment Pool and LAIF. It is the policy

of the City to invest public funds in a manner that will provide a high investment return with a high level of security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

Attachments: Quarterly Investment Portfolio Summary Report- June 30, 2021
 Quarterly Investment Portfolio Detail Report- June 30, 2021
 Quarterly Transactions Report - June 30, 2021

FISCAL IMPACT:

ATTACHMENTS:

1. Quarterly Investment Portfolio Summary
2. Quarterly Investment Portfolio Detail
3. Quarterly Transactions Report



CITY OF HANFORD

City of Hanford Investment Portfolio Quarter ending June 30, 2021

Average Yield	0.876%
LAIF Yield	0.330%
Average Maturity	220
LAIF Average Maturity	169

Recap

	# Investments	Face Amount	Shares	Cost Value	Market Value	Share
Certificate of Deposit	44	9,988,000.00		9,988,000.00	10,190,079.25	12%
US Agency	3	5,000,000.00		5,000,000.00	4,989,480.00	6%
Corporate	4	3,700,000.00		3,883,150.51	3,921,144.00	4%
Liquid Assets - Government Pools	2	58,222,308.90		58,222,308.90	58,222,308.90	70%
- Cash Accounts	4	<u>6,284,946.04</u>		<u>6,284,946.04</u>	<u>6,284,946.04</u>	8%
	57	83,195,254.94		83,378,405.45	83,607,958.19	100%

We certify that the City's investment conform to the City's Investment Policy
and that 6 month cash needs can be met.


Chris Tavarez, Finance Director


Destiny Berba, Financial Analyst

Investment Portfolio | by Portfolio
As of 06/30/2021

Description	CUSIP/Ticker	Security Sector	Settlement Date	YTM @ Cost	Face Amount Shares	Cost Value	Market Value	Maturity Date	Days To Maturity	% of Portfolio
Brokerage - Higgins Capital 0152										
CD Wells Fargo Bank 1.65 9/14/2021	949763AZ9	Certificate Of Deposit	09/14/2016	1.650	230,000.00	230,000.00	230,756.70	09/14/2021	76	0.276%
CD Synchrony Bank 1.70 10/21/2021	87165HPU8	Certificate Of Deposit	10/21/2016	1.700	150,000.00	150,000.00	150,654.00	10/21/2021	113	0.180%
CD American Express Bank 2.05 12/1/2021	02587DM70	Certificate Of Deposit	12/01/2016	2.050	150,000.00	150,000.00	151,282.50	12/01/2021	154	0.180%
CD Synchrony Bank UT 2.05 12/2/2021	87165HQB9	Certificate Of Deposit	12/02/2016	2.050	100,000.00	100,000.00	100,861.00	12/02/2021	155	0.120%
CD Peoples Bank 2.00 1/25/2022	71270QQM1	Certificate Of Deposit	01/25/2017	2.000	200,000.00	200,000.00	202,218.00	01/25/2022	209	0.240%
CD Capital One 2.25 9/20/2022	14042RHW4	Certificate Of Deposit	09/20/2017	2.250	250,000.00	250,000.00	256,520.00	09/20/2022	447	0.300%
CD Capital One 2.25 9/20/2022-18	1404204Z0	Certificate Of Deposit	09/20/2017	2.250	250,000.00	250,000.00	256,520.00	09/20/2022	447	0.300%
CD Barclays Bank 2.25 9/27/2022	06740KKY2	Certificate Of Deposit	09/27/2017	2.250	250,000.00	250,000.00	256,615.00	09/27/2022	454	0.300%
CD Insbank TN 1.00 9/27/2022	45776NDN3	Certificate Of Deposit	03/27/2020	1.000	250,000.00	250,000.00	252,710.00	09/27/2022	454	0.300%
CD Lakeside Bank IL 1.10 9/30/2022	51210SRZ2	Certificate Of Deposit	03/30/2020	1.100	250,000.00	250,000.00	253,045.00	09/30/2022	457	0.300%
CD Goldman Sachs 2.30 10/11/2022	38148PRA7	Certificate Of Deposit	10/11/2017	2.300	200,000.00	200,000.00	205,468.00	10/11/2022	468	0.240%
CD Bank of Ruston 2.30 12/29/2022	06427LCH6	Certificate Of Deposit	12/29/2017	2.300	250,000.00	250,000.00	258,002.50	12/29/2022	547	0.300%
CD Genoa Banking 2.25 12/29/2022	372348BY7	Certificate Of Deposit	12/29/2017	2.250	250,000.00	250,000.00	257,815.00	12/29/2022	547	0.300%
CD Wells Fargo NV 1.85 12/30/2022	949495AF2	Certificate Of Deposit	12/30/2019	1.850	245,000.00	245,000.00	251,203.40	12/30/2022	548	0.294%
CD Morgan Stanley 2.65 1/25/2023	61747MH46	Certificate Of Deposit	01/25/2018	2.650	64,000.00	64,000.00	66,487.68	01/25/2023	574	0.077%
CD Northstar Bank MI 1.15 3/31/2023	66704MEQ0	Certificate Of Deposit	03/31/2020	1.150	250,000.00	250,000.00	254,190.00	03/31/2023	639	0.300%
CD Centerstate Bank FL 1.20 4/17/2023	15201QDC8	Certificate Of Deposit	04/17/2020	1.200	250,000.00	250,000.00	254,502.50	04/17/2023	656	0.300%
CD Pacific Western Bank CA 1.20 4/17/2023	69506YRJ0	Certificate Of Deposit	04/16/2020	1.200	250,000.00	250,000.00	254,502.50	04/17/2023	656	0.300%
CD Flagstar Bank MI 1.15 4/17/2023	33847E2Z9	Certificate Of Deposit	04/17/2020	1.150	250,000.00	250,000.00	254,280.00	04/17/2023	656	0.300%
CD Nicolet National Bank WI 1.20 4/17/2023	654062KJ6	Certificate Of Deposit	04/17/2020	1.200	250,000.00	250,000.00	254,492.50	04/17/2023	656	0.300%
CD Morgan Stanley UT 3.00 4/19/2023	61747MV32	Certificate Of Deposit	04/19/2018	3.000	186,000.00	186,000.00	195,398.58	04/19/2023	658	0.224%
CD BMW Bank 3.00 4/20/2023	05580AMJ0	Certificate Of Deposit	04/20/2018	3.000	250,000.00	250,000.00	262,650.00	04/20/2023	659	0.300%
CD West Michigan Bank MI 1.00 4/24/2023	954444BW4	Certificate Of Deposit	04/24/2020	1.000	250,000.00	250,000.00	253,622.50	04/24/2023	663	0.300%
CD Sterling Bank MO 1.05 4/27/2023	85916VDR3	Certificate Of Deposit	04/27/2020	1.050	250,000.00	250,000.00	253,872.50	04/27/2023	666	0.300%
CD Northwest Bank ID 1.00 4/28/2023	66736ABS7	Certificate Of Deposit	04/30/2020	1.000	250,000.00	250,000.00	253,642.50	04/28/2023	667	0.300%
CD Pinnacle Bank TN 0.70 5/8/2023	72345SKU4	Certificate Of Deposit	05/08/2020	0.700	250,000.00	250,000.00	252,297.50	05/08/2023	677	0.300%
CD UBS Bank 3.15 5/30/2023	90348JCR9	Certificate Of Deposit	05/30/2018	3.150	249,000.00	249,000.00	263,003.76	05/30/2023	699	0.299%
CD Nebraska State Bank NE 1.00 9/29/2023	63970BAK5	Certificate Of Deposit	03/30/2020	1.000	250,000.00	250,000.00	254,222.50	09/29/2023	821	0.300%
CD Citibank National SD 3.55 11/24/2023	17312QW47	Certificate Of Deposit	11/23/2018	3.550	250,000.00	250,000.00	269,735.00	11/24/2023	877	0.300%
CD Texas Exchange Bank TX 0.85 5/20/2024-20 *	88241THF0	Certificate Of Deposit	05/20/2020	0.850	249,000.00	249,000.00	249,109.56	05/20/2024	1,055	0.299%
CD Sallie Mae Bank UT 1.90 10/30/2024	7954504Z5	Certificate Of Deposit	10/30/2019	1.900	100,000.00	100,000.00	105,119.00	10/30/2024	1,218	0.120%
CD First National Bank TX 1.80 12/30/2024	32112UDJ7	Certificate Of Deposit	12/30/2019	1.800	250,000.00	250,000.00	262,282.50	12/30/2024	1,279	0.300%
CD Merrick Bank UT 1.85 12/31/2024	59013KEP7	Certificate Of Deposit	12/31/2019	1.850	250,000.00	250,000.00	262,725.00	12/31/2024	1,280	0.300%
CD Citadel Federal PA 1.65 2/27/2025	17286TAG0	Certificate Of Deposit	02/27/2020	1.650	250,000.00	250,000.00	261,247.50	02/27/2025	1,338	0.300%
CD BMO Harris 0.50 3/28/25	05600XAY6	Certificate Of Deposit	09/28/2020	0.050	249,000.00	249,000.00	249,276.39	03/28/2025	1,367	0.299%
CD Jonesboro State Bank LA 0.80 5/29/2025-20 *	48040PGX7	Certificate Of Deposit	05/29/2020	0.800	249,000.00	249,000.00	249,151.89	05/29/2025	1,429	0.299%
CD Continental Bank UT 0.55 6/26/2025	211163KK5	Certificate Of Deposit	06/26/2020	0.550	175,000.00	175,000.00	175,621.25	06/26/2025	1,457	0.210%
CD State Bank of India GA 0.95 6/26/2025	856283N69	Certificate Of Deposit	06/26/2020	0.950	250,000.00	250,000.00	252,257.50	06/26/2025	1,457	0.300%
CD Partners Bank AK 0.60 6/30/2025	70212VAB4	Certificate Of Deposit	06/30/2020	0.600	250,000.00	250,000.00	251,367.50	06/30/2025	1,461	0.300%
CD Bank Baroda NY .65 7/22/2025	06063HMT7	Certificate Of Deposit	07/22/2020	0.650	198,000.00	198,000.00	199,296.90	07/22/2025	1,483	0.238%

Description	CUSIP/Ticker	Security Sector	Settlement Date	YTM @ Cost	Face Amount Shares	Cost Value	Market Value	Maturity Date	Days To Maturity	% of Portfolio
CD Luana Savings Bank IA 0.45 7/29/2025	549104RJ8	Certificate Of Deposit	07/29/2020	0.450	250,000.00	250,000.00	249,547.50	07/29/2025	1,490	0.300%
CD Medallion Bank UT 0.55 7/30/2025	58404DHQ7	Certificate Of Deposit	07/30/2020	0.550	250,000.00	250,000.00	250,547.50	07/30/2025	1,491	0.300%
CD Enerbank UT 0.50 8/29/2025	29278TRA0	Certificate Of Deposit	08/31/2020	0.500	245,000.00	245,000.00	244,698.65	08/29/2025	1,521	0.294%
CD First Choice Bank CA 0.40 9/30/2025	319461DB2	Certificate Of Deposit	09/30/2020	0.400	249,000.00	249,000.00	247,259.49	09/30/2025	1,553	0.299%
Bank of New York Mellon 1.60 4/24/2025-25 *	06406RAN7	Corporate	05/13/2020	1.600	1,000,000.00	1,014,255.25	1,027,220.00	04/24/2025	1,394	1.202%
John Deer Capital 2.60 3/7/2024	24422EUX5	Corporate	05/15/2020	2.600	700,000.00	726,543.71	737,954.00	03/07/2024	981	0.841%
Citibank NA 3.65 1/23/2024-23 *	17325FAS7	Corporate	05/22/2020	3.650	1,000,000.00	1,062,029.26	1,076,030.00	01/23/2024	937	1.202%
Caterpillar Finl Svcs Corp 3.75 11/24/23	14912L5X5	Corporate	11/23/2020	3.750	1,000,000.00	1,080,322.29	1,079,940.00	11/24/2023	877	1.202%
FHLMC 0.55 5/28/2024-21	3134GVYU6	US Agency	05/28/2020	0.550	2,000,000.00	2,000,000.00	2,000,300.00	05/28/2024	1,063	2.404%
FHLB 0.50 9/24/24-21	3130ALKN3	US Agency	03/24/2021	0.500	2,000,000.00	2,000,000.00	1,992,700.00	09/24/2024	1,182	2.404%
FHLB 0.57 10/15/24	3130ALWW0	US Agency	04/15/2021	0.570	1,000,000.00	1,000,000.00	996,480.00	10/15/2024	1,203	1.202%
Sub Total / Average				1.506	18,688,000.00	18,871,150.51	19,100,703.25			22.463%
Total / Average				1.506	18,688,000.00	18,871,150.51	19,100,703.25			22.463%
Liquid Asset Accounts										
Great Pacific	GP	n/a	n/a	0.000	332,706.00	332,706.00	332,706.00	n/a	1	0.400%
LAIF LGIP	LAIF	n/a	n/a	0.330	24,021,825.09	24,021,825.09	24,021,825.09	n/a	1	28.874%
Wells Fargo Bank	WF	n/a	n/a	0.003	5,449,058.10	5,449,058.10	5,449,058.10	n/a	1	6.550%
Tulare County Pool	TC	n/a	n/a	1.076	34,200,483.81	34,200,483.81	34,200,483.81	n/a	7	41.109%
Higgins Capital	HC	n/a	n/a	0.000	3,137.41	3,137.41	3,137.41	n/a	1	0.004%
Higgins Capital	HC	n/a	n/a	0.010	500,044.53	500,044.53	500,044.53	n/a	1	0.601%
Sub Total / Average				0.694	64,507,254.940	64,507,254.940	64,507,254.940			77.537%
Total / Average				0.876	83,195,254.94	83,378,405.45	83,607,958.19			100.000%

* Security is callable in the designated year

City of Hanford
Monthly Transaction Report
Mar-Jun 2021

					<u>Details for Securities, not pool transactions</u>					
Trasaction					Security	CUSIP/TICKER	Name	Maturity	Face	Yield
1	04/06/21	Redeemed	1,200,000	HIGGINS CAPITAL	US AGENCY BOND	3130AJG94	FEDERAL HOME LOAN BANKS	04/06/23	1,200,000	0.875
2	04/15/21	Purchase	1,000,000	HIGGINS CAPITAL	US AGENCY BOND	3130ALWW0	FEDERAL HOME LOAN BANKS	01/15/24	1,000,000	0.570
3	04/22/21	Redeemed	500,000	HIGGINS CAPITAL	US AGENCY BOND	3133ELXC3	FEDERAL FARM CREDIT BANK	04/22/24	500,000	0.800
4	04/13/21	Deposit	1,000,000	LAIF						
5	05/05/21	Deposit	1,000,000	LAIF						
6	05/20/21	Deposit	3,000,000	LAIF						
7	05/27/21	Redeemed	500,000	MISCHLER FIN. GROUP	US AGENCY BOND	3136G4VW0	FEDERAL NATIONAL MTG ASSOC	05/27/25	500,000	0.730
8	06/04/21	Deposit	1,000,000	LAIF						
9	06/11/21	Deposit	1,000,000	LAIF						



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: H
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SUBJECT:

Public Works: Authorization for the Director of Public Works to send a letter to the Local Agency Formation Commission (LAFCO), requesting the Extension of Services to the existing dwelling unit in the County without annexation by the City of Hanford. (7138 11th Ave south of Flint Avenue)

RECOMMENDATION:

That the City Council, by motion, Authorize the Director of Public Works to send a letter to the Local Agency Formation Commission (LAFCO) requesting the Extension of Services to the dwelling unit in the County without annexation by the City of Hanford. (7138 11th Avenue south of Flint Avenue)

BACKGROUND:

The City of Hanford has been approached by the applicant of the dwelling unit, Mr. David Sumaya, to allow the extension of City water to service the dwelling unit.

The applicant reported their project cannot be facilitated by their existing water well going dry and the cost of drilling deeper for the water well. The applicant would be subject to all applicable City of Hanford codes, regulations, fees and related requirements associate with the connection of City water services within the City of Hanford service area.

City staff recommends approval of the request letter to LAFCO for the Extension of water services based upon the conditions below:

1. Applicant to pay for the LAFCO Extension of Services fees.
2. Approval by LAFCO for the applicant to connect to City Water Lines without annexation into the City of Hanford.
3. The property owner will be required to pull a City of Hanford encroachment Permit to cover the following:

- a. All work to be done in accordance with currently adopted State and local Building Codes and Standards.
 - b. Installation of a minimum 1" water service line per City of Hanford Improvement Standards, subject to approval by the County of Kings and the City of Hanford.
 - c. Installation of a backflow preventer per City of Hanford Improvement Standards, subject to approval by the County of Kings and the City of Hanford if water well will not be abandoned.
 - d. If the existing water well will no longer be utilized, then the water well will need to be properly abandoned per County of Kings Water Well Standards and the water line service from water well to dwelling unit needs to be capped.
 - e. All normal City of Hanford fees (including impact fees) associated with this project must be paid.
 - f. The applicant will enroll for City water service at the time the permit is pulled and issued.
4. All work and materials are to be provided at the sole expense of the applicant.

FISCAL IMPACT:

The City does not currently have a cost for this project but would only be responsible for reimbursement to oversize the lines to comply with the City's Master Plans, if applicable. The Capital Improvement Budget allocates funds every year for oversizing of mains within the City's system.

ATTACHMENTS:

LAFCO Request for 7138 11th Ave

August 17, 2021

Kings County Local Agency Formation Commission
Kings County Government Center
1400 W. Lacey Blvd.
Hanford, CA 93230

RE: City water service request for single dwelling unit located in unincorporated Kings County

The City of Hanford received a request from Mr. David Sumaya (applicant) to provide water services to their single dwelling unit at 7138 11th Avenue south of Flint Ave (see attached sketch).

The applicant reported their single dwelling unit cannot be facilitated by their existing water well going dry and the cost of drilling deeper for the water well. The applicant would be subject to all applicable City of Hanford codes, regulations, fees and related requirements associate with the connection of City water services within the City of Hanford service area.

The Hanford City Council approved the applicant's request to connect to City water. The applicant is requesting Local Agency Formation Commission's (LAFCO) approval. The applicant would require the construction of a minimum 1" water service line from the City Water Line on 11th Avenue to adequately service the single dwelling unit. The City is formally requesting LAFCO approval for Extension of Services under Government Code Section 56133 to provide City water services at the existing single dwelling unit location; a property located within the City's Primary Sphere of Influence.

This approval is subject to the following conditions which are normal to all parties connecting to the water and sewer system within the City of Hanford, except for the required approval by the LAFCO and the County of Kings, which is applicable in this case.

1. Applicant to pay for the LAFCO Extension of Services fees.
2. Approval by LAFCO for the applicant to connect to City Water Line without annexation into the City of Hanford.
3. The property owner will be required to pull a City of Hanford encroachment Permit to cover the following:
 - a. All work to be done in accordance with currently adopted State and local Building Codes and Standards.
 - b. Installation of a minimum 1" water service line per City of Hanford Improvement Standards, subject to approval by the County of Kings and the City of Hanford.
 - c. Installation of a backflow preventer per City of Hanford Improvement Standards, subject to approval by the County of Kings and the City of Hanford if water well will not be abandoned.
 - d. If water well will no longer be utilized, then the water well will need to be properly abandoned per County of Kings Water Well Standards and water line service from water well to dwelling unit needs to be capped.
 - d. All normal City of Hanford fees (including impact fees) associated with this project must be paid.
 - e. The applicant will enroll for City water service at the time the permit is pulled and issued.

4. All work and materials are to be provided at the sole expense of the applicant.

If you have any questions regarding this approval, please feel free to contact me at (559)585-2571.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Doyel".

Johnathan L. Doyel, PE/PLS
Director of Public Works



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: I
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SUBJECT:

Public Works: Approval of a Notice of Completion for the FY 20/21 Pavement Resurfacing Project at a total construction cost of \$161,946.20 and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.

RECOMMENDATION:

That the City Council, by motion, approve of a Notice of Completion for the FY 20/21 Pavement Resurfacing Project at a total construction cost of \$161,946.20 and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office

BACKGROUND:

On July 7, 2021, the Council awarded the FY 20/21 Pavement Resurfacing: Reclamite Project to Talley Oil of Madera, CA. This Project consisted of applying a pavement surface protection and preservation treatment for city streets. The treatment keeps pavement surfaces flexible and reduces asphalt oil content loss. Surfacing Treatment to existing streets is part of the overall street maintenance program in the City of Hanford where pavement maintenance has become necessary. Asphalt concrete pavement surfaces deteriorate over time due to loss of oil content from naturally occurring processes and vehicular traffic loads.

Reclamite seal treatments extend the useful life of asphalt pavement surfaces thereby reducing street maintenance costs. This project provided surface treatment for approximately five miles of arterial/collector streets (approximately 175,000 Square Yards).

There was (1) contract change orders on this project which included the balance of quantity adjustment for a net increase of \$14,001.00. However, the total project cost remained under budget.

FISCAL IMPACT:

The FY 20/21 041 Gas Tax (2106) Budget provided \$167,500.00 for construction, including contingencies. The Final Project Construction and Finance History Report are attached for Council review.

ATTACHMENTS:

Construction and Finance History Report

NOC - Recording Original PDF

NOC - Recording Original WORD

FINAL PROJECT CONSTRUCTION AND FINANCE HISTORY

PROJECT: FY 20/21 Pavement Resurfacing: Reclamite Project
CONTRACTOR: Talley Oil
 12483 Road 29
 Madera CA 93638

CONTRACT DATES:	Bid Date	June 15, 2021
	Council Award	July 6, 2021
	Contractor Started Work	July 26, 2021
	Contract Time of Completion	August 9, 2021
	Contractor Completed Work	July 29, 2021

CONTRACT CHANGE ORDERS:

1. Contract Change Order No. 1: Balance of Quantities
For a net increase of \$14,001.00

FINANCIAL HISTORY:

SOURCE OF BUDGET FUNDING	AMOUNT
041 Gas Tax (2106)	\$ 167,500.00
Total Budget Funding	\$ 167,500.00
CONSTRUCTION COST:	
Original Contract – Total Bid Award	\$ 147,945.20
Contract Change Order No. 1	\$ 14,001.00
Total Construction Cost	\$ 161,946.20
Balance (Credit)	<u>-\$ 5,553.80</u>

RECORDING REQUESTED BY:
CITY OF HANFORD

When recorded return to:

City Clerk
City of Hanford
315 North Douty Street
Hanford, California 93230-3951

G.C. 27361.3 - Fee NIL

NOTICE OF COMPLETION

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

1. The work of Improvement is located: Various locations within the City of Hanford
2. The Improvement is particularly described as: Pavement Resurfacing
3. The date of completion of the work of Improvement: July 29th, 2021
4. The Owner of the work of Improvement: City of Hanford.
5. The nature of the owner's interest or estate: Fee Simple Title.
6. The name of the original contractor for the work of Improvement: Talley Oil
7. The surety for the work of Improvement: United States Fire Insurance Company
8. All work for this project has been completed.
9. Accepted by minute action of the City Council of the City of Hanford on: August 17, 2021.

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 6th day of August 17, 2021

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

I, the undersigned, say:

Attachment: NOC - Recording Original PDF (PW: NOC FY 20/21 Pavement Resurfacing: Reclamite Project)

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Hanford, California, this ____ day of _____, 2021.

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code

RECORDING REQUESTED BY:
CITY OF HANFORD

When recorded return to:

City Clerk
City of Hanford
315 North Douty Street
Hanford, California 93230-3951

G.C. 27361.3 - Fee NIL

NOTICE OF COMPLETION

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

1. The work of Improvement is located: Various locations within the City of Hanford
2. The Improvement is particularly described as: Pavement Resurfacing
3. The date of completion of the work of Improvement: July 29th, 2021
4. The Owner of the work of Improvement: City of Hanford.
5. The nature of the owner's interest or estate: Fee Simple Title.
6. The name of the original contractor for the work of Improvement: Talley Oil
7. The surety for the work of Improvement: United States Fire Insurance Company
8. All work for this project has been completed.
9. Accepted by minute action of the City Council of the City of Hanford on: August 17, 2021.

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 6th day of August 17, 2021

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

I, the undersigned, say:

Attachment: NOC - Recording Original WORD (PW: NOC FY 20/21 Pavement Resurfacing: Reclamite Project)

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Hanford, California, this ____ day of _____, 2021.

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: J
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SUBJECT:

Public Works: Authorization to award contracts to 4Creeks of Visalia CA, in the amount of \$119,293.00 and Peters Engineering Group of Clovis CA, in the amount of \$35,035.00 for the design phase of FY 20/21 Traffic Signal at 12th Ave. & Hume Project and approve an additional appropriation of \$104,328.00 from the Transportation Impact Fee fund to fully fund the design portion of this project.

RECOMMENDATION:

That the City Council, by motion;

1. Award a contract to 4Creeks of Visalia CA for the Civil Engineering design in the amount of \$119,293.00.
2. Award a contract to Peters Consulting Group of Clovis for the Traffic Signal Design in the amount of \$35,035.00.
3. Approve an additional appropriation of \$104,328.00 from the Transportation Impact Fee fund to fully fund the design portion of this project.

BACKGROUND:

This project will consist of Surveying, Traffic Signal Design and Civil Engineering Design for the future installation of a traffic signal system at the intersection of 12th Avenue and Hume Avenue. Development in this area of our community is increasing, placing additional demands on our transportation system.

The current traffic control at this intersection is a two-way stop. Originally, staff had set the budget figure with the expectation that much of the work would be completed with City staff. However, with increasing development in the area, traffic signal warrants are anticipated to be met, and the City does not currently have enough staff to deliver the project. Therefore, more of the work will need to be performed by outside firms.

This project will increase traffic flow efficiency and reduce intersection congestion by allowing

more free flow traffic movement through the intersection. The project will also provide air quality benefits by reducing vehicle idling times.

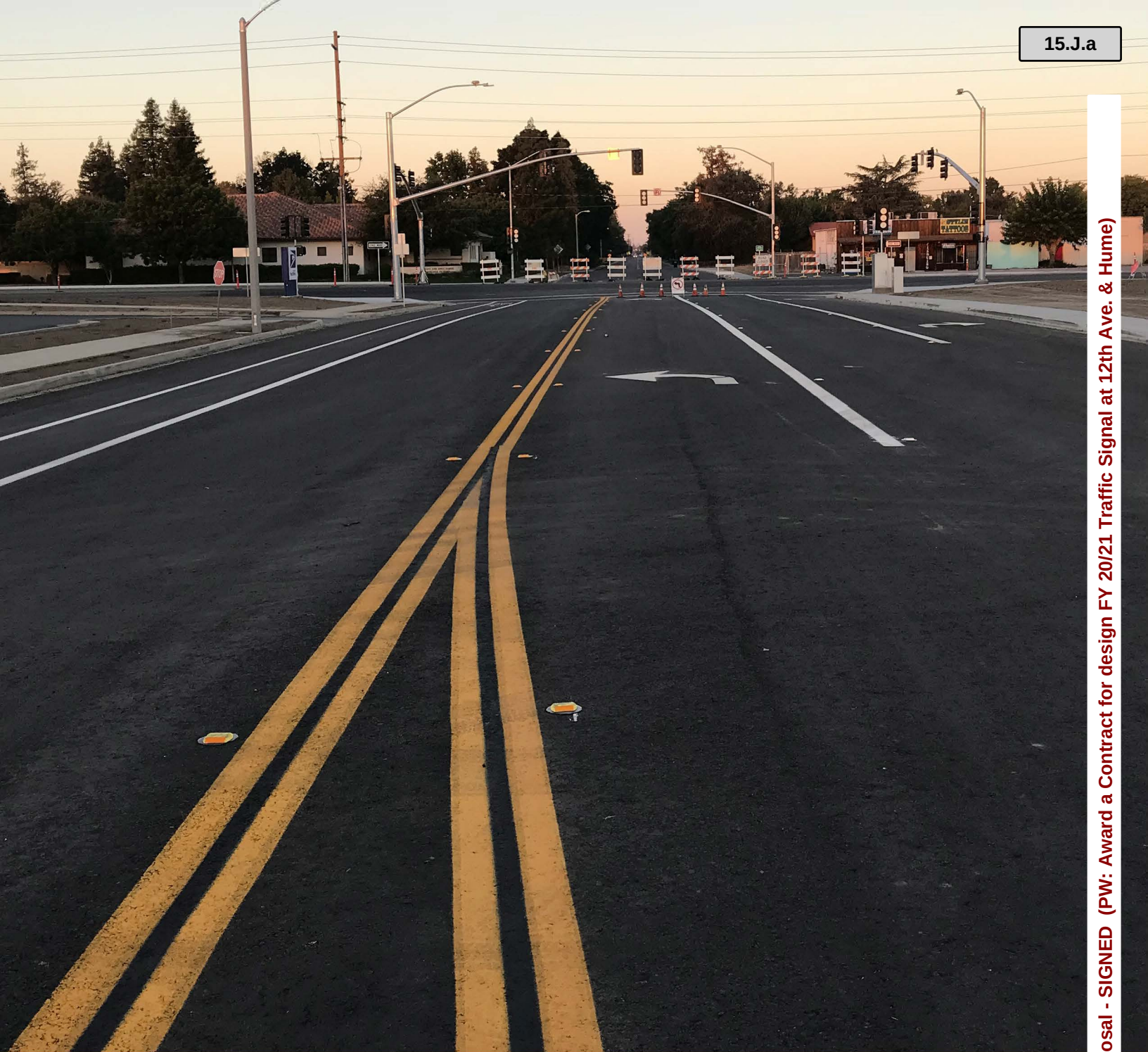
Staff requested proposal from all (7) On Call Consultant Firms. The proposals were reviewed and staffed selected Peters Consulting Group out of Clovis CA, to perform the Traffic Engineering, and 4Creeks out of Visalia CA to perform the Surveying and Civil Engineering. With Councils approval, Engineering Services will start August 2021 in preparation for construction in 2022.

FISCAL IMPACT:

The FY 20/21 Transportation Capital Budget provides a combined \$50,000.00 for this project. An additional appropriation of \$104,328.00 from the Transportation Impact Fee Reserve is required to fully fund the project. There is currently a fund balance of \$4 million in the Transportation Impact Fee Reserves. A copy of the budget pages are attached for Council Review.

ATTACHMENTS:

4Creeks Proposal - SIGNED
Peters Engineering Proposal- SIGNED
TRIAL BALANCE FOR FUND 0181
Budget Page



City of Hanford - Request for Proposals for Traffic
signal Design and Engineering Services at the

Intersection for 12th Avenue & Hume Avenue

TRAFFIC SIGNAL – INTERSECTION OF 12TH AVE AND HUME AVE PROJECT

Scope of work – Surveying & Civil Engineering

(See attached revised Scope of work for full description of work)

CONSULTANT: 4Creeks

License No. 82531

D.I.R. No. _____

ADDRESS: 324 S. Santa Fe St., Suite A, Visalia, CA 93292

PHONE NO. (559) 802 - 3052

SIGNATURE: 

Kyle McDonald, Public Works Department Manager

(NAME & TITLE)

DATE: 8/9/21

NOTE: The City of Hanford reserves the right to reject any and all bids

CITY OF HANFORD

ACCEPTED BY: _____

(NAME & TITLE)

DATE: _____

Attachment: 4Creeks Proposal - SIGNED (PW: Award a Contract for design FY 20/21 Traffic Signal at 12th Ave. & Hume)

SCOPE OF WORK

4Creeks, Inc. will utilize a number of staff members and subconsultants to perform the various components of this project. Our Project Manager will coordinate with all staff members to work concurrently to achieve timely results and meet the goals of the City of Hanford.

Task 101: Kickoff Meeting

Objective:

Upon contract authorization the 4Creeks team will collaborate with the City of Hanford-assigned Project Manager to refine and finalize the scope of work, schedule, and budget parameters and determine what resources will be needed to complete the project. The Project Management task will allow for the 4Creeks Team to research, compile, and present to the County a complete list of all issues and conflicts within the site parameters and to propose what design improvements will be needed to address these issues. The Project Management task will be utilized to ensure that the highest possible quality deliverable is achieved and that the schedule of work meets or exceeds all milestones, from inception to completion of the project.

Work Products:

- Provide the County with a list of designated consultant contacts.
- Conduct a site visit prior to the Kick-Off meeting and assess the conditions involving the design of the project.
- Develop a list of issues, questions, and coordination items for the Project Kick-Off meeting.
- Attend kickoff meeting with City to determine applicable design standards and other details of the project.
- Will utilize AutoCAD 2019 for the design of the project.

Meetings:

- (1) Project Kick-Off meeting

Task 102: Data Exchange

Work Products:

- Will provide preliminary AutoCAD files throughout the design process as requested by the City.
- Will provide the City a complete set of the AutoCAD files of the project upon completion.

It is our understanding that the City will provide the following:

- A preliminary standard layout of the intersection lane configuration.
- Existing data, as-builts, and improvements that are available. City will also provide and update us on the progress of improvements on the adjacent subdivisions being developed near the project.

Task 103: Project Schedule

Objective:

Create, update, and coordinate the project schedule Gantt Chart from project kickoff through bid-ready construction documents. Schedule will be created using MS Projects and will be provided electronically to the City.

Work Products:

- Project Schedule development from project kickoff through bid-ready construction documents

Task 201: Topographic Survey and Utility Coordination

Work Products:

- Conduct an initial field review of the project to observe the existing conditions and determine the full project needs.
- Conduct utility research and identify potential conflicts with record utilities.
 - Request all existing utility facility information from SCE, SoCal Gas, AT&T, Comcast, People's Ditch, Irrigation Districts, and any other existing utilities in the project area.
- Show existing utility locations on construction documents.
- Meet with utility companies at around the 30% design stage after potholing of the potential utility conflicts has been completed to determine if conflicts exist.
- Work with utility companies to address and resolve identified conflicts.
- Requests for information from utility companies shall utilize the required federal funding forms of the LAPM.
- Right of way limits will be drafted on the Topo from record maps. This fee does not include ordering title reports for separate properties or record research of dedicated easements/additional right of way along the corridor.

Task 202: Topographic Survey and Additional Site Information**Work Products:**

The survey shall include (but not limited to):

- Full topographic survey of the streets included within the project
- 50' Cross Sections
- Sewer and Storm Drain inverts to be dipped wherever possible
- More detailed topo around existing and new accessibility ramp locations
- Existing observable improvements within the right of way or directly adjacent thereto that may be affected by the project
- Observable Utilities which includes fire hydrants, water meter boxes, sewer cleanouts, sewer and storm manholes, valve boxes, etc.
- Tie into City of Hanford benchmark system
- Prior to the survey we will have a design staff member mark uplifted/depressed/damaged curb and gutter within the limits of project for removal and replacement with the project.

Survey shall extend approximately 500 feet to the north of Hume Avenue, 600 feet to the south of Hume Avenue, 100 feet to the west of 12th Avenue, and 500 feet to the east.

The survey will be plotted at a scale of 1" = 20'

Task 203: Legal Descriptions and Exhibits for Right of Way Easements**Work Products:**

- Develop the Exhibits and legal Descriptions for the project.
- Prepare Appraisal Map Exhibits of the properties to be acquired. Appraisal maps show the existing improvements along with the right of way to be acquired for use by the third-party appraiser.
- Provide Acquisition Map Exhibits of the property to be acquired to be recorded along with the legal descriptions.
- Prepare Legal Descriptions and Exhibits for the areas to be acquired.
- Prepare Legal Descriptions and exhibits for any temporary construction easements that will be needed by the Contractor to perform the required work.
- Prepare exhibits for the required acquisition of easements for utility relocations if needed.
 - Coordinate with SCE for any required easements and exhibits. All effort will be made to coordinate SCE acquisition at the same time as City acquisitions.
 - Appraisal and acquisition maps and legal descriptions will be provided to the City for all right of way, easements, and temporary easements required for the project.

It is our understanding that the City will provide the following:

- City will order Preliminary Title Reports and relevant documents of affected properties.
- City will hire a third-party appraiser and land acquisitioner and will work with the Title Company for acquiring right of way.
- City will hire a third-party professional to work with residents to acquire needed easements and right of way.

Task 301: Preliminary Plans, Specifications, and Estimates

Work Products:

4Creeks anticipates providing the following plan sheets for the project. Plans will be prepared at a scale of 1" = 20' on 24"x36" sheets.

- Cover Sheet
- General Notes
- Street Cross Sections
- Topographic Survey / Demolition (1" = 20' scale, 5 sheets).
- Site Plan / Grading and Drainage Plan (1" = 20' scale, 5 sheets).
- Street Plan and Profile (1" = 20' scale, 5 sheets). Profiles will include existing and proposed utilities and will show the existing and proposed pavement crown.
- Striping and Signage Plans (Assumed 1" = 20', 5 sheets)
- Designed and signed by Traffic Engineer
- Curb Ramp Detail Sheets (Assumed 4 per page at 1" = 5', 1 sheet). Ramp details will include elevations, dimensions, and will show transitions to the existing concrete sidewalks.
- Signal Design Plans (1" = 20' scale, 3 sheets)
- Designed and signed by Traffic Engineer
- Construction and City Standard Details (Assumed 5 pages)

Provide opinion of probable cost estimate based on the Construction Documents

- Provide technical specifications, special provisions, and bid item descriptions to complete the project.
- Provide cost estimate to the City at the following plan submittal stages: 50%, 75%, 95%, and 100%.
- Our understanding is that the City will provide their typical front-end bid document in word format, and we will modify all of the information for this project.
- Hold meetings with the City at the following plan submittal stages: 50%, 75%, 95%, and 100%.

Task 302: Review and Comment on Construction Documents

Work Products:

- Submit plans, specifications, and cost estimates at the 50%, 75%, and 95% completion stages for progress review by the City and any other entities.
- Address plan check comments from the City at each submittal stage.

Task 303: Utility Coordination and Notifications

Work Products:

- Utility notifications and requests to relocate facilities letters shall be provided as required by the LAPM.
 - Investigate and request existing facilities locations. Ensure all existing utilities are shown on the plans.
 - Determine relocations required and issue the LAPM "Notification Letters" and "Request to Relocate Facilities" letters to utility companies per federal funding requirements.
 - Provide approved utility Relocation Plan and CAD file to various utilities as needed for them to begin their design of any relocation or service needs.
 - Request final design documents from utilities

Task 304: Right of Way Acquisition Determination

Work Products:

- Determine the right of way needs based on the approved layout.

- Coordinate and provide Right of Way Appraisal and Acquisition Maps and legal descriptions of the property to be acquired.
- Our understanding is that the City will hire a third-party appraiser and land acquisitioner to purchase the land and the City will work with the Title Company through escrow and will record all documents.

Task 305: Constructability Review Meetings

Meetings:

- Attend up to three (3) constructability review meetings at the City offices to discuss City comments on preliminary plans, if required.

Task 306: Construction Documents

Work Products:

- Prepare final construction plans, technical specifications, and cost estimate for the project.
- One (1) set of vellum reproducible plans and specifications will be submitted to the City.
- Electronic copies of construction documents (Adobe PDF, AutoCAD, and Word) will be submitted to the City at project completion.

Task 401: Coordination with Civil Engineer

Objective:

TJKM will coordinate with the 4Creeks project manager to develop a complete approved set of plans, specifications, and cost estimates.

Task 402: Design Sketches for Signing, Striping, and Pavement Markers

Objective:

TJKM will provide 4Creeks with the proposed signing and striping, including pavement delineation, pavement markings, and pavement transitions. The designs will be based on the most recent California Manual on Uniform Traffic Control Devices (CA-MUTCD) and Caltrans Highway Design Manual. TJKM designated project manager will be available to discuss the design with the project civil engineer. 4Creeks project manager alongside TJKM will provide drafting of the signing and striping plans and incorporating them into the project plan set.

Task 403: Preliminary Plans, Specifications and Estimate

Objectives:

- TJKM will prepare preliminary traffic signal plans. Traffic signals will be designed in accordance with City of Hanford and the 2018 Caltrans Standard Plans.
- The plans, specifications, and cost estimates will be submitted to the City at 50%, 75%, and 95% to allow progress review and comments from the City. Consultant shall fully coordinate with the civil engineer for plan submittals

Task 404: Southern California Edison (SCE) Coordination for Electrical Point of Service

Work Products:

- 4Creeks and TJKM will coordinate with SCE to prepare an application for electrical service for the new traffic signal and will assist with SCE coordination to determine the point of service and to facilitate a contract between SCE and the City for service as necessary.
- In coordination with civil improvements and relocation needs, 4Creeks will provide SCE with the necessary electronic files for the preparation of service and relocation plans. The completed SCE service plans shall be incorporated into the final set of construction documents.

Task 405: Constructability Review Meetings

Meetings:

- Consultant will attend (3) three constructability review meetings at the City offices to discuss City comments on the preliminary plans, if required.

Task 406: Final Construction Documents

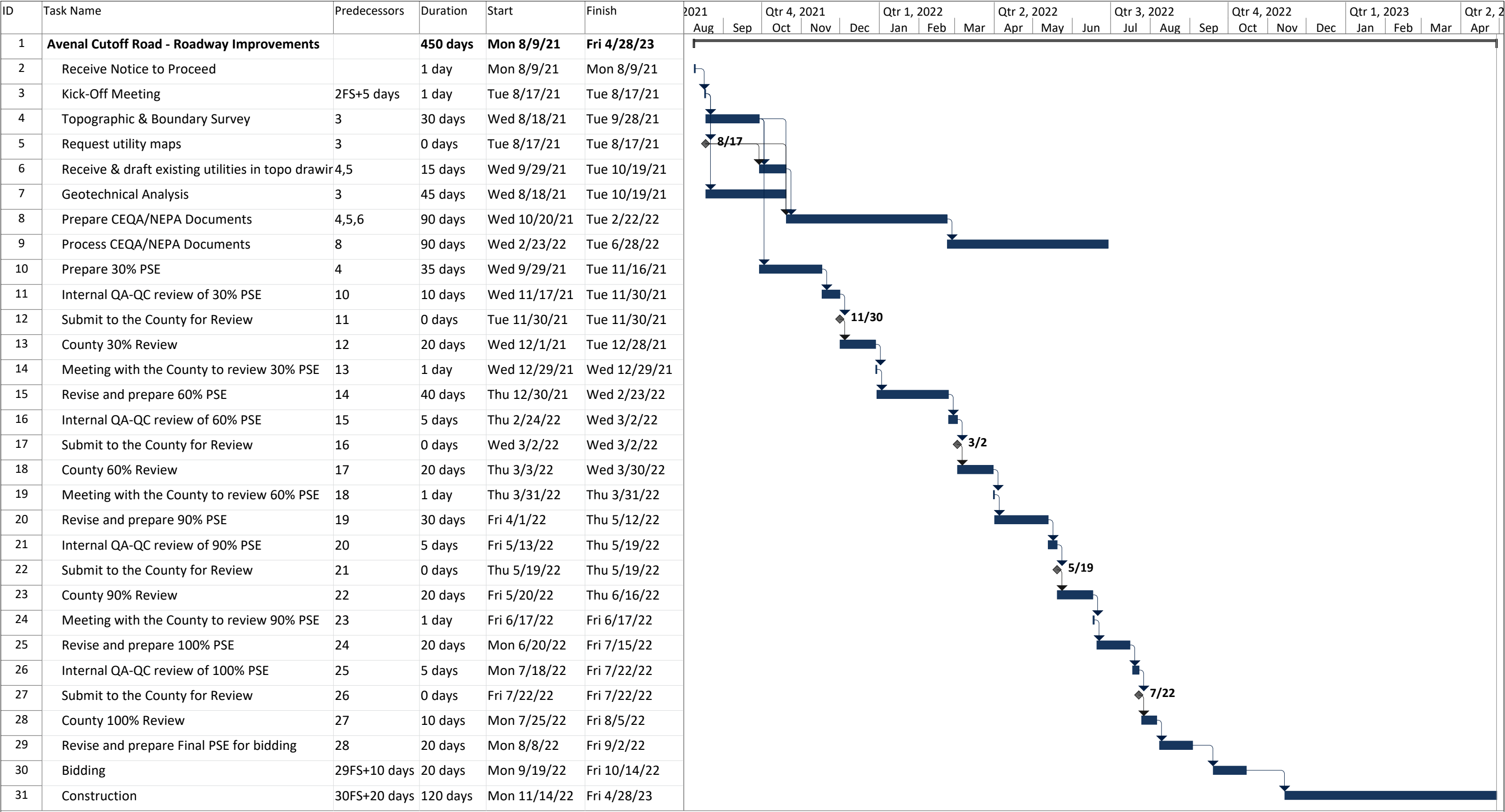
Work Products:

- Consultant will prepare final construction plans, technical specifications, and opinion of probable construction cost for the project. One set of vellum reproducible plans and specifications will be submitted to the City. Consultant shall additionally provide electronic copies of construction documents in .pdf, AutoCAD, Word, etc. to the City at project completion.

Task 501: Bidding and Construction Phase Assistance

Work Products:

- Hold Pre-Bid Meeting with Contractors
- Maintain Contractor Plan Holders List
- Provide supplemental instructions and clarifications to bidders as necessary. Produce addendums to modify the bid documents (plans and specs) as required.
- Receive bids.
- Tabulate bids after opening and recommend lowest awarded bidder to the City.
- Attend the pre-construction meeting
- Respond to Requests for Information
- Review Submittals if requested by the City
- Issue Contract Document revisions as required
- Assist the City with Change Order review as required
- Draft a set of Record As-Built plans at project completion using information provided by the City/Contractor



Project: Avenal Cutoff Road
Date: Thu 7/8/21

Task

Split

Milestone

Summary

.....

◆

Project Summary

External Tasks

External Milestone

Inactive Task

◆

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

◆

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

Deadline

Progress

Manual Progress

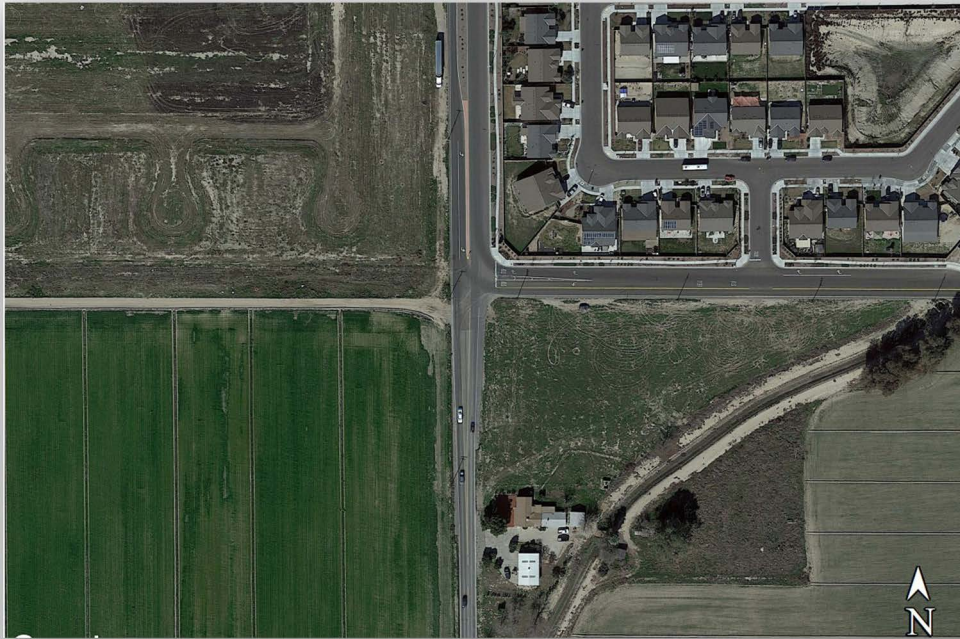
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PROPOSAL FOR

Traffic Signal Design & Engineering Services at the Intersection of 12th Avenue & Hume Avenue

SUBMITTED: JULY 12, 2021

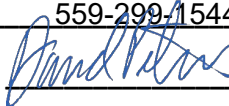


PETERS ENGINEERING GROUP
A CALIFORNIA CORPORATION

862 Pollasky Avenue, Clovis, California 93612
559-299-1544

TRAFFIC SIGNAL – INTERSECTION OF 12TH AVE AND HUME AVE PROJECT

Scope of work – Project Administration, Traffic Signal Design & Bidding and Construction Phase Services
(See attached revised Scope of work for full description of work)

CONSULTANT: PETERS ENGINEERING GROUPLicense No. 52685D.I.R. No. 1000028322ADDRESS: 862 Pollasky AvenuePHONE NO. 559-299-1544SIGNATURE: David Peters, President**(NAME & TITLE)**DATE: 8/5/2021

NOTE: The City of Hanford reserves the right to reject any and all bids

CITY OF HANFORD

ACCEPTED BY: _____

(NAME & TITLE)

DATE: _____

Attachment: Peters Engineering Proposal- SIGNED (PW: Award a Contract for design FY 20/21 Traffic Signal at 12th Ave. & Hume)

SCOPE OF SERVICES

TRAFFIC ENGINEERING

100 PROJECT ADMINISTRATION

Task 101 - Kickoff Meeting

- Consultant will attend a kickoff meeting with the City to determine the applicable design standards and other details applicable to the project.
- Consultant will utilize at minimum AutoCAD 2014 and the electronic mapping data will be provided in a compatible format.
- Consultant will be available to make recommendations related to the extent of the survey, frequency of cross sections, etc.
- City will provide topographic survey extending at least 500 feet in each direction from the intersection.

Task 102 - Data Exchange

- City will provide the Consultant with a preliminary standard layout of the intersection lane configuration.
- City will provide existing data, as-builts, and improvements that are available, and will provide and update on progress of the improvements performed on subdivision developments adjacent to the project.
- The Consultant will provide the City with any preliminary AutoCAD files of project design throughout contract period when requested by the City.
- Upon project completion, the Consultant will provide the City with a complete AutoCAD file of the project plans, and MS Word format file of the project specifications.

Task 103 - Project Schedule

- The Consultant team will update and coordinate the project schedule Gantt Chart from project kickoff through bid ready construction documents, and will provide the schedule to the City. (Electronic format, MS Projects, is preferred format.)

400 TRAFFIC SIGNAL DESIGN

Task 401 - Coordination with Civil Engineer

- Consultant will coordinate with the project civil engineer to develop a complete approved set of plans, specifications, and cost estimates.

Task 402 - Design Sketches for Signing, Striping, and Pavement Markers

- Consultant will provide the project civil engineer with hand sketches of the proposed signing and striping, including pavement delineation, pavement markings, and pavement transitions. The designs will be based on the most recent California Manual on Uniform Traffic Control Devices (CA-MUTCD) and Caltrans Highway Design Manual. Project traffic engineer will be available to discuss the design with the project civil engineer. The project civil engineer will be responsible for drafting the signing and striping plans and incorporating them into the project plan set.
- Consultant will review and comment on plans provided by the project civil engineer.

Task 403 - Preliminary Plans, Specifications, and Estimate

- Consultant will prepare preliminary traffic signal plans. Traffic signals will be designed in accordance with City of Hanford and the 2018 Caltrans Standard Plans.
- City will provide the Consultant with a current set of template technical specifications for traffic signals which the Consultant will modify and incorporate into the project specifications.
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Task 406 – Final Construction Documents.

- Consultant will prepare final construction plans, technical specifications, and opinion of probable construction cost for the project. One set of vellum reproducible plans and specifications will be submitted to the City. Consultant will additionally provide electronic copies of construction documents in .pdf, AutoCAD, Word, etc. to the City at project completion.

500 BIDDING AND CONSTRUCTION PHASE SERVICES**Task 501 - Bidding and Construction Phase Services**

- Consultant will be available to respond to inquiries from bidders, prepare addenda, attend pre-bid and pre-construction meetings, review equipment submittals, and assist with reviews and change orders during construction if needed.

SCOPE OF SERVICES

TRAFFIC ENGINEERING

100 PROJECT ADMINISTRATION

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- Consultant will review and comment on plans provided by the project civil engineer.

Task 403 - Preliminary Plans, Specifications, and Estimate

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500 BIDDING AND CONSTRUCTION PHASE SERVICES**Task 501 - Bidding and Construction Phase Services**

- Consultant will be available to respond to inquiries from bidders, prepare addenda, attend pre-bid and pre-construction meetings, review equipment submittals, and assist with reviews and change orders during construction if needed.

**City of Hanford 12th and Hume Intersection Improvements
Traffic Engineering Fee Proposal**

Task	Description	Person-Hours				Other Direct Costs	Total
		Principal Engineer @ \$195 /hr	Senior Civil Engineer @ \$180 /hr	Staff Engineer @ \$130 /hr	Clerical @ \$75 /hr		
100	PROJECT ADMINISTRATION						
101	Kickoff Meeting	2	6		2	\$150	\$1,770
102	Data Exchange		2	4		\$50	\$930
103	Project Schedule	2	8	2	8	\$100	\$2,790
Total Project Administration		4	16	6	10	\$5,490	
400	TRAFFIC SIGNAL DESIGN						
401	Coordination with Civil Engineer	1	6	8	2		\$2,465
402	Design Sketches for Signing, Striping, and Pavement Markers	2	12	16			\$4,630
403	Preliminary Plans, Specifications, and Estimates	2	8	40	8		\$7,630
404	SCE Coordination for Electrical Point of Service		4	2			\$980
405	Constructibility Review Meetings	2	12	8			\$3,590
406	Final Construction Documents	4	8	16	4		\$4,600
Total Traffic Signal Design		11	50	90	14	\$23,895	
500	BIDDING AND CONSTRUCTION PHASE SERVICES						
501	Bidding and Construction Phase Services	2	16	16	4		\$5,650
Total Bidding and Construction Phase Services		2	16	16	4	\$5,650	
Total Hours		17	82	112	28	\$35,035	

Attachment: Peters Engineering Proposal- SIGNED (PW: Award a Contract for design FY 20/21 Traffic Signal at 12th Ave. & Hume)

PETERS ENGINEERING GROUP



08/09/2021 15:58
dcaietti

City of Hanford, CA
2021 FINAL TRIAL BALANCE

P
gleoytrb 1

FUND 0181 TRANS IMP

ACCOUNT	DESCRIPTION	ORG	DEBIT	CREDIT
0181-100100-	CASH IN BANK	0181	4,433,965.83	
0181-112000-	ACCOUNTS RECEIVABLE	0181	3,815.14	
0181-130001-	CHNG-FAIR VALUE/INVESTMTS	0181	20,419.05	
0181-140800-	ACCRUED INTEREST RECVBL	0181	13,204.31	
0181-218300-	INTRFD LOAN DUE FLEET RR FUN	0181		2,918,445.58
0181-220000-	ACCOUNTS PAYABLE-CONTROL	0181		1,564.95
0181-360000-	FUND BALANCE AVAILABLE	0181		1,635,767.98
0181-391000-	REVENUE CONTROL	0181		638,544.67
0181-392000-	EXPENDITURE CONTROL	0181	722,918.85	
0181-393000-	ENCUMBRANCE CONTROL	0181	2,400.00	
0181-394000-	BUDGETARY FUND BALANCE	0181		484,391.24
0181-395000-	ESTIMATED REVENUES	0181	988,824.00	
0181-396000-	APPROPRIATIONS	0181		504,432.76
0181-397000-	RES FOR ENCUMBRANCES BUD	0181		2,400.00
=====				
FUND TOTALS			6,185,547.18	6,185,547.18
=====				
GRAND TOTALS			6,185,547.18	6,185,547.18
=====				

** END OF REPORT - Generated by Debbie Caietti - Tyler **

Attachment: TRIAL BALANCE FOR FUND 0181 (PW: Award a Contract for design FY 20/21 Traffic Signal

Traffic Signal at 12th Avenue and Hume Avenue

Project Background:

This project will consist of the installation of a traffic signal system at the intersection of 12th Avenue and Hume Avenue. Development in this area of our community is increasing, placing additional demands on our transportation system.

Existing Conditions:

The current traffic control at this intersection is a two way stop. With increasing development in the area, traffic signal warrants are anticipated to be met. If met, the intersection will be included in the city's traffic signal priority list.

Project Justification:

This project will increase traffic flow efficiency and reduce intersection congestion by allowing more free flow traffic movements through the intersection. The project will also provide air quality benefits by reducing vehicle idling times.

Fiscal Implications:

Funding for this project will be allocated from Congestion Mitigation/Air Quality (CMAQ) funding and Transportation Impact fees.

Project Budget Summary:

		5-Year Funding Allocation				
		2020	2021	2022	2023	2024
Expenditure	Program or Project		Construction	Construction		
	Engineering / Inspection	50,000				
	Construction				360,000	
	Contingency				36,000	
	Department Overhead				7,000	
Total Expenditure		\$50,000	\$0	\$0	\$403,000	\$0
Revenue	Funding					
	181 Transportation Impact Fees	5,800			46,000	
	055 Congest. Mit./Air Qual. (CMAQ)	44,200			357,000	
Total Funding		\$50,000	\$0	\$0	\$403,000	\$0



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: K
--------------------------------	--------------------------

SUBJECT:

Public Works: Approval of a Notice of Completion for the FY 20/21 Sanitary Sewer Manhole Repair and Coating Project at a total construction cost of \$85,932.00 and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.

RECOMMENDATION:

That the City Council, by motion, approve of a Notice of Completion for the FY 20/21 Sanitary Sewer Manhole Repair and Coating Project at a total construction cost of \$85,932.00 and authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office

BACKGROUND:

On April 20, 2021, the Council awarded the FY 20/21 Sanitary Sewer Manhole Repair and Coating Project to Sancon Technologies, Inc. of Huntington Beach, CA. This project provided repairs and coating to (13) damaged sanitary sewer manholes where corrosion was affecting concrete surfaces at various locations within the City of Hanford.

There were (2) contract change orders on this project:

1. The project contract was revised to exclude a line item (4;4A) to meet budgetary needs
2. Additional repairs and coating & balance of quantities.

In total change orders amounted to a net decrease of -\$1,1394.00

FISCAL IMPACT:

The FY 20/21 363 Waste Water Capital Budget provided \$90,000.00 for construction of this project including contingencies. The Final Project Construction and Finance History Report are attached for Council review.

ATTACHMENTS:

Final Project Construction and Finance History

NOC - Recording Original WORD

NOC - Recording Original PDF

FINAL PROJECT CONSTRUCTION AND FINANCE HISTORY

PROJECT: FY 20/21 Sanitary Sewer Manhole Repair and Coating Project
CONTRACTOR: Sancon Technologies
 5841 Engineering Dr.
 Huntington Beach CA 92649

CONTRACT DATES:	Bid Date	April 06, 2021
	Council Award	April 20, 2021
	Contractor Started Work	July 12, 2021
	Contract Time of Completion	August 10, 2021
	Contractor Completed Work	July 16, 2021

CONTRACT CHANGE ORDERS:

1. Contract Change Order No. 1: The project contract was revised to exclude a line item (4;4A) to meet budgetary needs

For a net decrease of -\$5,172.00

2. Contract Change Order No. 2: Added additional repairs and coating and balance of quantities.

For a net increase of \$3,778.00

FINANCIAL HISTORY:

SOURCE OF BUDGET FUNDING	AMOUNT
FY 20/21 363 Waste Capital Budget	\$ 90,000.00
Total Budget Funding	\$ 90,000.00

CONSTRUCTION COST:

Original Contract – Total Bid Award	\$87,326.00
Contract Change Order No. 1	-\$5,172.00
Contract Change Order No. 2	\$3,778.00
 Total Construction Cost	 \$ 85,932.00
Balance (Credit)	<u>-\$ 4,068.00</u>

RECORDING REQUESTED BY:
CITY OF HANFORD

When recorded return to:

City Clerk
City of Hanford
315 North Douty Street
Hanford, California 93230-3951

G.C. 27361.3 - Fee NIL

NOTICE OF COMPLETION

TO WHOM IT MAY CONCERN:

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

1. The work of Improvement is located: Various location within the City of Hanford
2. The Improvement is particularly described as: Manhole repair and recoating project
3. The date of completion of the work of Improvement: July 12th, 2021
4. The Owner of the work of Improvement: City of Hanford.
5. The nature of the owner's interest or estate: Fee Simple Title.
6. The name of the original contractor for the work of Improvement: Sancon Technologies, Inc.
7. The surety for the work of Improvement: The Hanover Insurance Company
8. All work for this project has been completed.
9. Accepted by minute action of the City Council of the City of Hanford on: August 17, 2021.

I certify under penalty of perjury that the foregoing is true and correct.
Dated this 6th day of August 17, 2021

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

Attachment: NOC - Recording Original WORD (PW: NOC FY 20/21 Sanitary Sewer Manhole Repair and Coating Project)

I, the undersigned, say:

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Hanford, California, this ____ day of _____, 2021.

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code

RECORDING REQUESTED BY:
CITY OF HANFORD

When recorded return to:

City Clerk
City of Hanford
315 North Douty Street
Hanford, California 93230-3951

G.C. 27361.3 - Fee NIL

NOTICE OF COMPLETION

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I certify under penalty of perjury that the foregoing is true and correct.
Dated this 6th day of August 17, 2021

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

Attachment: NOC - Recording Original PDF (PW: NOC FY 20/21 Sanitary Sewer Manhole Repair and Coating Project)

I, the undersigned, say:

I am the person who signed the foregoing notice. I have read the above notice and know its contents, and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Hanford, California, this ____ day of _____, 2021.

BY: _____
Francisco Ramirez, Mayor
City of Hanford, County of Kings, State of California

Authority: Section 1181 Civil Code



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION:
--------------------------------	------------------------

SUBJECT:

Parks and Community Services: Public Hearing to receive public testimony and input regarding the imposition of the proposed annual assessment for the City of Hanford's Landscape Assessment Districts, per the Annual Engineer's Report for the Fiscal Year 2021-2022, and adopt Resolution 21-35 confirming levy and collection of the annual assessments pursuant to Chapter 3 of the Landscape and Lighting Act of 1972.

RECOMMENDATION:

That the City Council by motion, adopt the attached Resolution (21-33) approving the Annual Engineer's Report and intention to Levy and Collect Assessments pursuant to Chapter 3 of the Landscape and Lighting Act of 1972 for the following districts:

1. 90-01 Pinecastle Addition, Unit 1, 2, 3 and 4
2. 90-02 Park Monterey, Unit No. 1 and 2
3. 90-03 Mansionette Estates, No. 7 and 8
4. 90-04 Hyde Park
5. 91-01 Sierra Vista
6. 92-01 Portofino Estates
7. 92-02 Cielo En Tierra, No. 1, 2, 3, 4 and 5
8. 93-01 Vintage Estates
9. 94-01 Gateway Estates
10. 94-02 Stonecrest, No. 1, 2, 3, 4, 5, 6, 7, 8 and 9
11. 94-03 Quail Run
12. 97-02 Summer Field
13. 97-03 Country Crossing, No. 1, 2, 3, 4 and 5
14. 98-01 Crystal Springs
15. 98-02 Mountain View Estates, No. 1, 2, 3, 4, 5 and 6
16. 01-01 Pacific Grove/N. Pointe, No. 1, 2, 3 and 4
17. 01-03 Poppy Hills, No. 1 and 2
18. 03-01 Le Parc, No. 1, 2 and 3
19. 04-01 Sidonia Estates, (Tract 810), No. 1 and 2/ (Tract 814)
20. 05-01 Mission Park
21. 05-02 Copper Valley
22. 07-02 South Gate Addition (Tract 811), Greenbrier Gardens
23. 09-01 Victory Estates
24. 14-01 Independence (Tract 843), Unit No. 3
25. 18-01 Bella Vista, No. 1, 2 and 3 (Tract 918/919)

BACKGROUND:

In accordance with Chapter 3 of the Landscaping and Lighting Act of 1972 (“Act”), an Annual Engineer’s Report addressing adjustments based on a review of the costs of maintenance of public improvements must be prepared and submitted to the City Council for action. The Streets and Highway Code, as referenced in the Act, requires the holding of a public hearing for Districts identified in the Annual Engineer’s Report as showing an increase, decrease or no change in the annual assessment amount. At the public hearing, to be scheduled for August 17, 2021, the City Council shall consider all public input prior to taking final action on confirming and levying the assessments proposed in the Annual Engineer’s Report.

Regarding the Districts identified in the Annual Engineer’s Report as showing an increase in the annual assessment amount, the City Council must consider all protests against the proposed increase in the assessment amount and tabulate any ballots delivered to the City prior to the close of the public hearing.

If the ballots submitted in opposition to the increased assessment amount exceed the ballots submitted in favor of the increased assessment amount, the assessment amount shall not be

increased. If the increase in the assessment to maintain the current level of service for the existing landscape area is voted down, the current level of service may be reduced. In tabulating the ballots, the ballots shall be weighed according to the proportional financial obligation of each affected parcel of real property.

The Annual Engineer's Report identifies an increase in the annual assessment from the previous year and the reasons for the increase, including the imposition of 2.2% Standard Annual CPI Increase (December 2022) in accordance with California Government Code section 53739(b)(1) for the following Districts:

1.	93-02	Walnut Forest, No. 1, 2 and 3
2.	97-01	Rosewood Estates
3.	01-02	Cambridge Homes (Tract 770), No. 1, 2 and 3
4.	01-04	Silver Oaks, No. 1, 2, 3, 4 and 5
5.	02-01	Ashton Park, No. 1, 2, 3 and 4
6.	04-02	Cambridge Homes (Tract 799)/Majesty II (Tract 830)
7.	04-03	Cambridge Homes (T 795/826)/Vineyards (T 825),
8.	04-04	Sierra Heights, No. 1 and 2
9.	06-01	Quail Park Subdivision (Tract 794), No. 1 and 2
10.	09-02	Independence (Tract 843), No. 1 and 2
11.	15-01	Silver Oaks Addition III (Tract 887/922)
12.	15-02	The Greens II (Tract 823)
13.	16-01	Woodside Homes
14.	16-02	Mynderup, No. 1 and 2 (Tract 914)
15.	19-01	Pacific Grove Addition II (Tract 916)
16.	19-02	Pacific Grove Addition II (Tract 916)
17.	20-01	Enclave (Track 915)
18.	20-02	Woodside Homes (Track 928)

The annual assessment amounts for each affected parcel identifies a decrease or no change in the annual assessments from the previous fiscal year for the following Districts:

1. 90-01 Pinecastle Addition, Unit 1, 2, 3 and 4
2. 90-02 Park Monterey, Unit No. 1 and 2
3. 90-03 Mansionette Estates, No. 7 and 8
4. 90-04 Hyde Park
5. 91-01 Sierra Vista
6. 92-01 Portofino Estates
7. 92-02 Cielo En Tierra, No. 1, 2, 3, 4 and 5
8. 93-01 Vintage Estates
9. 94-01 Gateway Estates
10. 94-02 Stonecrest, No. 1, 2, 3, 4, 5, 6, 7, 8 and 9

11. 94-03	Quail Run
12. 97-02	Summer Field
13. 97-03	Country Crossing, No. 1, 2, 3, 4 and 5
14. 98-01	Crystal Springs
15. 98-02	Mountain View Estates, No. 1, 2, 3, 4, 5 and 6
16. 01-01	Pacific Grove/N. Pointe, No. 1, 2, 3 and 4
17. 01-03	Poppy Hills, No. 1 and 2
18. 03-01	Le Parc, No. 1, 2 and 3
19. 04-01	Sidonia Estates, (Tract 810), No. 1 and 2/ (Tract 814)
20. 05-01	Mission Park
21. 05-02	Copper Valley
22. 07-02	South Gate Addition (Tract 811), Greenbrier Gardens
23. 09-01	Victory Estates
24. 14-01	Independence (Tract 843), Unit No. 3
25. 18-01	Bella Vista, No. 1, 2 and 3 (Tract 918/919)

The Annual Engineer's Report also provides the following information as required by Article XIII D, Section 4 of the California Constitution:

1. Identifies all parcels of real property which will have a special benefit conferred upon them and upon which the assessment will be imposed.
2. Determines the propriate special benefit derived by each parcel of the real property in relationships to the entity of the cost of maintenance of the public improvements.
3. Identifies the special benefit conferred on each parcel of real property.
4. Establishes that the assessment imposed on each parcel of real property does not exceed the reasonable cost of proportionate special benefit conferred on that parcel of real property.

FISCAL IMPACT:

This year's Engineer's Report was prepared by Willdan Financial, previously approved by Council.

In accordance with Proposition 218 and over the entire general benefit. The City's general benefit contribution is \$29,869.

ATTACHMENTS:

Final LAD Resolution 21-35

Hanford FY2021-2022 LLMD Consolidated ER

RESOLUTION NO. 21 - 35**A RESOLUTION OF THE CITY COUNCIL CONFIRMING THE DIAGRAM AND ASSESSMENT AND LEVYING ASSESSMENTS FOR STREET LIGHTING DISTRICT NO. 1 FOR FISCAL YEAR 2021-2022**

WHEREAS, City Council Resolution 21-33 initiated the proceedings for the annual levy of assessments for Fiscal Year 2021-2022; and

WHEREAS, City Council Resolution 21-33 declared the City Council's intention to provide for the annual levy and collection of assessments and set a time and place for a public hearing thereon; and

WHEREAS, City Council Resolution No. 21-33 approved the Engineer's Report as filed in connection with such levy; and

WHEREAS, notice was duly given and a public hearing held during which all interested persons were afforded the opportunity to hear and be heard.

THE CITY OF HANFORD CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That based upon the Engineer's Report, a copy of which is on file in the office of the City Clerk, information presented at the public hearing, and other reports and information, the City Council hereby finds and determines that:

1. The district of land within Street Lighting District No. 1 will be benefited by the improvements to be made;
2. The district of land within Street Lighting District No. 1 includes all the lands to be benefited; and
3. The net amount to be assessed upon the parcels of land within Street Lighting District No. 1 in accordance with the Engineer's Report is apportioned by a formula and method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each lot or parcel from the improvements to be made.
4. The City Council has considered any and all protests and objections filed with the City Clerk prior to the conclusion of the public hearing.

Section 2. That the City Council hereby confirms the diagram and assessment set forth in the Engineer's Report, orders that the improvements specified in the Engineer's Report be made according to applicable law, and directs the City Clerk to file such diagram and assessment, or a certified copy thereof, with the County Auditor by not later than August 20, 2021.

Section 3. That the adoption of this resolution constitutes the levying of assessments, as set forth in the Engineer's Report and Preliminary Assessment Roll, for the Fiscal Year 2021-2022.

PASSED, APPROVED and ADOPTED by the City of Hanford City Council at a regular meeting held on the 17th day of August, 2021 by the following vote:

AYES: _____
 NOES: _____
 ABSTAIN: _____
 ABSENT: _____

 FRANCISCO RAMIREZ
 MAYOR of the City of Hanford

Attest:

 NATALIE CORRAL
 CITY CLERK

STATE OF CALIFORNIA)
 COUNTY OF KINGS) ss
 CITY OF HANFORD)

I, Natalie Corral, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 3rd day of August, 2021.

Date: _____

 City Clerk

Attachment: Final LAD Resolution 21-35 (Adoption of Resolution 21-35 and Engineer's Report for LADs)



City of Hanford

Fiscal Year 2021/2022

Consolidated Engineer's Report

Landscaping and Lighting Assessment

Districts

Incorporating Forty-three District Numbers:

90-01, 90-02, 90-03, 90-04, 91-01, 92-01, 92-02, 93-01, 93-02, 94-01, 94-02, 94-03, 97-01, 97-02, 97-03, 98-01, 98-02, 01-01, 01-02, 01-03, 01-04, 02-01, 03-01, 04-01, 04-02, 04-03, 04-04, 05-01, 05-02, 06-01, 07-02, 09-01, 09-02, 14-01, 15-01, 15-02, 16-01, 16-02, 18-01, 19-01, 19-02, 20-01, and 21-01

Intent Meeting: August 4, 2021

Public Hearing: August 17, 2021

CITY OF HANFORD
400 N. DOUTY ST.
HANFORD, CA 93230

JUNE 2021
PREPARED BY
WILLDAN FINANCIAL SERVICES

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com/financial



ENGINEER'S REPORT AFFIDAVIT

City of Hanford Landscaping and Lighting Assessment Districts Fiscal Year 2021/2022

City of Hanford,
Kings County, State of California

This Report and the enclosed descriptions, budgets and diagram outline the proposed improvements and assessments for the forty-three Landscaping and Lighting Assessment Districts in the City of Hanford for fiscal year 2021/2022, which includes each lot, parcel, and subdivision of land within District Nos. 90-01, 90-02, 90-03, 90-04, 91-01, 92-01, 92-02, 93-01, 93-02, 94-01, 94-02, 94-03, 97-01, 97-02, 97-03, 98-01, 98-02, 01-01, 01-02, 01-03, 01-04, 02-01, 03-01, 04-01, 04-02, 04-03, 04-04, 05-01, 05-02, 06-01, 07-02, 09-01, 09-02, 14-01, 15-01, 15-02, 16-01, 16-02, 18-01, 19-01, 19-02, 20-01, and 21-01, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Kings County Assessor's maps for a detailed description of the lines and dimensions of parcels within the Districts. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2021.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Hanford

By: _____

Jim McGuire
Principal Consultant, Project Manager

By: _____

Tyrone Peter
PE # C 81888

Attachment: Hanford FY2021-2022 LLMD Consolidated ER (Adoption of Resolution 21-35 and Engineer's Report for LADs)

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Introduction

The City of Hanford ("City"), under the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code ("1972 Act") and in compliance with the substantive and procedural requirements of the California State Constitution, Article XIII D ("California Constitution") annually levies and collects special assessments for the City's Landscaping and Lighting Assessment Districts designated and referred to as:

District No.	Subdivision Name	District No.	Subdivision Name
90-01	Pinecastle Addition Units 1 - 4	90-02	Park Monterey Units 1 & 2
90-03	Mansionette Units 7 & 8	90-04	Hyde Park
91-01	Sierra Vista & New Dimensions Units 1 - 5	92-01	Portofino Unit Units 1 - 4
92-02	Cielo En Tierra Units 1 - 5	93-01	Vintage Estates
93-02	Walnut Forest Units 1 - 3	94-01	Gateway Estates
94-02	Stonecrest Units 1 - 9	94-03	Quail Run Estates Units 1 - 5
97-01	Rosewood Estates Units 1 & 2	97-02	Summer Field Addition #2
97-03	Country Crossing Units 1 - 5	98-01	Crystal Springs Units 1 - 3
98-02	Mountain View Estates Units 1 - 6	01-01	Pacific Grove Units 1 - 3 and N. Pointe Units 1 - 4
01-02	Cambridge Homes Units 1 - 3	01-03	Poppy Hills Units 1 & 2
01-04	Silver Oaks Units 1 - 5	02-01	Ashton Park Units 1 - 4
03-01	Le Parc Units 1 - 3	04-01	Sidonia Units 1 & 2 and Sidonia Estates II
04-02	Cambridge Homes/Majesty II, #2	04-03	Cambridge Homes -Majesty II - #2, Cambridge Homes Units 1 - 6, Cambridge Homes- Vineyards Units 1 - 4
04-04	Sierra Heights Units 1 & 2	05-01	Mission Park
05-02	Copper Valley	06-01	Quail Park Subdivision
07-02	South Gate Addition, Greenbrier Gardens, & Live Oak North	09-01	Victory Estates
09-02	Independence Units 1 & 2	14-01	Independence Units 3 & 4
15-01	Silver Oaks Addition III Units 1 and 2, Lennar Homes Units 1 and 2, and Lennar Homes	15-02	The Greens II
16-01	Woodside Homes	16-02	Mynderup Units 1 & 2
18-01	Bella Vista Units 1 - 4	19-01	Pacific Grove Addition II
19-02	The Enclave	20-01	Woodside Homes
21-01	San Joaquin Valley Homes		

(hereafter referred to collectively as "LLMD" and individually as "Districts") that fund in whole or in part the maintenance and operation of local landscaping or landscaping and lighting improvements that provide special benefits to properties within those individual Districts.

Report Content and Annual Proceedings

This Consolidated Engineer's Report (the "Report") has been prepared pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and presented to the City Council for their consideration and approval of the proposed improvements and services to be provided within the Districts and the levy and collection of annual assessments related thereto for fiscal year 2021/2022. This Report generally describes the improvements, and proposed assessments to be levied in connection with the special benefits the properties will receive from the maintenance and servicing of the improvements within each of the designated Districts for fiscal year 2021/2022. The annual assessments to be levied on properties within these Districts provide a source of funding to fund in whole or in part, the continued operation and maintenance of the landscaping improvements or landscaping and lighting improvements and services to be provided by the City through the Districts that provide special benefits to the properties within each of those Districts and respective developments.

Each fiscal year, the City establishes the District's assessments based on an estimate of the costs to maintain, operate and service the authorized District improvements and based upon available revenues including assessment revenues, fund balances, general benefit contributions and any additional City contributions from available sources. The costs of the improvements and the proposed annual assessments budgeted and assessed against properties within the District may include, but are not limited to the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District; deficits or surpluses from prior years (fund balance); revenues from other sources; and the collection of funds for operational reserves and/or periodic repairs, replacements and rehabilitation projects as authorized by the 1972 Act. The net annual cost to provide the improvements for each District are allocated to the benefiting properties within each District respectively based on an established method of apportionment (refer to Assessment Methodology in Section II, Method of Apportionment) that calculates the proportional special benefit and assessment for each parcel within those Districts. Thus, each parcel is assessed proportionately for only those improvements, services and expenses for which the parcel receives special benefit.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the Kings County Assessor's Office. The Kings County Auditor/Controller uses APNs and specific Fund Numbers to identify properties to be assessed on the tax roll for the District assessments.

At a noticed annual Public Hearing, the City Council will accept all public comments and written protests regarding the Districts and the annual levy of assessments. Based on those public comments and written protests, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the City Council will by Resolution, order the improvements to be made and confirm the levy and collection of assessments for fiscal year 2021/2022 pursuant to the 1972 Act. The assessment for each parcel as approved will be placed on the fiscal year 2021/2022 property tax roll by the Kings County Auditor/Controller and collected together and in the same manner as other property taxes for such parcels.

As required by the 1972 Act, this Engineer's Report describes the improvements to be provided, maintained and serviced by the Districts, an estimated budget for the improvements for each District, and the proposed assessments to be levied upon each assessable lot or parcel within those Districts for fiscal year 2021/2022.

This Report consists of five (5) parts:

Part I

Plans and Specifications: This section contains a general description of the Districts, and the improvements and services that provide special benefits to the parcels within those Districts. The improvements and appurtenant facilities that provide special benefits to the properties within the Districts and for which parcels are assessed may include, but not limited to local landscaping, neighborhood parks, basins, street lights, and related amenities as well as associated incidental expenses (City Administration expenses and County Fees), and fund balances authorized by the 1972 Act. The plans and specifications contained in this Report generally describe the nature and extent of the improvements. More detailed information regarding the specific plans and specifications associated with the improvements in each District may be on file in the Public Works Department and by reference are made part of this Report.

Part II

Method of Apportionment: This section includes a discussion of the general and special benefits associated with the improvements to be provided within the Districts (Benefit Analysis), which includes a discussion of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the basis upon which the estimated costs to provide such improvements are apportioned to each parcel of land within the Districts in proportion to the special benefits to be received. (the method of calculating each property's proportional special benefit assessment). This method of apportionment is consistent with the previously approved and adopted method of apportionment for each District.

Part III

Estimate of Costs: Identifies the estimated annual funding costs (budgets) required for the maintenance and operation of the improvements in each of the Districts, including, but not limited to, annual maintenance and service expenses, utility costs, related incidental expenses, and fund balances authorized by the 1972 Act and deemed appropriate to support the improvements, even though not all costs identified in these budgets are necessarily supported fully by the current assessment revenues. Those improvements and/or costs determined to be of general benefit shall be funded by a City contribution. In addition to the general benefit costs, the City may provide additional funding to support the maintenance and operation of the improvements considered to be of special benefit. Ultimately, City staff shall make the determination of which improvements, and the extent of the services and activities that shall be provided based on available revenues.

This section also identifies and outlines an Assessment Range Formula (inflationary adjust) that has been previously approved and adopted for specified Districts (most but not all Districts), which provides for an annual adjustment to the maximum assessment rates, which establishes limits on future assessments, but also provides for reasonable cost adjustments due to inflation.

Part IV

District/ Diagrams: This section of the Report contains a diagram showing the general location and boundaries of the Districts for fiscal year 2021/2022 which incorporate the parcels determined to receive special benefits from the improvements in each District. The lines and dimensions of each lot, parcel, and subdivision of land contained in the diagram for each District is inclusive of the parcels listed in "Part V - Assessment Roll" of this Report and the corresponding County Assessor's parcel maps for said parcels as they existed at the time this Report was prepared and shall incorporate all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Kings County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the Districts.

Part V

Assessment Roll: The assessment amounts to be levied and collected in fiscal year 2021/2022 for each parcel is provided in the Assessment Roll, and these assessments are based on the parcel's calculated proportional special benefit as outlined in Part II - Method of Apportionment and the annual assessment rates established by the estimated budgets (refer to Part III Estimate of Costs).

If any section, subsection, sentence, clause, phrase, portion, zone, or subzone of this Engineer's Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Engineer's Report and each section, subsection, subdivision, sentence, clause, phrase, portion, zone, or subzone thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, portions, zones, or subzones might subsequently be declared invalid or unconstitutional.

Part I - Plans and Specifications

The purpose of the Districts (collectively the LLMD) is to provide in part through annual assessments, funding for the ongoing installation, maintenance, operation, and servicing of local landscaping, neighborhood parks, and related appurtenant facilities and services in specified areas of the City as well as local street lighting within some Districts. The territory within each District consists of all lots or parcels of land that receive special benefits from the installation, maintenance, operation and servicing of the local public improvements and related amenities associated with the developments and Tracts within each of those Districts.

Description of Improvements

As authorized by the 1972 Act, the improvements provided by the Districts and associated with each development incorporate various local improvements and/or street lighting and related amenities installed in connection with the development of those properties and are maintained and serviced for the benefit of real property within those developments. Improvements provided within the Districts may include but are not limited to:

- Landscaping and related facilities and amenities located within designated street medians, parkway and streetscape side-panels, and entryways within the public right of ways or easements adjacent to public right of ways; and within public places including greenbelt areas, open spaces, and neighborhood parks within each respective District. These improvements may include, but are not limited to:
 - various landscape materials such as trees, turf, shrubs, vines, ground cover, annual or perineal plantings;
 - irrigation and drainage systems including but not limited to pipes, fixtures, controllers, and water and electrical meters;
 - specified amenities such as monuments, ornamental lighting, block walls, retaining walls, or other fencing;
 - hardscape surfaces and areas including decomposed granite, mulch, asphalt, stamped concrete, pavers and other trail and/or path surfaces; and
 - recreational amenities within the parks, parks/basins, trails, or greenbelts that may include benches, play structures, picnic or other recreational facilities, signage, and related appurtenances.

The maintenance of these improvements may include, but is not limited to the scheduled mowing, trimming, pruning, fertilization, pest control, weed and graffiti abatement; installation, replacement and rehabilitation of the landscaping; repair or replacement of irrigation or drainage systems; and repair or replacement of hardscape improvements and recreational amenities.

- Street lighting improvements located in the public right of ways within and on the perimeter of the developments associated with specific Districts and the parcels and developments therein. Street lighting improvements include energy costs and maintenance of the lighting facilities including, but not limited to the removal, repair, replacement or relocation of light standards, poles, bulbs, fixtures, and related equipment and materials.

The work to be performed within each respective District may include but is not limited to (as applicable), the personnel, materials, equipment, electricity, water, contract services, repair and rehabilitation of the improvements, and incidental expenses. The City Public Works Department shall authorize and schedule such maintenance and servicing as need and based on available funding.

Specific District Improvements and Services

As previously noted, there are forty-three (43) designated Districts within the City for which assessments are proposed to be levied and collected to maintain, operate and service the proposed improvements for fiscal year 2021/2022. The boundaries of each District are established on the basis of the location, extent and types of improvements being maintained and the proximity and direct benefit those specific improvement provide to the immediately surrounding developments, planned developments, and parcels, as well as the nexus and observation that the developments and/or planned development of the properties within the each District clearly required or otherwise facilitated the installation of the improvements to be maintained and that such improvements (both landscaping and lighting) would otherwise not be necessary if not for the development of those properties. Therefore, the benefits to the immediately surrounding properties and developments for which the improvements were constructed and installed and/or were facilitated by the development or potential development of properties within each respective District are clearly particular and distinct (special benefits).

Landscape Service Levels

As part of the ongoing maintenance and servicing of the landscape improvements associated with each District, the City has established various maintenance frequency referred to as Service Levels. These Service Levels provide general guidelines for how often the landscape improvement areas are serviced based on overall maintenance needs and/or available assessment funding. For most Districts, the various landscape improvements or improvement areas within a District are maintained at the same level of service, but in some Districts two or more Service Levels may be applicable based on the nature and/or location of the improvements. At present, the City has established five Service Levels summarized as follows:

- **Service Level A** – Landscape improvements are serviced every week;
- **Service Level B** – Landscape improvements are serviced every week (March through October) and every two weeks (November through February);
- **Service Level C** – Landscape improvements are serviced every two weeks;
- **Service Level D** – Landscape improvements are serviced every two weeks (March through October) and every four weeks (November through February); and
- **Service Level E** – Landscape improvements are serviced once every month.

Currently all improvements in the District are maintained at Service Levels A, B, C or D.

District Improvements

The following is a brief summary and description of the improvements to be maintained within each District for fiscal year 2021/2022.

District 90-01: Pinecastle Addition Units 1 through 4

The parcels assessed in this District (totaling 352 lots) include, but are not limited to Tracts 606, 606-2, 606-3, and 606-4. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 67,750 square feet of designated landscape improvement area. These improvements are maintained at Service Level A, including the 11,532 square feet associated with the park/basin area.

District 90-02: Park Monterey Units 1 and 2

The parcels assessed in this District (totaling 53 lots) include, but are not limited to Tracts 610 and 657. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 8,625 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 90-03: Mansionette Units 7 and 8

The parcels assessed in this District (totaling 84 lots) include, but are not limited to Tracts 596 and 596-2. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 16,425 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 90-04: Hyde Park

The parcels assessed in this District (totaling 14 lots) include, but are not limited to Tract 619. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 1,425 square feet of designated landscape improvement area. These improvements are maintained at Service Level B.

District 91-01: Sierra Vista and New Dimensions Units 1 through 5

The parcels assessed in this District (totaling 285 lots) include, but are not limited to Tracts 641, 703, 703-2, 713-3, 713-4, and 713-5. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 12,974 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 92-01: Portofino Unit Units 1 through 4

The parcels assessed in this District (totaling 78 lots) include, but are not limited to Tracts 607, 607-2, 607-3, and 607-4. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 19,167 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 92-02: Cielo En Tierra Units 1 through 5

The parcels assessed in this District (totaling 98 lots) include, but are not limited to Tracts 652, 652-2, 652-3, 652-4, and 652-5. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 11,735 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 93-01: Vintage Estates

The parcels assessed in this District (totaling 29 lots) include, but are not limited to Tract 634. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 10,346 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the six (6) street lights identified within the District boundaries.

District 93-02: Walnut Forest Units 1 through 3

The parcels assessed in this District (totaling 169 lots) include, but are not limited to Tracts 673, 673-2, and 673-3. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 15,637 square feet of designated landscape improvement area. These improvements are maintained at Service Level A, including the 3,537 square feet associated with slough frontage.

District 94-01: Gateway Estates

The parcels assessed in this District (totaling 114 lots) include, but are not limited to Tract 712. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 8,185 square feet of designated landscape improvement area. These improvements are maintained at Service Level D, including the 5,460 square feet associated with the basin area.

District 94-02: Stonecrest Units 1 through 9

The parcels assessed in this District (totaling 654 lots) include, but are not limited to Tracts 708, 708-2, 727-3, 727-4, 727-5, 727-6, 727-7, 727-8, and 727-9. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 173,903 square feet of designated landscape improvement area. These improvements are maintained at Service Level D for the 51,578 square feet of railroad frontage, Service Level B for the 14,765 square feet of the landscape area, and Service Level A for the remaining 122,325 square feet of landscaping including the 54,450 square feet of basin area.

District 94-03: Quail Run Estates Units 1 through 5

The parcels assessed in this District (totaling 272 lots) include, but are not limited to Tracts 696, 696-2, 696-3, 696-4, and 696-5. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 111,188 square feet of designated landscape improvement area. These improvements are maintained at Service Level B.

District 97-01: Rosewood Estates Units 1 and 2

The parcels assessed in this District (totaling 44 lots) include, but are not limited to Tracts 711 and 711-2. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 6,300 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 97-02: Summer Field Addition #2

The parcels assessed in this District (totaling 30 lots) include, but are not limited to Tract 742. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 4,650 square feet of designated landscape improvement area. These improvements are maintained at Service Level D.

District 97-03: Country Crossing Units 1 through 5

The parcels assessed in this District (totaling 251 lots) include, but are not limited to Tracts 743, 743-2, 743-3, 772-4, and 772-5. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 46,415 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 98-01: Crystal Springs Units 1 through 3

The parcels assessed in this District (totaling 126 lots) include, but are not limited to Tracts 747, 747-2, and 747-3. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 14,435 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 98-02: Mountain View Estates Units 1 through 6

The parcels assessed in this District (totaling 162 lots) include, but are not limited to Tracts 759, 759-2, 759-3, 759-4, 759-5, and 759-6. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 30,991 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 01-01: Pacific Grove Units 1 through 3 and N. Pointe Units 1 through 4

The parcels assessed in this District (totaling 148 lots) include, but are not limited to Tracts 680, 777-2, 778-3, and 778-4. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 12,152 square feet of designated landscape improvement area. These improvements are maintained at Service Level A including the 3,530 square feet associated with the basin area.

District 01-02: Cambridge Homes Units 1 through 3

The parcels assessed in this District (totaling 198 lots) include, but are not limited to Tracts 770, 770-2, and 770-3. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 35,222 square feet of designated landscape improvement area. These improvements are maintained at Service Level D for the 22,790 square feet of railroad frontage and Service Level A for the remaining 12,432 square feet of landscaping.

District 01-03: Poppy Hills Units 1 and 2

The parcels assessed in this District (totaling 86 lots) include, but are not limited to Tracts 771 and 796-2. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 11,782 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 01-04: Silver Oaks Units 1 through 5

The parcels assessed in this District (totaling 489 lots) include, but are not limited to Tracts 769, 769-2, 769-3, 769-4, and 769-5. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 95,556 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 02-01: Ashton Park Units 1 through 4

The parcels assessed in this District (totaling 182 lots) include, but are not limited to Tracts 776, 776-2, 776-3, and 776-4. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 63,922 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 03-01: Le Parc Units 1 through 3

The parcels assessed in this District (totaling 128 lots) include, but are not limited to Tracts 788, 788-2, and 788-3. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 30,628 square feet of designated landscape improvement area. These improvements are maintained at Service Level A including the 21,858 square feet associated with the railroad frontage.

District 04-01: Sidonia Units 1 and 2 and Sidonia Estates II

The parcels assessed in this District (totaling 233 lots) include, but are not limited to Tracts 810 and 810-2. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 21,533 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 04-02: Cambridge Homes and Cambridge Homes/Majesty II, #2

The parcels assessed in this District (totaling 75 lots) include, but are not limited to Tracts 799 and 830. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 63,824 square feet of designated landscape improvement area. These improvements are maintained at Service Level A including the 8,440 square feet associated with the basin area. The assessments for this District also fund in whole or in part, the eleven (11) street lights identified within the District boundaries.

District 04-03: Cambridge Homes, Cambridge Homes - Majesty II - #2, Cambridge Homes Units 1 through 6, Cambridge Homes - Vineyards Units 1 through 4

The parcels assessed in this District (totaling 424 lots) include, but are not limited to Tracts 795, 795-2, 799, 825-3, 826-4, 826-5, and 830. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 167,767 square feet of designated landscape improvement area. These improvements are maintained at Service Level A including the 19,929 square feet associated with the railroad frontage and the 77,548 square feet associated with the park area. The assessments for this District also fund in whole or in part, the sixty-three (63) street lights identified within the District boundaries.

District 04-04: Sierra Heights Units 1 & 2

The parcels assessed in this District (totaling 16 lots) include, but are not limited to Tracts 802 and 803. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 15,237 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 05-01: Mission Park

The parcels assessed in this District (totaling 40 lots) include, but are not limited to Tract 812. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 4,930 square feet of designated landscape improvement area. These improvements are maintained at Service Level A including the 2,537 square feet associated with the basin area.

District 05-02: Copper Valley

The parcels assessed in this District (totaling 150 lots) include, but are not limited to Tract 835. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 44,126 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 06-01: Quail Park Subdivision #2

The parcels assessed in this District (totaling 144 lots) include, but are not limited to Tract 794. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 148,501 square feet of designated landscape improvement area. These improvements are maintained at Service Level B for the park area (95,551 square feet) and Service Level D for the 52,950 square feet of railroad frontage. The assessments for this District also fund in whole or in part the twenty-four (24) street lights identified within the District boundaries.

District 07-02: South Gate Addition, Greenbrier Gardens, and Live Oak North

The parcels assessed in this District (totaling 129 lots) include, but are not limited to Tracts 811, 876, and 902. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 29,440 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part, the thirteen (13) street lights identified within the District boundaries.

District 09-01: Victory Estates

The parcels assessed in this District (totaling 14 lots) include, but are not limited to Tract 877. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 7,077 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the two (2) street lights identified within the District boundaries.

District 09-02: Independence Units 1 and 2

The parcels assessed in this District (totaling 121 lots) include, but are not limited to Tract 843. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 56,252 square feet of designated landscape improvement area. These improvements are maintained at Service Level B including the 20,558 square feet of park area. The assessments for this District also fund in whole or in part the eighteen (18) street lights identified within the District boundaries.

District 14-01: Independence Units 3 and 4

The parcels assessed in this District (totaling 175 lots) include, but are not limited to Tract 843. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 76,555 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the twenty-nine (29) street lights identified within the District boundaries.

District 15-01: Silver Oaks Addition III Units 1 and 2, Lennar Homes Units 1 and 2, and Lennar Homes

The parcels assessed in this District (totaling 468 lots) include, but are not limited to Tracts 887, 887-2, 922, and 927. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 412,396 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part, the ninety-four (94) street lights identified within the District boundaries.

District 15-02: The Greens II

The parcels assessed in this District (totaling 34 lots) include, but are not limited to Tract 823. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 16,416 square feet of designated landscape improvement area. These improvements are maintained at Service Level B. The assessments for this District also fund in whole or in part the eight (8) street lights identified within the District boundaries.

District 16-01: Woodside Homes

The parcels assessed in this District (totaling 60 lots) include, but are not limited to Tract 917. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 25,206 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the nineteen (19) street lights identified within the District boundaries.

District 16-02: Mynderup Units 1 and 2

The parcels assessed in this District (totaling 113 lots) include, but are not limited to Tracts 914 and 914-2. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 31,363 square feet of designated landscape improvement area. These improvements are maintained at Service Level C. The assessments for this District also fund in whole or in part, the sixteen (16) street lights identified within the District boundaries.

District 18-01: Bella Vista Units 1 through 4

The parcels assessed in this District (totaling 267 lots) include, but are not limited to Tracts 918 and 919. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 185,001 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part, the fifty-four (54) street lights identified within the District boundaries.

District 19-01: Pacific Grove Addition II

The parcels assessed in this District (totaling 22 lots) include, but are not limited to Tract 916. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 13,128 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the eight (8) street lights identified within the District boundaries.

District 19-02: The Enclave

The parcels assessed in this District (totaling 26 lots) include, but are not limited to Tract 915. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 16,466 square feet of designated landscape improvement area. These improvements are maintained at Service Level A.

District 20-01: Woodside Homes

The parcels assessed in this District (totaling 81 lots) include, but are not limited to Tract 928. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 143,413 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the twenty-four (24) street lights identified within the District boundaries.

District 21-01: San Joaquin Valley Homes

The parcels assessed in this District (totaling 52 lots) include, but are not limited to Tract 929. The properties within this District proportionately share and receive special benefit from the maintenance, servicing, and operation of an estimated 134,540 square feet of designated landscape improvement area. These improvements are maintained at Service Level A. The assessments for this District also fund in whole or in part the twenty-three (23) street lights identified within the District boundaries.

Part II - Method of Apportionment

Legislative Requirements for Assessments

The estimated costs to provide the proposed improvements for fiscal year 2021/2022 have been identified and allocated to properties within the Districts based on special benefit, consistent with the requirements of the 1972 Act and the assessment provisions of Proposition 218 (being contained in Article XIII D of the California Constitution). The improvements provided by these Districts and for which properties are assessed include local parks, basins, landscaping, and lighting improvements, as well as related amenities. The formulas used for calculating assessments within the designated Districts herein reflect the composition of parcels and the improvements and services to be provided and fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel.

Provisions of the 1972 Act

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Provisions of the California Constitution

In addition to the provisions of the 1972 Act, the Article XIII D of the California Constitution outlines specific requirements regarding assessments including the following:

Article XIII D Section 2d defines District as follows:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIII D Section 2i defines Special Benefit as follows:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIII D Section 4a defines proportional special benefit assessments as follows:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Benefit Analysis

Special Benefits

Landscaping Special Benefit

The ongoing maintenance of landscaped areas within the various Districts addressed in this Report, provide aesthetic benefits to the properties and a more pleasant environment to walk, drive, live, and/or work. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding properties and developments for which the improvements were constructed and installed and/or were facilitated by the development or potential development of properties within each respective District. These landscape improvements are an integral part of the physical environment associated with the parcels in each District and while some of the improvements may in part be visible to properties outside the District, collectively if the District improvements are not properly maintained, it is the parcels within the District, that would be aesthetically burdened. Additionally, the many of the landscaped areas being maintained in these Districts serve as both a physical buffer as well as a sound reduction buffer between the roadways and/or railroad and the properties within the District and also serve as a pleasant aesthetic amenity that enhances the approach to the parcels. In some Districts, the landscaped areas may include green space areas (neighborhood parks, park/basins, greenbelts, open space and/or trails) that may provide a physical buffer between properties, overall open space within a development, and/or recreational areas that serve as an extension of the physical attributes of the parcels being assessed. Thus, the maintenance of these landscaped improvements and the related amenities provide particular and distinct benefits to the properties and developments associated with those improvements within each District.

Street Lighting Special Benefit

The street lighting (localized street lighting) is primarily useful for illuminating the sidewalks and parking lanes on the streets used specifically to access the properties and/or is adjacent to those properties that comprise each particular District. This lighting is distinct from lights that may be installed that serve in large part to enhance traffic safety, such as traffic signals and intersection safety lights or the more sporadic lighting found on major thoroughfares outside the more concentrated development areas. These localized street lights tend to be more closely spaced and of a lower intensity than street lights installed primarily for traffic safety. These low-level, lower-intensity street lights within a designated District provide three main special benefits: (i) property security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic to and from these parcels is largely limited to the residents and residents' guests, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with the properties in that District and that the vehicular traffic on those streets is primarily for accessing the properties within that area. Therefore, street lighting on such streets is entirely a special benefit to those properties.

In addition, the street lights for which properties within the Districts may be assessed, are consistent with the City's typical intensity and spacing standards for areas zoned for residential development and each parcel to be assessed is served directly by the system of street lights providing appropriate lighting within these respective development areas. Furthermore, the cost of maintaining and operating each light is substantially the same, regardless of its location within the District. Consequently, we conclude that each parcel to be assessed for street lighting receives substantially similar benefit from the street light improvements and the only notable distinctions in proportional special benefit to each parcel is related to the specific quantity of lights associated with each District.

General Benefit

Landscaping General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by each District's assessments and the proximity and relationship to properties to be assessed in each District, it is evident these improvements were primarily installed in connection with the development of properties therein or are improvements that would otherwise be shared by and required for development of properties in each respective District. It is also evident that the maintenance of these improvements and the level of maintenance provided has a direct and particular impact (special benefit) only on those properties in proximity to those improvements. Furthermore, such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no quantifiable benefit to the public at large or properties outside each respective District.

In the absence of a special funding District, the City would typically provide only limited (as needed) tree management, weed abatement, rodent control, and erosion control services for the landscape areas currently maintained within each District. This baseline level of service would typically provide for periodic servicing of the improvement areas on an as-needed basis, but typically not more than twice annually. This baseline level of service provides for public safety and essential property protection to avoid negative impacts on adjacent roadways and vehicles traveling on those roadways and potential property damage resulting from erosion or fire hazards but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with the regular landscape maintenance provided in the various Districts. For most agencies, the cost to provide this baseline level of service for mostly flat or moderately-sloped street landscaped areas (landscaping within the street right-of way) is less than \$560 per acre (approximately \$0.01285 per square foot) including medians, parkway and streetscape side panels; less than \$448 per acre (approximately \$0.01028 per square foot) for non-street public areas such as parks, park/basins, greenbelts, and trail areas; and less than \$224 per acre (approximately \$0.00514 per square foot) for natural open space areas or other limited access areas such as enclosed basin areas. This baseline servicing, unlike the enhanced aesthetic services funded through the District assessments, would provide benefits to the general public and to the properties both within and outside of the specific Districts. The cost of providing this baseline service along with a five percent (5%) cost factor for City overhead and administration is treated as the cost of general benefit from landscape maintenance services. Therefore, for mostly flat or moderately-sloped street landscaped areas a rate of \$0.01349 per square foot (\$0.01285 +5%) is applied to calculate the general benefit costs for the assessed improvements; for non-street public areas a rate of \$0.01079 per square foot (\$0.01028 +5%) is applied to calculate the general benefit costs for the assessed improvements; and for non-street public areas a rate of \$0.00540 per square foot (\$0.00514 +5%) is applied to calculate the general benefit costs for the assessed improvements. Collectively these baseline general benefit costs are funded by the City and excluded from the potential assessment funding and are shown in the District budgets (Part III of this Report) as "General Benefit."

Street Lighting General Benefit

For fiscal year 2021/2022, not all Districts are assessed for street light improvements. While potentially, some street lights associated with a given District, may be located at the entryway or on the perimeter of the development(s) within the District and may arguably provide some illumination that extends beyond the boundaries of the developments and parcels being assessed, and may indirectly enhance the safety of members of the public unassociated with the assessed parcels (illuminating traffic lanes and/or parking on those perimeter streets), such benefits are considered an indirect consequence of the special benefits to properties within the Districts. Furthermore, if the properties within the Districts were not developed, any street lights that may be located at the entryways or on the perimeter of the developments would not have been installed. Clearly these street lights exist solely because of the development of assessed parcels, and the primary purpose of these lights is to provide illumination to access the assessed parcels. Therefore we conclude that the cost of providing the street lights within the existing Districts are entirely a special benefit to the properties being assessed in each District and there is no quantifiable general benefit to properties outside the Districts or the public at large.

Assessment Methodology

To assess benefits equitably it is necessary to calculate each property's proportionate special benefits conferred by the funded improvements and service. The Equivalent Benefit Unit (EBU) method of assessment apportionment is commonly utilized for assessment districts formed under the 1972 Act, as the benefit to each parcel from the improvements may be apportioned as a function of comparable property characteristics which utilizes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel either at that base unit or as a multiple (or a fraction) of that basic unit. In accordance with the provisions of the California Constitution and the 1972 Act, the proportionate special benefit derived by each identified parcel within the various Districts shall be determined in relationship to the entirety of the cost to maintain, operate and service the improvements within each District. Consistent with the method of apportionment established at the formation of each District, it has been determined that the developments and/or planned development of the properties within each District required or facilitated the installation of the improvements to be funded in whole or in part by the District assessments and that such improvements (both landscaping and lighting) would otherwise not be necessary and those improvements benefit each lot/parcel equally. Therefore, collectively the particular and distinct benefits to each lot/parcel within each respective District are equally shared and one hundred percent (100%) of the fiscal year 2021/2022 special benefit expenses is proportionately and equally allocated and shared by each development lot and each of these parcels/lots are assigned one (1.0) EBU, excluding parcels or lots that may be part of the improvement areas being maintained.

Calculation of Assessments

An assessment amount per Lot or Equivalent Benefit Unit (EBU) in each District is calculated by:

Taking the "Total Annual Expenses" (Total budgeted costs) and subtracting the "General Benefit" (Expenses Funded by the City), to establish the "Special Benefit Expenses";

$$\text{Total Annual Expenses} - \text{General Benefit} = \text{Special Benefit Expenses}$$

To the resulting "Special Benefit Expenses", various "Funding Adjustments" may be applied that may include, but are not limited to:

- "Reserve Fund Collection or (Transfer)", represents an amount being collected and added to the Reserve Fund or available existing Reserve Funds being applied ("Transferred") to pay a portion of the Special Benefit Expenses for the fiscal year.
- "City Loan and/or Service Reductions", represents a further adjustment that addresses the funding gap between the amount budgeted to provide the improvements and services ("Special Benefit Expenses"); and the amount that will be collected through the assessments. This funding gap may be addressed by an additional City contribution, reductions in service and service expenses, or a combination of the two. If the City provides an additional City Contribution to support the operation and maintenance for a given fiscal year, that contribution is carried forward as a deficit applied to the Beginning Fund Balance in the next fiscal year.

These adjustments to the Special Benefit Expenses result in the net special benefit amount to be assessed "Balance to Levy";

$$\text{Special Benefit Expenses} \pm \text{Funding Adjustments} = \text{Balance to Levy}$$

The amount identified as the "Balance to Levy" is divided by the total number of Lots or EBUs for the parcels that receive special benefit to establish the "Assessment Rate" for the fiscal year. This Rate is then applied back to each parcel's individual EBU to calculate the parcel's proportionate special benefit and assessment for the improvements.

$$\text{Balance to Levy} / \text{Total Lots/EBUs} = \text{Assessment Rate (for the fiscal year)}$$

$$\text{Assessment Rate} \times \text{Parcel's EBU} = \text{Parcel Assessment Amount}$$

Part III - Estimate of Costs

Annual Inflationary Adjustment (Assessment Range Formula)

Pursuant to Article XIII D of the California Constitution (Proposition 218), any "new or increased assessments" require certain noticing and balloting requirements. However, Government Code Section 54954.6(a) provides that a "new or increased assessment" does not include *"an assessment which does not exceed an assessment formula or range of assessments...previously adopted by the agency or approved by the voters in the area where the assessment is imposed."* This definition of a new or increased assessment is reaffirmed in the Proposition 218 Omnibus Implementation Act, Government Code Section 53753.5.

Currently, the maximum assessment rates identified in this Report for Districts 90-01, 90-02, 90-03, 90-04, 91-01, 92-01, 92-02, 93-01, 94-01, 94-02, 94-03, 97-01, 97-02, 97-03, 98-01, and 98-02 are fixed maximum assessment rates that do not include any inflationary adjustment.

However, either at the time of formation or in a subsequent proceeding the maximum assessments for Districts 93-02, 01-01, 01-02, 01-03, 01-04, 02-01, 03-01, 04-01, 04-02, 04-03, 04-04, 05-01, 05-02, 06-01, 07-02, 09-01, 09-02, 14-01, 15-01, 15-02, 16-01, 16-02, 18-01, 19-01, 19-02, 20-01, and 21-01 were balloted for a new or increased assessments that include an inflationary adjustment (assessment range formula).

As previously adopted and approved by the City Council for the Districts with an inflationary adjustment, each fiscal year the maximum assessment rate established for the improvements in the previous fiscal year for each District may be adjusted by the percentage increase in the Local Consumer Price Index (CPI). The Consumer Price Index used for the inflationary adjustment shall be for Urban Wage Earners and Clerical Workers, San Francisco-Oakland-San Jose Area, as developed by U.S. Bureau of Labor Statistics. The CPI used shall be as determined by the Bureau of Labor Statistics for a similar period of time.

January 1, of each calendar year ("Adjustment Date"), the City shall identify the percentage change in the CPI, using the difference over a 12-month period between the current year and of the previous year as of the Adjustment Date (typically December to December). This percentage difference shall then establish the range of increase to the maximum assessment rates allowed. If the percentage change in the CPI is negative, the maximum assessment rates shall not be adjusted from the previous fiscal year (unchanged). Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the Bureau of Labor Statistics will be the sole judge of the comparability of successive indexes, but if the Bureau of Labor Statistics fail to supply indexes it deems comparable or if no succeeding index is published, the City shall determine an appropriate published price index as approved by the City Council for determining fluctuations in the cost of living.

The annual change in CPI from December 2019 to December 2020 as reported by the U.S. Bureau of Labor Statistics was 2.2 percent. Therefore, the assessment rates for fiscal year 2020/2021 will be increased by 2.2 percent for fiscal year 2021/2022.

This assessment range formula or inflationary adjustment provides for the District maximum assessment rate applicable for the prior fiscal year to be increased each subsequent fiscal year which is consistent with the California Constitution and the above-referenced Government Code sections.

The adoption of the maximum assessment rates and the Assessment Range Formula does not mean that the annual assessments will necessarily increase each fiscal year, nor does it absolutely restrict the assessments to the annually adjusted maximum assessment rate. Although the maximum assessment rate that may be levied shall be increased by this assessment range formula for each applicable District each fiscal year, the actual amount to be assessed will be based on the Balance to Levy for that fiscal year. If the calculated assessment rate is less than the adjusted maximum assessment rate, then the calculated assessment may be approved by the City Council for collection. If the calculated assessment rate (based on the proposed budget) is greater than the adjusted maximum assessment rate for that fiscal year, then the assessment would be considered an increased assessment and would require property owner approval through a protest ballot proceeding before imposing such an increase. Otherwise, it would be necessary to reduce the budget or provide funding from other sources to the City to reduce the Balance to Levy to an amount that can be supported by an assessment rate less than or equal to the adjusted maximum assessment rate authorized for that fiscal year.

Annual District Budgets

The following budget pages outline the estimated costs to maintain and service the various landscaping and lighting improvements described in this Report for fiscal year 2021/2022.

The budgeted expenses outlined in the following pages for each District reflect the estimated annual expenses required to support and maintain the improvements to be provided for fiscal year 2021/2022. The Total Annual Expenses, minus the general benefit expenses (expenses not assessed and identified as the City's financial obligation to support the improvements) plus any Reserve Fund Collection result in the amount of funding the property owners should reasonably be assessed to fully fund their proportional special benefit from those improvements. Negative Funding Adjustments (Reserve Fund Transfers or City Loan and/or Service Reductions) represent additional funding that is required from either the existing Reserve Funds or from the City to fully support the improvement maintenance and services.

Hanford Landscaping and Lighting Assessment Districts
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Budgets for Fund Numbers 0240 through 0261

Fund No.	District No.	Direct Maintenance Expenses	Incidental Expenses (Admin.)	Total Annual Expenses	General Benefit	Special Benefit Expenses	Reserve Fund Collection or (Transfer)	City Loan and/or Service Reductions	Balance to Levy	Lots (EBUs)	FY 21-22 Assessment Rate	Maximum Assessment Rate	Beginning Fund Balance	Fund Balance Additions or Deficits	Estimated Ending Fund Balance
0240	90-01	\$ 33,984	\$ 5,565	\$ 39,549	\$ (883)	\$ 38,666	\$ 10,437	\$ -	\$ 49,103	352	\$139.50	\$139.50	\$ 15,815	\$ 10,437	\$ 26,252
0241	90-02	\$ 2,819	\$ 794	\$ 3,612	\$ (116)	\$ 3,496	\$ 850	\$ -	\$ 4,346	53	\$82.00	\$82.00	\$ 3,037	\$ 850	\$ 3,887
0242	90-03	\$ 3,676	\$ 1,382	\$ 5,058	\$ (222)	\$ 4,836	\$ -	\$ (712)	\$ 4,124	84	\$49.10	\$49.10	\$ (1,417)	\$ (712)	\$ (2,129)
0243	90-04	\$ 1,045	\$ 160	\$ 1,205	\$ (19)	\$ 1,186	\$ (297)	\$ (16)	\$ 872	14	\$62.30	\$62.30	\$ 297	\$ (313)	\$ (16)
0244	91-01	\$ 4,173	\$ 1,577	\$ 5,750	\$ (142)	\$ 5,608	\$ -	\$ (393)	\$ 5,215	285	\$18.30	\$18.30	\$ (142)	\$ (393)	\$ (535)
0245	92-01	\$ 4,321	\$ 1,524	\$ 5,845	\$ (259)	\$ 5,586	\$ -	\$ (1,624)	\$ 3,962	78	\$50.80	\$50.80	\$ (2,289)	\$ (1,624)	\$ (3,913)
0246	92-02	\$ 2,030	\$ 1,026	\$ 3,055	\$ (158)	\$ 2,897	\$ (84)	\$ -	\$ 2,813	98	\$28.70	\$28.70	\$ 1,296	\$ (84)	\$ 1,212
0247	93-01	\$ 3,309	\$ 817	\$ 4,126	\$ (140)	\$ 3,986	\$ 474	\$ -	\$ 4,460	29	\$153.80	\$153.80	\$ 3,553	\$ 474	\$ 4,027
0248	93-02	\$ 5,053	\$ 1,453	\$ 6,506	\$ (201)	\$ 6,305	\$ 859	\$ -	\$ 7,163	169	\$42.39	\$42.68	\$ (7,263)	\$ 859	\$ (6,405)
0249	94-01	\$ 4,142	\$ 835	\$ 4,978	\$ (66)	\$ 4,911	\$ -	\$ (1,936)	\$ 2,976	114	\$26.10	\$26.10	\$ (4,717)	\$ (1,936)	\$ (6,653)
0250	94-02	\$ 43,759	\$ 10,520	\$ 54,278	\$ (1,488)	\$ 52,790	\$ 2,799	\$ -	\$ 55,589	654	\$85.00	\$85.00	\$ (5,392)	\$ 2,799	\$ (2,593)
0251	94-03	\$ 20,335	\$ 1,958	\$ 22,293	\$ (1,255)	\$ 21,037	\$ -	\$ (4,988)	\$ 16,049	272	\$59.00	\$59.00	\$ (9,103)	\$ (4,988)	\$ (14,091)
0252	97-01	\$ 1,290	\$ 518	\$ 1,808	\$ (85)	\$ 1,723	\$ 535	\$ -	\$ 2,257	44	\$51.30	\$51.30	\$ (901)	\$ 535	\$ (367)
0253	97-02	\$ 1,322	\$ 419	\$ 1,740	\$ (63)	\$ 1,678	\$ -	\$ (397)	\$ 1,281	30	\$42.70	\$42.70	\$ (551)	\$ (397)	\$ (948)
0254	97-03	\$ 12,226	\$ 3,819	\$ 16,046	\$ (626)	\$ 15,419	\$ 319	\$ -	\$ 15,738	251	\$62.70	\$62.70	\$ (7,333)	\$ 319	\$ (7,014)
0255	98-01	\$ 5,454	\$ 1,265	\$ 6,719	\$ (195)	\$ 6,524	\$ (500)	\$ (1,236)	\$ 4,787	126	\$38.00	\$38.00	\$ 500	\$ (1,736)	\$ (1,236)
0256	98-02	\$ 8,392	\$ 2,533	\$ 10,924	\$ (418)	\$ 10,506	\$ 3,912	\$ -	\$ 14,419	162	\$89.00	\$89.00	\$ 5,723	\$ 3,912	\$ 9,635
0257	01-01	\$ 4,221	\$ 834	\$ 5,055	\$ (135)	\$ 4,919	\$ -	\$ -	\$ 4,919	148	\$33.24	\$43.46	\$ 14,308	\$ -	\$ 14,308
0258	01-02	\$ 6,023	\$ 1,920	\$ 7,943	\$ (291)	\$ 7,652	\$ 863	\$ -	\$ 8,515	198	\$43.01	\$43.01	\$ 1,007	\$ 863	\$ 1,870
0259	01-03	\$ 3,237	\$ 687	\$ 3,924	\$ (159)	\$ 3,765	\$ -	\$ -	\$ 3,765	86	\$43.78	\$60.89	\$ 16,005	\$ -	\$ 16,005
0260	01-04	\$ 27,160	\$ 5,118	\$ 32,278	\$ (1,289)	\$ 30,989	\$ 2,215	\$ -	\$ 33,204	489	\$67.90	\$67.90	\$ (4,018)	\$ 2,215	\$ (1,803)
0261	02-01	\$ 16,753	\$ 3,147	\$ 19,900	\$ (862)	\$ 19,038	\$ 1,565	\$ -	\$ 20,603	182	\$113.20	\$113.20	\$ (1,786)	\$ 1,565	\$ (220)

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Budgets for Fund Numbers 0262 through 0282

Fund No.	District No.	Direct Maintenance Expenses	Incidental Expenses (Admin.)	Total Annual Expenses	General Benefit	Special Benefit Expenses	Reserve Fund Collection or (Transfer)	City Loan and/or Service Reductions	Balance to Levy	Lots (EBUs)	FY 21-22 Assessment Rate	Maximum Assessment Rate	Beginning Fund Balance	Fund Balance Additions or Deficits	Estimated Ending Fund Balance
0262	03-01	\$ 7,301	\$ 1,567	\$ 8,868	\$ (236)	\$ 8,632	\$ -	\$ -	\$ 8,632	128	\$67.44	\$73.58	\$ 27,337	\$ -	\$ 27,337
0263	04-01	\$ 7,183	\$ 1,330	\$ 8,513	\$ (290)	\$ 8,223	\$ -	\$ -	\$ 8,223	233	\$35.29	\$41.98	\$ 49,041	\$ -	\$ 49,041
0264	04-02	\$ 17,980	\$ 3,113	\$ 21,093	\$ (793)	\$ 20,301	\$ (2,471)	\$ -	\$ 17,829	75	\$237.72	\$237.72	\$ 35,429	\$ (2,471)	\$ 32,957
0265	04-03	\$ 45,880	\$ 8,266	\$ 54,146	\$ (1,893)	\$ 52,253	\$ 5,342	\$ -	\$ 57,595	424	\$135.84	\$135.84	\$ (12,322)	\$ 5,342	\$ (6,980)
0266	04-04	\$ 7,149	\$ 816	\$ 7,965	\$ (206)	\$ 7,760	\$ (153)	\$ -	\$ 7,607	16	\$475.43	\$475.43	\$ 19,146	\$ (153)	\$ 18,993
0267	05-01	\$ 2,638	\$ 372	\$ 3,010	\$ (46)	\$ 2,964	\$ -	\$ -	\$ 2,964	40	\$74.10	\$126.38	\$ 12,680	\$ -	\$ 12,680
0268	05-02	\$ 10,708	\$ 2,236	\$ 12,944	\$ (595)	\$ 12,348	\$ -	\$ -	\$ 12,348	150	\$82.32	\$107.53	\$ 26,664	\$ -	\$ 26,664
0269	06-01	\$ 27,792	\$ 2,614	\$ 30,406	\$ (1,317)	\$ 29,089	\$ -	\$ (498)	\$ 28,591	144	\$198.55	\$198.55	\$ (8,589)	\$ (498)	\$ (9,087)
0270	09-01	\$ 2,089	\$ 367	\$ 2,455	\$ (95)	\$ 2,360	\$ -	\$ -	\$ 2,360	14	\$168.57	\$254.70	\$ 10,185	\$ -	\$ 10,185
0271	09-02	\$ 19,940	\$ 2,768	\$ 22,707	\$ (703)	\$ 22,004	\$ 1,966	\$ -	\$ 23,970	121	\$198.10	\$198.10	\$ 17,433	\$ 1,966	\$ 19,399
0272	07-02	\$ 6,269	\$ 1,558	\$ 7,827	\$ (397)	\$ 7,429	\$ -	\$ -	\$ 7,429	129	\$57.59	\$135.84	\$ 68,070	\$ -	\$ 68,070
0273	14-01	\$ 30,510	\$ 3,693	\$ 34,203	\$ (1,033)	\$ 33,171	\$ -	\$ -	\$ 33,171	175	\$189.55	\$233.34	\$ 40,871	\$ -	\$ 40,871
0274	15-01	\$ 152,558	\$ 15,294	\$ 167,852	\$ (5,563)	\$ 162,289	\$ 45,148	\$ -	\$ 207,437	468	\$443.24	\$443.24	\$ 33,748	\$ 45,148	\$ 78,896
0275	15-02	\$ 9,283	\$ 807	\$ 10,090	\$ (221)	\$ 9,869	\$ (2,276)	\$ -	\$ 7,593	34	\$223.31	\$223.31	\$ 8,019	\$ (2,276)	\$ 5,743
0276	16-01	\$ 12,475	\$ 915	\$ 13,390	\$ (340)	\$ 13,050	\$ (888)	\$ -	\$ 12,162	60	\$202.70	\$202.70	\$ 3,019	\$ (888)	\$ 2,131
0277	16-02	\$ 9,713	\$ 1,584	\$ 11,297	\$ (423)	\$ 10,874	\$ 6,409	\$ -	\$ 17,283	113	\$152.95	\$152.95	\$ 7,539	\$ 6,409	\$ 13,948
0278	18-01	\$ 72,920	\$ 8,586	\$ 81,506	\$ (2,496)	\$ 79,010	\$ 46,319	\$ -	\$ 125,329	267	\$469.40	\$469.40	\$ 18,085	\$ 46,319	\$ 64,404
0279	19-01	\$ 10,638	\$ 610	\$ 11,248	\$ (177)	\$ 11,070	\$ 209	\$ -	\$ 11,279	22	\$512.70	\$512.70	\$ -	\$ 209	\$ 209
0280	19-02	\$ 7,396	\$ 609	\$ 8,004	\$ (222)	\$ 7,782	\$ 3,255	\$ -	\$ 11,037	26	\$424.50	\$424.50	\$ -	\$ 3,255	\$ 3,255
0281	20-01	\$ 42,399	\$ 4,454	\$ 46,852	\$ (1,935)	\$ 44,918	\$ 5,664	\$ -	\$ 50,581	81	\$624.46	\$624.46	\$ -	\$ 5,664	\$ 5,664
0282	21-01	\$ 47,574	\$ 4,160	\$ 51,734	\$ (1,815)	\$ 49,919	\$ 1,948	\$ -	\$ 51,867	52	\$997.45	\$997.45	\$ -	\$ 1,948	\$ 1,948

Part IV - District Diagrams

The following page contains a diagram showing the general location of the Districts within the City of Hanford for fiscal year 2021/2022 described within this Report, which incorporates the parcels determined to receive special benefits from the District improvements. All parcels that will receive a special benefit from the improvements provided within each District consist of all lots, parcels and subdivisions of land within the boundaries of those Districts as depicted by this diagram and the lines and dimensions of those lots, parcels and subdivisions of land shall be those lines and dimensions shown on the current Kings County Assessor's parcel maps and by reference the Kings County Assessor's parcel maps are incorporated herein and made part of this Report. This diagram along with the Assessment Roll incorporated in this Report constitute the District Assessment Diagram for each District for fiscal year 2021/2022.



Part V - Assessment Rolls

Due to the number of parcels in the Districts, the Assessment Roll for fiscal year 2021/2022 has been filed with the City Clerk in an electronic format and is, by reference, made part of this Report.

The Assessment Roll identifies the parcels within each District that are assessed for special benefits and their corresponding assessment amount for fiscal year 2021/2022. Each parcel listed on the Assessment Roll is currently shown and illustrated on the County Assessor's Roll and the County Assessor's Parcel Number Maps (APN maps). These records are, by reference, made part of this Report and shall govern for all details concerning the description of the lots or parcels. All assessments presented on the assessment roll are subject to change as a result of parcel changes made by the County including parcel splits, parcel merges or development changes that occur prior to the County Assessor's Office securing the final roll and generating tax bills for fiscal year 2021/2022.

The proposed Assessment Roll shall be available for public inspection in the City Clerk's Office during normal office hours.



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021	AGENDA SECTION: A
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SUBJECT:

Community Development: Consideration of Historic Resources Permit 2021-03: a request to change the existing façade at 104 N. Douty Street and add window signage, in excess of the typically allowed amount. The property is designated as a contributing building within the Historic Overlay Zone. The project is located at 104 N. Douty St. (APN 012-054-011)

See staff report, attached.

FISCAL IMPACT:

ATTACHMENTS:

Staff Report - HR 104 N Douty St Caliva

Resolution 21-34-R

Attachment 1 - Historic Overlay Zone and Properties

Attachment 3 - Proposed Elevations

Attachment 4 - Signage Proposed

Attachment 2 - Formerly Approved Elevations, under Cannabis Business Permit Application 2019-01

**CITY OF HANFORD CITY COUNCIL
STAFF REPORT
Tuesday, August 17, 2021**

PROJECT: **Historic Resources Permit 2021-03:** a request to change the existing façade at 104 N. Douty Street and add window signage, in excess of the typically allowed amount. The property is designated as a contributing building within the Historic Overlay Zone.

LOCATION: The project is located at 104 N. Douty St. (APN 012-054-011)

STAFF RECOMMENDATION

Staff recommends that the City Council, by motion:

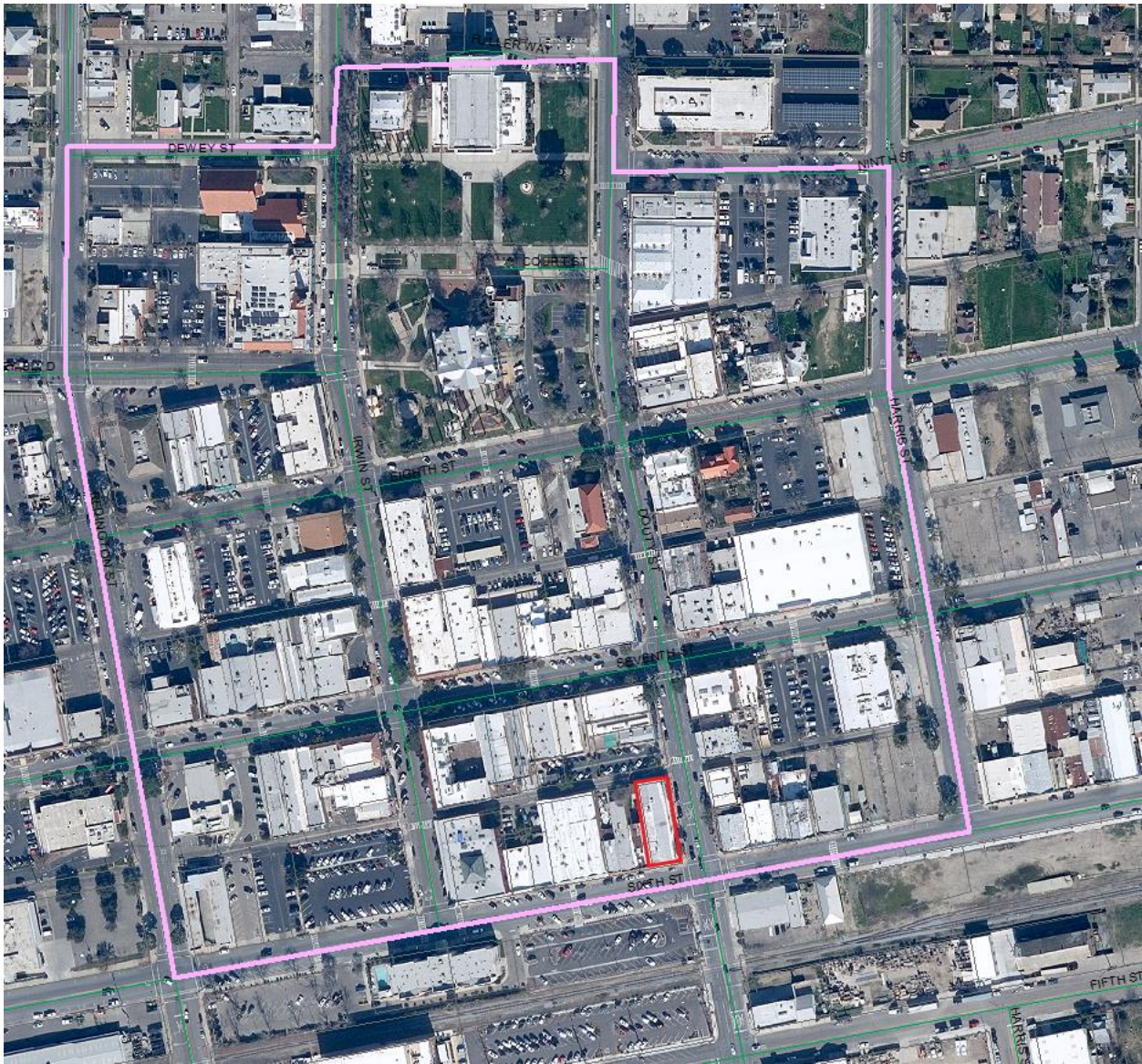
1. Adopt Resolution 21-34-R approving Historic Resources Permit 2021-03, with the exception of the window signage.
2. (if approved) adopt an amendment to Commercial Cannabis Business Permit No. 2019-01, replacing the former elevations proposed, with the elevations approved, herein.

RECOMMENDED MOTION

1. I move to adopt Resolution 21-34-R approving Historic Resources Permit 2021-03, with the exception of the window signage.
2. I move to adopt an amendment to Commercial Cannabis Business Permit No. 2019-01, replacing the former elevations proposed, with the elevations approved, herein.

PROJECT DESCRIPTION

The property is located within the Historic Overlay Zone, shown below – outlined in red.



The property is designated a contributing building in the Historic Overlay Zone, as shown on the Historic Overlay Zone Map – **Attachment 1**.

“Contributing building” means a structure within a historic district which structure retains scale, mass and other architectural characteristics to the degree that it contributes to the sense of time and place of the immediate area and the district. The building may have individual architectural significance or may be one of a grouping of background buildings that jointly contribute to the character of the immediate area and the district. Contributing buildings may reflect interim modifications if those modifications do not irreparably detract from the character of the building or if the modifications reflect an architectural style or particular era important to the development of the City. Contributing buildings shall also include structures that have a strong historical tie to activities, events, or individuals important in the development of the City.

In accordance with the Municipal Code Section 17.48, alterations to the exterior of a building located within the Historic Overlay Zone are required to be approved through a Historic Resources Permit, which must be approved by the City Council.

Section 17.48.040

No improvement or exterior architectural feature of any improvement shall be constructed or altered or enlarged which is located in the Historic Overlay District or identified as a historic site outside the District, unless a permit is issued pursuant to the terms of this chapter. The section shall not apply to any interior alteration which has no effect on the condition or appearance of any exterior architectural feature of an improvement. No structure listed on a State or National Register shall be moved or demolished, unless a permit is issued pursuant to the terms of this chapter.

Section 17.48.070

- A. A historic resource permit shall be required for any alteration of the exterior features of a building within a designated historic district, or a designated historic building or site, or to construct a new building or improvements upon property within a designated historic district except as otherwise provided in this Chapter 17.48, the City Council shall determine whether a historic resources permit shall be issued. A permit shall not be required for ordinary maintenance and repairs as defined in this section.
- B. Permit Procedures. An application for a historic resource permit shall be made on a form prescribed by the Community Development Department and shall be accompanied by the fees established by resolution of the City Council. The application shall include the information required by Section 17.60.020 for site plan review, complete elevation drawings of the proposed alterations, samples of proposed colors and materials, color photographs of all sides of any existing improvement, building or structure on the site, and such other information as may be required by the Community Development Department. If applicable, the application shall include the information required by Chapter 17.58 (permit for conditional uses) and Chapter 17.62 (planned unit development).

Applications for permits requiring City Council approval shall be placed on the next regular meeting of the City Council. The City Council may approve, approve with conditions, or deny the permit.

Building Description

The building is a single-story structure originally constructed in 1891, with building revisions taking place in 1947 and 1964. The building was modified from its originally form to add stucco, ceramic tiles, a flat roofed marquee and full plate glass windows with aluminum frames in the 1940's or 50's. Ceramic tiles were replaced with bricks in 1992. Past uses of the location have included several furniture stores, a restaurant, offices, and a tobacco shop. Most recently, the building has been permitted as a cannabis storefront dispensary.

Proposed Modifications

Under Commercial Cannabis Business Permit No. 2019-01, the attached elevations, shown in **Attachment 2**, were approved, pending approval of a Historic Resources Permit by the City Council. Since that conditional approval, Caliva painted the existing façade. The colors existing, and proposed to remain, are consistent with the Historic District Color Pallet.

The applicant proposes to replace the conditionally approved exterior elevations with the attached elevations, shown in **Attachment 3**.

Façade changes include:

- Patching and repairing stucco, as needed
- Replacing all corrugated metal with resysta cladding (type of manufactured wood cladding)
- Locating resysta cladding under the soffit
- Replacing the window framing, as needed, and painting white
- Frosting the windows
- Proposing to add graphics to the windows (window signage)
- Replacing and repairing brick, as needed
- And patching, repairing, and replacing the exiting white brick on the northern wall

DESIGN EVALUATION

Patching and repairing stucco

Analysis: **Proposal Consistent.** The stucco is existing. The applicant is proposing to patch and repair stucco, where required.

Replacing all corrugated metal with resysta cladding and locating resysta cladding under the soffit

According to Section 17.48.150 Design Criteria for the Historic District:

Wood. Wood is not common as a primary structural material in the historic district. Wood frame accessory features, such as skylights, however, should be retained as they constitute important elements of the buildings and offer unique opportunities for variation in mass, color and texture. Restoration techniques should be as gentle as possible and should not include sandblasting. Where the replacement of wooden exterior features or portions of such features is necessary, the new structure should be constructed to resemble, as closely as possible, the original structure.

Metals. Architectural metals are utilized as an exterior structural element in several buildings within the historic district. They constitute an important architectural feature and should be preserved. Cast iron store front frames should be treated sensitively and covered with a protective paint or sealer. Pressed metal cornice and trim elements should likewise be protected.

Analysis: **Proposal Consistent.** The resysta cladding is not existing and would replace the existing corrugated metal above and below the soffit. The corrugated metal is bent or misshapen

in various areas. The resista cladding will serves as an architectural feature, not a primary structure material. Design criteria recommends protection and preservation of architectural metal features; however the metal features do not constitute an important architectural feature and were likely added during one of the building revisions, in 1947 or 1964.



Replacing the window framing, as needed, and painting white and

According to Section 17.48.150 Design Criteria for the Historic District: Windows and Doors.

Where they still exist, the original sills, lintels, frames, sash, muntins, and glass of windows and transoms should be preserved. The original doorway elements, including sills, lintels, frames and the doors, should also be retained. When they must be replaced, the replacements should duplicate the originals in design and materials.

Glass in windows, doors and transoms should be clear, except where documentary evidence indicates the original use of colored glass. Plastic materials should not be used in place of glass. Any existing small paned transoms should not be obscured on the exterior.

The original proportions of wall openings should be retained. The blocking of any existing opening to accommodate standard sash and glass sizes, to hide ceilings lowered beneath the tops of existing windows, or for any other reason should not be allowed.

Decorative wood or metal lintels, brackets and any other window or doorway trim should be preserved and should be restored where possible.

In rehabilitation, the original number of panes in glassed areas should be used.

Analysis: **Proposal Consistent.** The previous aluminum window framing is estimated to be added in the 1950s. The applicant proposes to paint the window framing white. According to the design criteria, the original doorway elements, including sills, lintels, frames and the doors, should also be retained; however, the frames are not original.

Analysis: **Proposal Consistent.** The glass is proposed to be frosted to limit visibility into the store. According to the design criteria, the glass in the window should be clear, except where evidence indicates the original use of colored glass. Given the use of the business as a cannabis dispensary, eliminating visibility into the storefront is required by State law.

Proposing to add graphics to the windows (window signage)

The applicant proposes to add graphics to each window, as shown in **Attachment 4**.

According to the Historic Design Requirements, businesses shall only have one window sign, a sign size is not specified.

Signs.

General Requirements. Signs shall be designed to contribute to the quality of the historic commercial environment. Within the historic district, each business shall be limited to one (1) primary sign, except those businesses on corners which may have a sign on each street. **Each business may also appropriately establish one (1) sign directly lettered onto the window glass or the glass in the doors.** Signs in the historic district shall be pedestrian oriented in size and shape. Graphics shall be simple and bold. Signs shall be flush with the wall since they usually complement architectural elements more effectively than projecting sign. Wall mounted can or cabinet type internally illuminated wall signs are not permitted. Symbolic, three-dimensional signs (such as a barber pole or a pawn shop symbol) shall be encouraged. Paper signs attached to the interiors or exteriors of store windows shall be discouraged, except where temporary presentation for public notice requires such treatment. The height of new signs shall not extend above the window sills of the second floor. Signs on one-story buildings shall not project above the cornice line, and all roof-mounted signs shall be precluded.

According to Section 5.56.280 Miscellaneous operating requirements for Commercial Cannabis:

Business identification signage shall be limited to that needed for identification only, and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

Analysis: **Proposal inconsistent.** The applicant's signage request is in excess of the Historic District's limitation of one sign, directly lettered onto the window glass or the glass in the doors, for the business location. Additionally, the signage proposed is inconsistent with Section 5.56.280, by exceeding signage needed for identification only and advertising the business' offerings including: an air-conditioned lounge, greens a la carte, and cold beverages. **Staff recommends the window signage proposed be denied.**

Replacing and repairing brick, as needed

Brick exists between each window. The applicant proposes to replace and repair brick, where missing or damaged.

Patching, repairing, and replacing the exiting white brick on the northern wall

The brick existing along the alley on the north wall was previously painted white. The applicant proposes to patch, repair, and replace brick, where required.

According to Section 17.48.150 Design Criteria for the Historic District: Building Material – Brick:

Brick is a dominant building material in the historic district. Brick should be treated and maintained in a manner which will preserve it and should not be treated in a manner which will deface it or accelerate deterioration. Brick should not be covered by synthetic brick or stone, or wood shingles, by wood or aluminum siding, or by synthetic materials of any other kind.

Sandblasting accelerates the deterioration of brick and should not be used. Sandblasting gouges the mortar joints between bricks, admitting water which freezes, expands and breaks the bricks.

Brick may be cleaned by applying mild chemical solvents, by scrubbing with stiff nonferrous brushes, or by spraying with water under high pressure.

Brick which has already been sandblasted should be treated with clear silicone every two (2) or four (4) years to repel water. However, treating with silicone is not the equivalent of retaining the original glaze.

When repointing is necessary to replace deteriorated mortar or to stop water damage, loose mortar should be raked out to a depth of approximately one-half (1/2) inch to one (1) inch in both vertical and horizontal joints and the brick washed to remove small particles which remain. Joints should not be sawed.

When deteriorating brick must be replaced, replacements should match the old brick in color, texture, size and coursing technique. Mortar should be painted to match existing joints. Replacement brick should be laid in the same bond as the original.

Repainting shall be preferable to cleaning brick which has previously been painted. Painting brick which has not previously been painted is an appropriate way to unify a façade for which the original brick color, size, texture, coursing technique, and mortar appearance cannot be matched in repair work and in which such inconsistency is visually disruptive.

Many of the buildings in the historic district have been stuccoed. Stucco is very difficult to remove from brick, especially soft brick, and therefore its removal is not recommended. Although stucco may be removed laboriously by use of a hammer and chisel, the chisel marks often mark the brick. If wire mesh was attached to the brick to hold the stucco, the mesh may be pulled from the surface of the brick to remove the stucco.

Analysis: **Proposal consistent.** As a condition of approval, staff will require, “When deteriorating brick must be replaced, replacements should match the old brick in color, texture, size and coursing technique. Mortar should be painted to match existing joints. Replacement brick should be laid in the same bond as the original.” The applicant’s proposal to repair and replace brick, where required, is consistent with the Historic Design Criteria.

The applicant’s request to repair, replace, and repaint the brick on the northern wall is consistent with the design criteria, as “Repainting shall be preferable to cleaning brick which has previously been painted.”

RECOMMENDATION

Staff recommends that the City Council:

Approve:

- Patching and repairing stucco, as needed
- Replacing all corrugated metal with resysta cladding (type of manufactured wood cladding)
- Locating resysta cladding under the soffit
- Replacing the window framing, as needed, and painting white
- Frosting the windows
- Replacing and repairing brick, as needed
- And patching, repairing, and replacing the exiting white brick on the northern wall

Deny:

- adding graphics to the windows (window signage).

Staff recommends that the applicant identify one window sign they wish to maintain and apply for a sign permit through the Community Development Department.

FINDINGS

In accordance with Section 17.48 of the Hanford Municipal Code, staff recommends approval of Historic Resources Permit 2021-03, with the exception of the proposed window signage, and finds that the approval of the historic resources permit will allow private investment in the Downtown, enhance the property values, and preserve to the extent possible historic elements of the site; and make the following findings:

1. That the proposed façade improvements are consistent with the intent of development standards for contributing buildings within the Historic Overlay Zone.
2. That the proposed project will provide a complementary setting and environment in the Historic District.
3. That the project will preserve and encourage a city of varied architectural styles reflecting the cultural, social, economic, political, and architectural phases of its history.
4. That the proposal will promote and encourage the continued private ownership and utilization of structures so that the objectives set forth in Section 17.48 can be attained.
5. That the request will not adversely affect the public health, safety and general welfare of the citizens of Hanford.

CONDITIONS OF APPROVAL

The City Council may approve, approve with conditions, or deny the permit.

Staff recommends that the City Council, by motion, adopt Resolution 21-34-R approving Historic Resources Permit 2021-03, with the exception of the window signage.

Since elevations were approved for Commercial Cannabis Permit No. 2019-01, for the Caliva dispensary, an amendment to the commercial cannabis permit to replace the elevations with those approved, herein, is also required.

I move to adopt an amendment to Commercial Cannabis Business Permit No. 2019-01, replacing the former elevations proposed, with the elevations approved, herein.

Should the Council decide to approve the permit, staff recommends the following conditions of approval:

1. That the applicant adhere to the design criteria for the Historic Overlay Zone, set forth in Section 17.48 of the Hanford Municipal Code.
2. That approval of this project does not exempt compliance with all applicable sections of the Zoning Ordinance, Public Works Improvement Standards, fees, or other City Ordinances.

3. That the alterations to the site be completed in accordance with the proposed changes, with the exception of the proposed window signage, which is denied.
4. That when deteriorating brick must be replaced, replacements should match the old brick in color, texture, size and coursing technique. Mortar should be painted to match existing joints. Replacement brick should be laid in the same bond as the original.
5. That if window signage is proposed, the applicant shall identify one window sign they wish to maintain and apply for a sign permit through the Community Development Department.

Applicant

Stacie Green, Head of Retail Deli by Caliva
104 N. Douty Street
Hanford, CA 93230

RESOLUTION 21-34-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING HISTORIC RESOURCES PERMIT NO. 2021-03 TO MODIFY THE EXISTING FAÇADE FOR 104 N. DOUTY STREET. THE PROPERTY IS DESIGNATED AS A CONTRIBUTING BUILDING INSIDE OF THE HISTORIC OVERLAY ZONE. THE PROJECT IS LOCATED AT 104 N. DOUTY STREET (APN 012-054-011).

At a regular meeting of the City Council of the City of Hanford duly called and held on August 17, 2021, at 7:00 p.m. in the Council Chambers of the Civic Auditorium, it was moved by Council Member _____, and seconded by Council Member _____, and duly carried, that the following resolution be adopted:

WHEREAS, an application, filed by Stacie Green for Historic Resources Permit No. 2021-03, as shown in **Exhibit A**, was presented to the City Council; and

WHEREAS, the proposed project is located at 104 N. Douty Street (APN 012-054-011); and

WHEREAS, the City Council of the City of Hanford, at a regular meeting on August 17, 2021, reviewed the request for Historic Resources Permit No. 2021-03, and

WHEREAS, Section 15301 of the California Environmental Quality Act Guidelines categorically exempts “Existing Facilities” from Environmental Review; and

WHEREAS, the City Council of the City of Hanford reviewed the application for the Historic Resources Permit No. 2021-03 and found that the application is consistent with Section 17.48 of the Hanford Municipal Code and that the approval of the historic resources permit will allow private investment in the Downtown, enhance the property values, and preserve to the extent possible historic elements of the site; and make the following findings:

1. That the proposed façade improvements are consistent with the intent of development standards for contributing buildings within the Historic Overlay Zone.
2. That the proposed project will provide a complementary setting and environment in the Historic District.
3. That the project will preserve and encourage a city of varied architectural styles reflecting the cultural, social, economic, political, and architectural phases of its history.
4. That the proposal will promote and encourage the continued private ownership and utilization of structures so that the objectives set forth in Section 17.48 can be attained.
5. That the request will not adversely affect the public health, safety and general welfare of the citizens of Hanford.

THEREFORE, BE IT RESOLVED that the City Council of the City of Hanford hereby approves Historic Resources Permit No. 2021-03, subject to the following conditions:

1. That the applicant adhere to the design criteria for the Historic Overlay Zone, set forth in Section 17.48 of the Hanford Municipal Code.
2. That approval of this project does not exempt compliance with all applicable sections of the Zoning Ordinance, Public Works Improvement Standards, fees, or other City Ordinances.
3. That the alterations to the site be completed in accordance with the proposed changes, with the exception of the proposed window signage, which is denied.
4. That when deteriorating brick must be replaced, replacements should match the old brick in color, texture, size and coursing technique. Mortar should be painted to match existing joints. Replacement brick should be laid in the same bond as the original.
5. That if window signage is proposed, the applicant shall identify one window sign they wish to maintain and apply for a sign permit through the Community Development Department.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Hanford hereby approves Historic Resources Permit No. 2021-03. Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on August 17, 2021 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED: _____
FRANCISCO RAMIREZ
MAYOR of the City of Hanford

ATTEST: _____
NATALIE CORRAL
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 17th day of August, 2021.

Date: _____

NATALIE CORRAL
CITY CLERK

Exhibit A
Approved Elevations

Attachment: Resolution 21-34-R (Historic Resources Permit - Caliva)

**Deli store @ Hanford
with Resysta White**





DESIGNER: F. SOUDI
 ISSUE DATE: 07/19/2021
 REISSUE: 07/21/2021

DELI | HANFORD | CONCEPTUAL DESIGN

THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF JPS DESIGNS • BUILD AND ANY REPRODUCTION IN WHOLE OR PART WITHOUT WRITTEN PERMISSION FROM JPS DESIGNS IS PROHIBITED

WINDOW SIGNAGE
NOT APPROVED



DELI | HANFORD | CONCEPTUAL DESIGN

DESIGNER: F. SOUDI
ISSUE DATE: 07/19/2021

REISSUE: 07/21/2021
THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF JPS DESIGNS + BUILD AND ANY REPRODUCTION IN WHOLE OR PART WITHOUT WRITTEN PERMISSION FROM JPS DESIGNS IS PROHIBITED



MURAL
APPLICATION
REF



WINDOW SIGNAGE NOT APPROVED



DELI | HANFORD | CONCEPTUAL DESIGN

DESIGNER: F. SOUDI
ISSUE DATE: 07/19/2021
REISSUE: 07/21/2021



THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF JPS DESIGNS + BUILD AND ANY REPRODUCTION IN WHOLE OR PART WITHOUT WRITTEN PERMISSION FROM JPS DESIGNS IS PROHIBITED

MATERIALS



RESYSTA CLADDING IN WHITE
C9010



WINDOWS FRAMES PAINTED IN BENJAMIN MOORE OC-17



BENJAMIN MOORE WHITE
DOVE OC-17



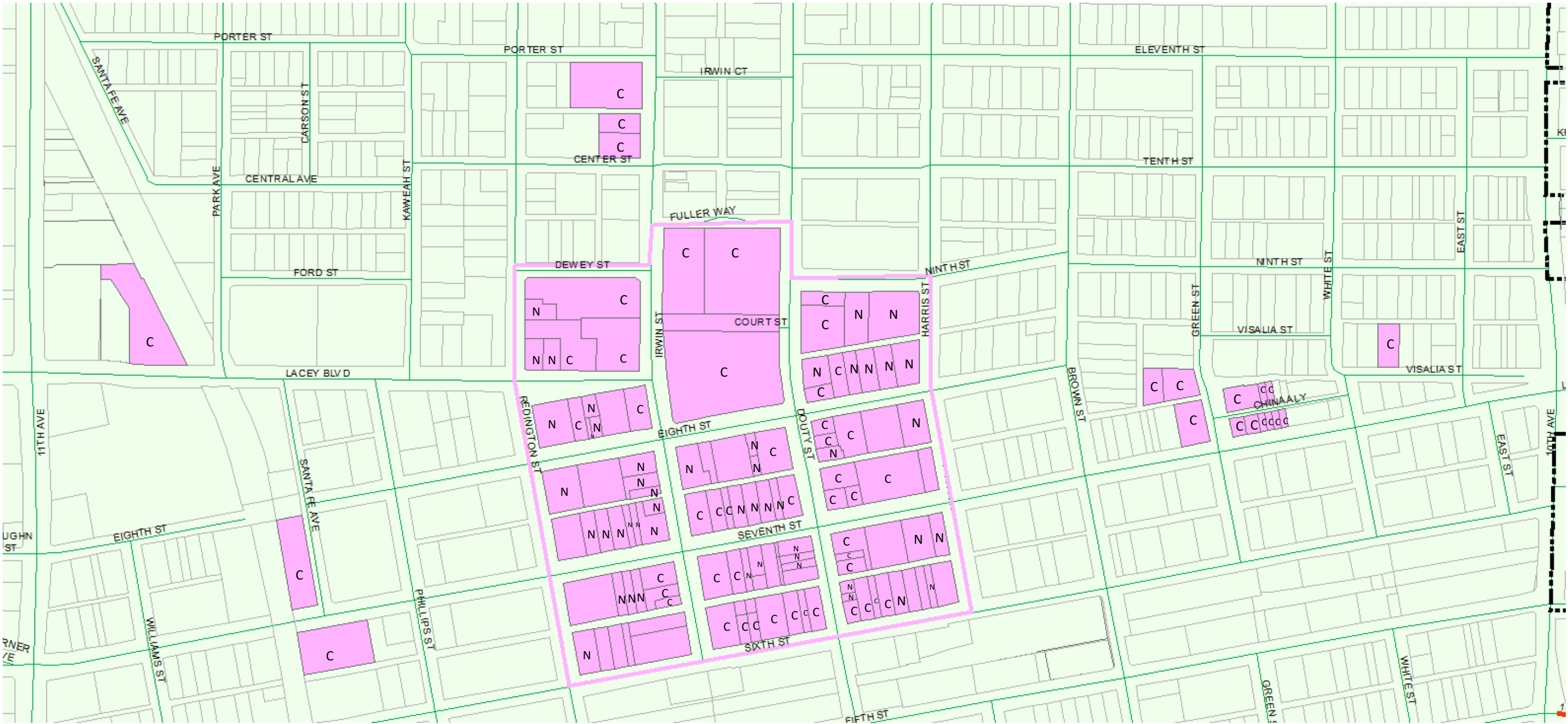
BENJAMIN MOORE MARINA
BAY 2036-50

BENJAMIN MOORE BLUE
DANUBE 2062-30

thank you

JPS
DESIGNS + BUILD

Historic Overlay Zone and Properties



Legend

-

Historic Overlay Zone

-

Historic Properties

C

-

Contributing Buildings

N

-

Noncontributing Buildings

**Deli store @ Hanford
with Resysta White**



JPS
DESIGNS + BUILD



Attachment: Attachment 3 - Proposed Elevations (Historic Resources Permit - Caliva)

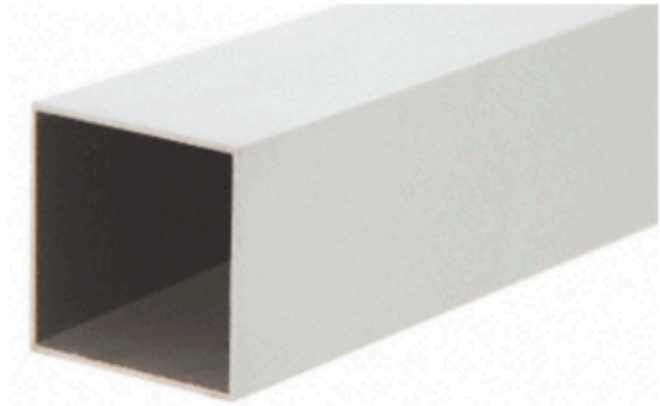




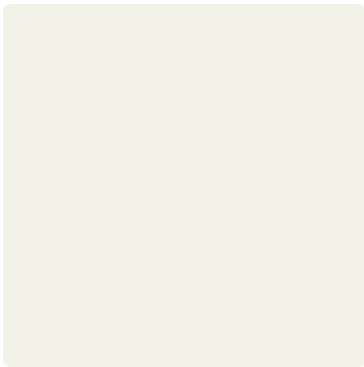
Attachment 3 - Proposed Elevations (Historic Resources Permit - Caliva)



RESYSTA CLADDING IN WHITE
C9010



WINDOWS FRAMES PAINTED IN BENJAMIN MOORE OC-17



BENJAMIN MOORE WHITE
DOVE OC-17



BENJAMIN MOORE MARINA
BAY 2036-50

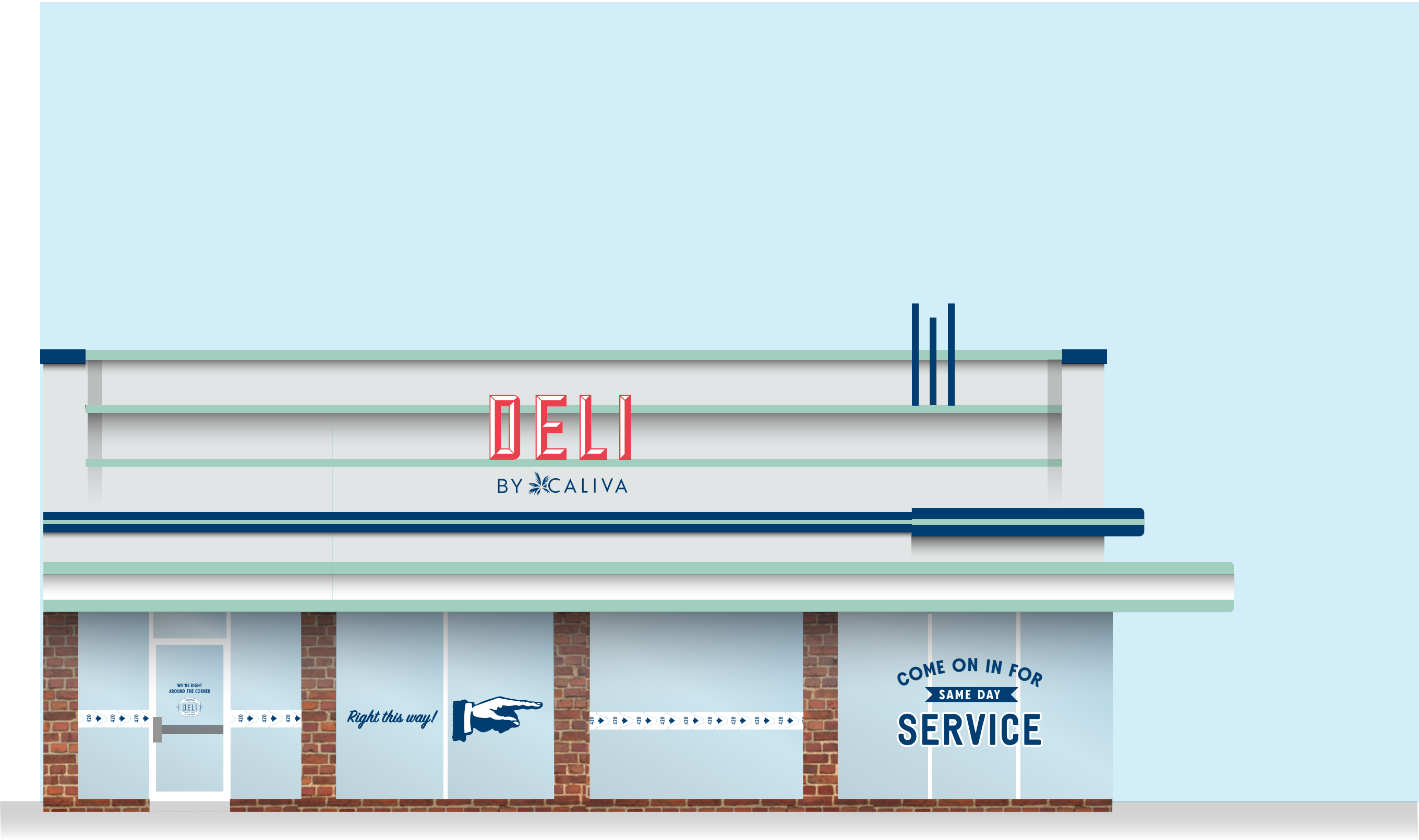


BENJAMIN MOORE BLUE
DANUBE 2062-30

Attachment: Attachment 3 - Proposed Elevations (Historic Resources Permit - Caliva)

thank you

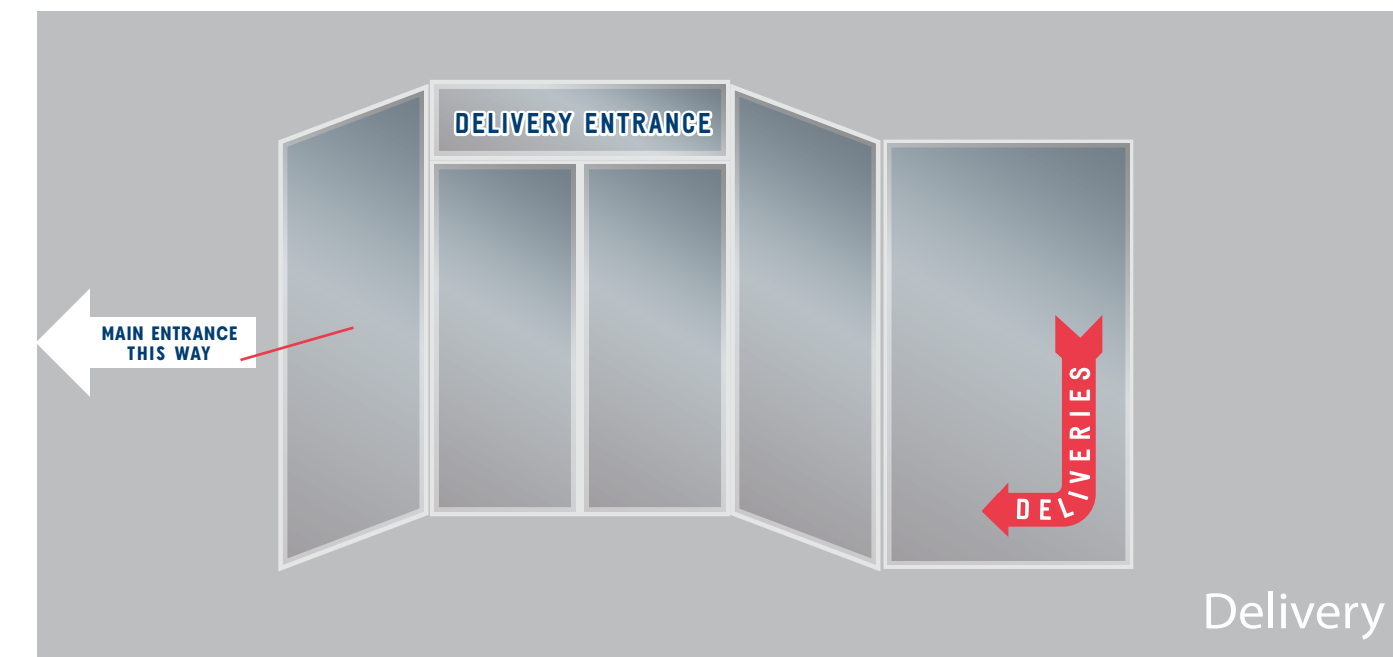




Retail Windows

Retail Windows

Retail Windows



CUP 2019-10 508-0217



NORTH WEST ELEVATION PERSPECTIVE VIEW

NTS 1



SOUTH WEST ELEVATION PERSPECTIVE VIEW

NTS 2

Architectural Solutions Group
38 EXCLUSIVE FIVE
SUITE 310
RIVER, CA 92516
PHONE: (951) 251-1111
WWW.PMDDESIGN.COM

JOFF LEBRON, ARCHITECT

COMMENTS:

CALIVA
104 N DOUTY ST
HANFORD, CA 93230

REV	DATE	DESCRIPTION
1	07.11.19	PRELIMINARY ELEVATION
2	08.01.19	REVISIONS FOR CLIENT
3	08.15.19	ISSUE FOR PERMIT
4	11.18.19	ISSUE FOR PERMIT

DRAWN BY: JLD
CHECKED BY: JLD
ARCH. PROJECT NO.: CVA19009
SHEET NAME: PERSPECTIVE ELEVATIONS
SHEET NUMBER: A4.00



AGENDA STAFF REPORT

MEETING DATE: 8/17/2021

AGENDA SECTION: B

SUBJECT:

Parks and Community Services: Council consideration of the Parks and Recreation Commission's recommendation to remove the arbor and benches at Lacey park in an effort to address the growing homeless concerns for the neighborhood.

RECOMMENDATION:

That the City Council consider this matter and:

1. Approve the Parks and Recreation Commission's recommendation to remove the arbor and benches at Lacey park in an effort to address the growing homeless concerns for the neighborhood and direct staff to complete the work; or
2. Provide staff with alternative direction to address the growing concerns from the neighborhood surrounding the park.

BACKGROUND:

Over the past twelve months, the Hanford Police Department has received 275 calls for service at Lacey Park. These calls involve vagrant and homeless criminal activity that takes place primarily within the picnic shelter and restroom areas. This real and perceived safety threat of this behavior has caused diminished park usage. The picnic shelter at Lacey Park has been reserved two times during the past twelve months.

The Lacey Park Arbor situation was itemized as an agenda item for the August 9th, 2021 Parks and Recreation Commission meeting. During public comment, Delores and John Alves, who reside at 919 Harris Street (directly across the street from Lacey Park), gave their observations of the ongoing criminal behavior they have witnessed within Lacey Park that involves homeless and vagrant individuals. Their observations include drinking, smoking and illegal drug use of those congregating within the picnic shelter.

Park Resource Officer Bursiaga provided his observations that the Lacey Park picnic arbor has

been an ongoing concern. He has observed and responded to several calls for service at Lacey Park, where he continually patrols and engages with individuals who repeatedly continue criminal behavior. He has made several arrests over the past five months.

In speaking with the Principal of Saint Rose McCarthy Catholic School, she has witnessed an increase of homeless activity in and around Lacey Park and on their school grounds, which causes concern over student and staff safety. The school uses Lacey Park for sports.

The Parks and Recreation Commission considered a two-step solution to this ongoing situation. Step one was to remove the shelter roof, observe behavior to determine effectiveness and if needed, Step two, to remove the cement slab and picnic tables. Upon discussion, the Commission voted unanimously 6-0 to remove the picnic arbor completely to improve the safety of Lacey Park and the adjacent residents.

The City continues to invest into Lacey Park, including our Park Resource Officer, a new playground structure, future splash pad and expanded basketball courts, in an effort to increase park usage. The continuing criminal behavior at this park greatly devalues our efforts in improving park safety, increasing park usage and enhancing the quality of life for all Hanford residents.

FISCAL IMPACT:

ATTACHMENTS:



**AGENDA
STAFF REPORT**

MEETING DATE: 8/17/2021	AGENDA SECTION:
--------------------------------	------------------------

SUBJECT:
Council Future Agenda Items

FISCAL IMPACT:

ATTACHMENTS:
Council Future Agenda Items

Council Future Agenda Items				
Originated Date	Item	Originator	Staff Lead	Date Estimate
4/7/20	Discussion of Pay for Parking Options in the Downtown Area	Council Consensus	John Doyel	9/21/2021
9/9/20	Revised Refuse Ordinance	Public Works	Jim Ross	9/7/2021
6/18/20	Discussion of Courthouse improvements and financing options	Council Consensus	Brad Albert	9/7/2021
7/20/2021	Updates to the Handbook and Municipal Code with regards to City Commissions	City Manager	Mario Cifuentez	9/7/2021
7/20/2021	Discussion of Non-profit rates for use of City Facilities	Council Consensus	Brad Albert	9/7/2021

Attachment: Council Future Agenda Items (Council: Future Agenda Items)